

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

\* \* \* \* \*

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

T. Mark Mustio

Merritt C. Reitzel

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Esquire, Designee,

Department of Treasury

Radee Skipworth, Representative,

Department of Revenue

Fred Strathmeyer, Designee,

Department of Agriculture

HEARING: Wednesday, October 2, 2019, 10:00 a.m.

Reporter: Cynthia Piro Simpson

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

1 LOCATION: Pennsylvania Gaming Control Board  
2 Strawberry Square Complex  
3 2nd Floor  
4 Harrisburg, PA 17101

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

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

R. DOUGLAS SHERMAN, Chief Counsel

DANETTE BIXLER-GEORGE, Director of Human Resources

JOE BOTT, Human Resource Specialist

DAVID RHEN, Director - Office of Financial Management

CHAD ZIMMERMANN, Assistant Chief Counsel

STEVE COOK, Deputy Chief Counsel

SUSAN HENSEL, Director, Bureau of Licensing

PAMELA LEWIS, Board Secretary

OFFICE OF ENFORCEMENT COUNSEL:

CYRUS PITRE, Chief Enforcement Counsel

ASHLEY GABRIELLE, Assistant Enforcement Counsel

JOHN CROHE, Assistant Enforcement Counsel

BRADLEY MCALLISTER, Assistant Enforcement Counsel

DUSTIN MILLER, Deputy Enforcement Counsel

THOMAS MONAGHAN, 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.)

OTHER ATTENDEES FOR MEETING AND/OR PUBLIC HEARINGS:

WASHINGTON TROTting ASSOCIATION, LLC

ADRIAN R. KING, JR., Esquire, Ballard Spahr, LLP

CHRIS ROGERS, Senior Vice President, Corporate  
Development, Penn National Gaming, Inc.

TONY FRABBIELE, Vice President & General Manager,  
Meadows Racetrack & Casino

TIMOTHY DENT, Chief Financial Officer/Chief Compliance  
Officer, DraftKings

DOWNS Racing, lp:

CHRISTOPHER SORIANO, ESQUIRE, Duane Morris, LLP, Downs  
Racing

TONY CARLUCCI, General Manager, Mohegan Sun Pocono

RON CHRZAN, Director of Compliance, Mohegan Sun Pocono

DONALD KARPENSKE, Director of Surveillance, Mohegan  
Sun Pocono

## I N D E X

1		
2		
3	OPENING REMARKS	
4	By Chairperson Barasch	7
5	PRESENTATION	
6	By Mr. O'Toole	7 - 10
7	DISCUSSION AMONG PARTIES	10 - 11
8	PRESENTATION	
9	By Mr. O'Toole	11 - 13
10	By Ms. Bixler-George	13 - 17
11	By Mr. Rhen	17 - 21
12	By Attorney Sherman	22
13	By Attorney Zimmermann	22 - 23
14	By Attorney Sherman	23 - 32
15	By Attorney Cook	32 - 47
16	By Ms. Hensel	48 - 59
17	By Attorney Pitre	60 - 61
18	By Attorney Crohe	62 - 63
19	By Attorney Soriano	63 - 64
20	By Mr. Carlucci	64 - 71
21	By Mr. Chrzan	71 - 73
22	By Mr. Carlucci	73 - 74
23	By Mr. Karpenske	74 - 75
24	By Attorney McAllister	76 - 78
25	By Attorney Pitre	78 - 79

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

I N D E X (cont.)

PRESENTATION (cont.)

By Attorney McAllister	79
By Attorney Miller	80 - 81
By Attorney Pitre	82 - 83
By Attorney Monaghan	83

DISCUSSION AMONG PARTIES	83 - 84
--------------------------	---------

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

-----

CHAIRMAN: Good morning. I'm David Barasch, Chairman of the Pennsylvania Gaming Control Board. And if you haven't, as we always tell you, please turn your electronic things on silent.

With us today, Fred Strathmeyer, representing Russ Redding at the Department of Agriculture. Jen Langan, representing Joe Torsella. And Radee Skipworth, representing Dan Hassell, Secretary of Revenue. Thank you all for being here.

A quorum of the Board being present, we'll call the meeting to order. First order of business, Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN: Before we begin, we have a few presentations of service awards to Gaming Control employees to be given by our Executive Director, Kevin O'Toole.

MR. O'TOOLE: Good morning, Chairman. Good morning, members of the Board. Good morning, everyone. It's always good to see a large crowd for our public meetings.

Two or three times a year we like to recognize employees who have reached that milestone of

1 ten years of service or close to ten years of service  
2 with our agency. So, today we have four honorees and  
3 I'm going to begin with Wayne Fritzingler. Please  
4 stand, Wayne.

5 Good morning.

6 MR. FRITZINGER: Good morning.

7 MR. O'TOOLE: So, Wayne was hired on  
8 May 4th of 2009 as a Casino Compliance Representative.  
9 He was assigned to our Bureau of Casino Compliance,  
10 and he is on the team that works at the Valley Forge  
11 Casino.

12 Wayne continues to do a great job as a  
13 CCR at Valley Forge. Wayne, congratulations and thank  
14 you for your service. Our Human Resource Specialist,  
15 Joe Bott, will award you your certificate.

16 MR. FRITZINGER: Thank you.

17 MR. O'TOOLE: Thank you very much.

18 Our next honoree is Gloria Williams.  
19 Good morning, Gloria. Gloria was hired one week after  
20 Wayne came on board, May the 11th, 2009. And Gloria  
21 also was hired as a Casino Compliance Representative.

22 A very important job for these  
23 individuals in dealing with the public and dealing  
24 with the casino teams. They truly are the eyes and  
25 ears of the Gaming Control Board and we appreciate all

1 of the CCRS, but in particular, Wayne and Gloria  
2 today.

3 So, Gloria has done a great job in all  
4 of her responsibilities. And she's assigned to our  
5 Casino Compliance team at Wind Creek Casino in  
6 Bethlehem.

7 Gloria, congratulations and thank you  
8 for your service.

9 Our next honoree is Mark Dinse. Mark  
10 was hired on June 8th of 2009 as an Electronic  
11 Engineer, assigned to the Office of Gaming Laboratory  
12 Operations.

13 As most of you in this room  
14 appreciate, the testing of gaming equipment is an  
15 extremely important component of all gaming  
16 jurisdictions. And Mark really helps to lead our team  
17 and is a major contributor to the success of our  
18 Gaming Lab.

19 Mark, congratulations and thank you  
20 for your service.

21 And our final honoree is Sean Tagle.  
22 Sean was hired on November 14th, 2009. So, he comes  
23 up with his ten-year anniversary shortly.

24 Sean was hired as an Investigator,  
25 assigned to our Bureau of Investigations and

1 Enforcement (BIE). Sean's contribution to the work of  
2 the BIE is outstanding and very much appreciated.

3 Sean, congratulations and thank you  
4 for your service.

5 MR. O'TOOLE: Thank you.

6 CHAIRMAN: Thank you, Kevin.

7 By way of announcements, the Board  
8 held an Executive Session yesterday, Tuesday,  
9 October 1st to discuss personnel matters and to  
10 conduct quasi-judicial deliberations relating to  
11 matters coming before the Board today.

12 Our first order of business today is a  
13 Public Hearing involving two Petitions for Washington  
14 Trotting Association. The first Petition for Approval  
15 of a Sports Certificate Wager - Wagering - Sports  
16 Wagering Certificate, as well as a Petition for the  
17 approval of Sports Wagering Shared Services Agreement.

18 PUBLIC HEARING WAS HELD

19 CHAIRMAN: Next we have consideration  
20 of a motion to approve the minutes and transcript of  
21 our August 14th, 2019 meeting. May I have such a  
22 motion?

23 MR. KERNODLE: Mr. Chairman, I move  
24 that the Board approve the minutes and transcripts of  
25 August 14th, 2019 -.

1                   MR. LOGAN:    Second.    Sorry.

2                   MR. KERNODLE:  No, I'm good.  I'm  
3 done.

4                   MR. LOGAN:    I thought you were tailing  
5 off there.

6                   CHAIRMAN:    All in favor?

7 AYES RESPOND

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

10                   Kevin?

11                   MR. O'TOOLE:  Members of the Board and  
12 Chairman, this morning, I'd like to use my Executive  
13 Director time to inform everyone that we have prepared  
14 and published our two reports, our Annual Report and  
15 our Diversity Report, which on an annual basis is  
16 published on or about October the 1st.

17                   So, both of these reports have been  
18 posted to our website.  They're available to the  
19 public.  It's very nice to see that the Casino Bar  
20 relies upon our Annual Report.  And I would like to  
21 thank the Office of Communications, Doug Harbach,  
22 Richard McGarvey and Doreen Edwards for their efforts  
23 in putting that Annual Report together.

24                   It is a collaborative effort by each  
25 unit within our agency.  And the format of that Annual

1 Report has been modified this year, so I encourage you  
2 to take a good look at it. With expanded gambling,  
3 the Legislature requested or required additional  
4 information in our Annual Report that would cover  
5 revenues and taxes and fees associated with those  
6 other activities, like sports wagering, iGaming and  
7 fantasy contests.

8           In addition, our Annual Report always  
9 includes, and this year as well, a Statement of  
10 Revenue and Expenditures of the Gaming Control Board  
11 for fiscal year ending June 30th, 2019. And it also  
12 has, by casino, each individual casino there are  
13 charts that summarize the revenues, the taxes, fees  
14 paid during the past fiscal year, including local  
15 share assessments.

16           And the other report that was just  
17 recently posted to our website as well is our  
18 Diversity Report. That report presents a summary of  
19 each casino, depicting employment by race, employment  
20 by gender, minority-owned, women-owned and locally-  
21 owned businesses and the participation in construction  
22 and non-construction spend, along with charitable and  
23 community outreach expenditures.

24           Our Director of Diversity, Mozelle  
25 Daniels, prepares this annual report with her staff,

1 Sharon Reisinger and Evelyn Early. And we appreciate  
2 their efforts in putting the Diversity Report  
3 together.

4 Most importantly, our Diversity  
5 Report, once again this year, reflects that the Casino  
6 Licensees do engage in good faith efforts throughout  
7 the year to promote and ensure diversity and  
8 inclusiveness in all aspects of their casino  
9 operations.

10 And to conclude, the Board's  
11 employment status at the present time is 296  
12 employees, of which 39.9 percent are female, 60.1  
13 percent are male and 17.2 percent are minorities. We  
14 exceed the averages for Commonwealth salaried  
15 employment for minority participation.

16 Thank you very much.

17 CHAIRMAN: Any questions for Kevin at  
18 this time? Hearing none, thank you.

19 Director of Human Resources, Danette?

20 Good morning.

21 MS. BIXLER-GEORGE: Good morning.

22 Chairman, members of the Board, the  
23 Office of Human Resources has two motions for your  
24 consideration today.

25 The first motion before you is

1 relative to the hiring of two individuals. First,  
2 Eric Foley has been selected as a Casino Compliance  
3 Representative for the Rivers Casino. Second, Delores  
4 Smith has been selected as a Casino Compliance  
5 Representative at Harrah's Casino.

6 Both Mr. Foley and Ms. Smith have  
7 completed the PGCB interview process, background  
8 investigation and drug screening and are recommended  
9 for hire by Acting Director of Casino Compliance,  
10 Trevor Hassenbein.

11 Unless you have any questions, I ask  
12 that the Board consider a motion to hire Mr. Foley and  
13 Ms. Smith as indicated.

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

16 MR. LOGAN: Mr. Chairman, I move that  
17 the Board approve the applicants for hire as proposed  
18 by the Human Resource Director.

19 MS. MANDERINO: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

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

24 MS. BIXLER-GEORGE: The second motion  
25 seeks to adopt an amendment to the PGCB's

1 Classification and Compensation Structure. As you're  
2 aware, the current structure was originally adopted by  
3 the Board in January 2011, based on comparison data  
4 across public sector markets, in conjunction with the  
5 Hay Evaluation, measuring each job specification based  
6 on problem solving, know-how and accountability  
7 factors.

8                   At that time two pay structures were  
9 developed. One was a Nonunion Pay Structure and the  
10 other an Executive Pay Structure with similarities at  
11 certain ranges on both of the structures.

12                   At various times over the years both  
13 structures have been increased and adjusted to stay  
14 consistent with pay structures and other Commonwealth  
15 agencies, which most recently occurred in July of  
16 2018.

17                   Based on an analysis conducted by the  
18 Office of Human Resources in conjunction with the  
19 Administrative Director, a recommendation is being  
20 made to the Board to consolidate the Nonunion and  
21 Executive Pay Structures into one structure containing  
22 11 ranges and placing jobs into the new structure at  
23 comparable minimum starting levels contained on the  
24 existing structure.

25                   Further, within the new structures,

1 minimum and maximum salaries within most ranges have  
2 been increased slightly in order to stay comparative  
3 to other structures utilized by the Commonwealth of  
4 Pennsylvania.

5           The adoption of one single structure  
6 will address the issues of compression of pay between  
7 the existing structures by providing broader ranges,  
8 allow the Board to keep minimum starting salaries  
9 between ranges at regular intervals and provide  
10 options to prevent pay inequities from developing  
11 within the Board's workforce.

12           I'd be happy to answer any questions  
13 that you might have regarding the change to the  
14 structure. And if there aren't any, I would ask the  
15 Board to consider a motion to adopt a new single pay  
16 schedule, as presented to you in written form.

17           CHAIRMAN: Are there any questions or  
18 comments from the Board about this proposal?

19           Before we vote, I would just like to  
20 say that I'm very impressed, as is the rest - I  
21 certainly know the Personnel Committee is, with the  
22 quality of work that went into taking major steps to  
23 solving an inherent problem we've had in this agency  
24 for a while.

25           And I want to commend you and

1 everybody involved with this for the proposal that's  
2 been put here. It's been fully briefed to the Board.  
3 It was given unanimous recommendation to the full  
4 Board by the Personnel Committee. And having said  
5 that -.

6 MS. BIXLER-GEORGE: Thank you, sir.

7 CHAIRMAN: You're very welcome. And  
8 thank you.

9 Hearing nothing else, may I have a  
10 motion?

11 MS. REITZEL: Mr. Chairman, I move  
12 that the Board approve the Amended PGCB Compensation  
13 and Classification Structure as proposed by the Human  
14 Resources Director.

15 MR. KERNODLE: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

18 CHAIRMAN: All opposed? The motion's  
19 adopted. Thank you very much, Danette.

20 MS. BIXLER-GEORGE: Thank you.

21 CHAIRMAN: Dave Rhen, Office of  
22 Financial Management.

23 MR. RHEN: Good morning, Chairman and  
24 members of the Board. I'm here today to present the  
25 2020-'21 budget request.

1                   With gaming expansion, the Board  
2 operates primarily under three appropriations. The  
3 first is the administrative appropriation. This is  
4 the appropriation that we've always had for oversight  
5 of the casinos. And that includes Sports Wagering and  
6 iGaming and Category 4 Casinos.

7                   The request for administration is  
8 \$480,529,000 for next fiscal year. The second  
9 appropriation is for Video Gaming Terminal  
10 administration. That request is for \$475,000. Third  
11 is for \$156,000 for Fantasy Contest Operations.

12                   The administrative request of  
13 \$48,529,000 is \$2.4 million higher than the current  
14 year appropriation. This is due to  
15 contractually-mandated raises and the anticipated  
16 opening of Category 2 and Category 4 Casinos next  
17 fiscal year.

18                   The Board's budget includes \$42.6  
19 million for personnel benefits and \$5.9 million for  
20 operating and fixed asset expenses.

21                   Personnel is 88 percent of the overall  
22 requests. And the operating fixed asset portion is 12  
23 percent of the overall request. The personnel budget  
24 includes funding for 334 full-time equivalent  
25 positions and is based upon a benefit rate that is

1 equivalent to 70.7 percent of salary expenses. This  
2 is 2.4 percent below the current year benefit rate.

3           The operating and fixed asset budget  
4 of \$5.9 million is primarily made up of real estate  
5 leases, investigative expenses and telecommunications  
6 and data costs. These are the traditional cost  
7 drivers of the operating and fixed asset budgets.

8           The proposed budget would be funded  
9 through \$7.5 million in restricted revenue. That's  
10 revenue that the Board receives from application fees,  
11 license fee revenue and chargebacks of our Gaming Lab  
12 and \$41,029,000 in draw-downs from escrow accounts  
13 funded by casino operators.

14           This is about the same - a slight  
15 decrease from the current year level, because we're  
16 increasing the restricted revenue category due to the  
17 anticipated Licensing Fee Schedule.

18           The Video Gaming Terminal budget  
19 includes funding for four full-time equivalent  
20 positions. The personnel component of the overall  
21 request of \$475,000 is \$425,000 - is \$425,000 for  
22 personnel out of the \$475,000 budget.

23           The remaining \$50,000 will be used  
24 primarily for travel and investigative costs. The  
25 budget is \$192,000 less than the current year's

1 appropriation.

2                   The final appropriation is for fantasy  
3 contests. That's budgeted at \$156,000 and includes  
4 funding of \$146,000 for personnel and \$10,000 for  
5 operating. The fantasy contests budget is \$97,000  
6 less than the current year.

7                   That concludes my presentation on the  
8 budget. I would be happy to take any questions.  
9 Otherwise, I would appreciate your consideration of a  
10 motion to approve the 2020-'21 budget.

11                   CHAIRMAN: Just for public  
12 clarification. You mentioned - well, we heard that we  
13 currently have 296 positions, and that this budget  
14 anticipates funding that amounts to 48 additional  
15 positions in the upcoming year.

16                   The great bulk of that or all of that  
17 is to staff up the casinos - the new casinos that are  
18 going to be opening during that time period?

19                   MR. RHEN: A great bulk of that is for  
20 the casinos. There are a handful of positions, I  
21 think there are two Auditors and a couple other  
22 positions for gaming expansion that we haven't filled  
23 yet, but almost all for casino operations.

24                   CHAIRMAN: If you could, just for the  
25 public, how many casinos and how many - how many

1 positions are we talking about, in terms of the new  
2 openings that we expect sometime during the upcoming  
3 fiscal year?

4 MR. RHEN: We're anticipating opening  
5 four new casinos.

6 CHAIRMAN: Thank you.

7 MR. RHEN: And so they will be filled  
8 for almost the entire fiscal year, for most of them,  
9 we're anticipating.

10 CHAIRMAN: Thank you. Thank you very  
11 much.

12 Are there other questions or comments  
13 from the Board at this time? Hearing none, may I have  
14 a motion?

15 MS. MANDERINO: Mr. Chairman, I move  
16 the Board approve the FY 2020-'21 Proposed Budget  
17 Request as described by the Director of Financial  
18 Management.

19 MR. MUSTIO: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

22 CHAIRMAN: All opposed? The motion's  
23 adopted. Thank you.

24 MR. RHEN: Thank you.

25 CHAIRMAN: Mr. Sherman, you're up.

1                   ATTORNEY SHERMAN: Good morning,  
2 Chairman, members of the Board. Our first agenda item  
3 relates to a proposed regulation, which Assistant  
4 Chief Counsel, Chad Zimmermann is here to present.

5                   ATTORNEY ZIMMERMANN: Thank you,  
6 Chairman, members of the Board. Before you is  
7 Proposed Regulation #125-226. This proposed  
8 rulemaking packet contains the regulatory framework  
9 for two forms of expanded gaming, casino simulcasting  
10 and fantasy contests.

11                   Casino simulcasting is permitting  
12 Category 2, 3 and 4 Slot Machine Licensees the  
13 opportunity to broadcast live horseracing events from  
14 other venues and giving patrons the opportunity to  
15 place parimutuel wagers on those races.

16                   These were previously adopted as  
17 temporary regulations. No significant changes were  
18 made from the temporary regulations to this proposed  
19 rulemaking packet.

20                   Fantasy contests regulations encompass  
21 all rules and requirements for operators. They are  
22 offered daily and season long fantasy contests in the  
23 Commonwealth. The requirements include the initial  
24 Petition and application process, licensing, internal  
25 controls and accounting and compulsive and problem

1 gaming.

2                   The change of most significance from  
3 the temporary regulations was a change to the  
4 self-exclusion section of the regulations, which was  
5 done to mirror the changes that were done previously  
6 before the Board for our land-based Self-Exclusion  
7 Procedures.

8                   At this point in time, if the Board  
9 has any questions I can answer them. And I would  
10 request, if there are no questions, approval of the  
11 proposed regulations.

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

15                   MR. MUSTIO: Mr. Chairman, I move that  
16 the Board approve the Proposed Regulation, #125-226 as  
17 described by the Office of Chief Counsel (OCC).

18                   MS. REITZEL: Second.

19                   CHAIRMAN: All in favor?

20 AYES RESPOND

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

23                   ATTORNEY ZIMMERMANN: Thank you.

24                   ATTORNEY SHERMAN: Next, the Board has  
25 before it five Petitions for consideration today. Two

1 of the Petitions were heard earlier during a  
2 consolidated hearing. The remaining will be decided  
3 based upon the documentary records by agreement of the  
4 parties.

5 In each of the matters, the Board has,  
6 in advance of this meeting, been provided with all  
7 documents filed of record.

8 The first Petition before today -  
9 before the Board today is the consideration of the  
10 Washington Trotting Association's request to obtain a  
11 Sports Wagering Certificate.

12 This matter was heard by the Board  
13 earlier. And should the Board approve the request for  
14 a Sports Wagering Certificate, it will not be  
15 authorizing the Licensee to commence the operation of  
16 sports wagering immediately, but rather the actual  
17 conduct of the wagering can only begin after staff has  
18 completed its review of all aspects of the sports  
19 wagering area and the operational requirements.

20 In addition, as noted during the  
21 hearing today, the casino must also complete a  
22 successful test period.

23 Relative to online and mobile sports  
24 wagering, as it was discussed earlier, that operator  
25 is not yet licensed by the Board. So, what will be

1 operating first will be the retail operation, followed  
2 by the online component at a later date.

3 As with all prior Sports Wagering  
4 Petitions, the OEC has requested a number of  
5 conditions on Washington Trotting Association and its  
6 operator. And those conditions will need to be  
7 fulfilled prior to commencing land-based and  
8 internet-based sports-wagering operations.

9 Washington Trotting has also requested  
10 that certain portions of the record be maintained as  
11 confidential. OEC has no objection to the request,  
12 but is recommended, by the OCC in reviewing the  
13 confidentiality motion, that it be granted in part,  
14 but that Exhibits A, F, H and M not be maintained as  
15 confidential. And that matter is ready for the  
16 Board's consideration.

17 CHAIRMAN: Thank you, Doug.

18 Any questions, comments on this from  
19 the Board?

20 Hearing none, may I have a motion?

21 MS. REITZEL: Mr. Chairman, I move  
22 that the Board approve Washington Trotting  
23 Association, LLC's Petition for a Sports Wagering  
24 Certificate as described by the OCC and with the  
25 conditions which will be outlined in the Board's

1 Order.

2 I further move that WTA's Motion for  
3 Confidentiality be granted in part as described by the  
4 OCC.

5 MR. SANTONI: Second.

6 CHAIRMAN: All in favor?

7 AYES RESPOND

8 CHAIRMAN: All opposed?

9 The motion's adopted.

10 ATTORNEY SHERMAN: Next before the  
11 Board is Washington Trotting Association's Petition  
12 for Approval of the Sports Wagering Shared Service  
13 Agreement, which also was addressed by Mr. King.

14 Washington Trotting Association and  
15 Penn Sports Interactive are both subsidiaries of Penn  
16 National Gaming. WTA and Penn Sports Interactive, or  
17 as I think it was referred to earlier, PSI, have  
18 entered into an Inter-Company Sportsbook Shared  
19 Service Agreement that would require the parties to  
20 exchange services related to WTA's land-based  
21 operation, which the Board just approved.

22 The OEC has no objection to the relief  
23 subject to several conditions outlined in the Answer.

24 In addition, OEC has no objection to  
25 the request for confidentiality filed in the matter,

1 which protects the contract between the parties. And  
2 this matter is now ready for the Board's  
3 consideration.

4 CHAIRMAN: Questions or comments from  
5 the Board?

6 Hearing none, may I have a motion?

7 MR. SANTONI: Mr. Chairman, I move  
8 that the Board approve Washington Trotting  
9 Association, LLC's Petition for a Sports Wagering  
10 Shared Services Agreement and its request for  
11 confidentiality as described by the OCC and with the  
12 conditions which will be outlined in the Board's  
13 Order.

14 MR. KERNODLE: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

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

19 ATTORNEY SHERMAN: The next matter  
20 before the Board is Crown PA Gaming and TFCF Sports  
21 Enterprises' Request to Waive Qualification  
22 Requirements of Certain Entities.

23 By way of background, in June of 2019,  
24 Crown PA Gaming, a wholly owned indirect subsidiary of  
25 DraftKings, submitted an application for Sports

1 Wagering Operator License with the intent of offering  
2 online sports wagering on behalf of The Meadows.

3 TFCF Sports holds approximately a 9.9  
4 percent indirect ownership interest in DraftKings, and  
5 in turn, Crown Gaming and Crown PA Gaming.

6 Above the TFCF sports, in the chain of  
7 ownership reflecting this 9.9 percent interest, are  
8 five companies which are now seeking Waiver of  
9 Licensure. And they're 21st Century Fox America, TFCF  
10 Corporation, Disney Enterprises, TWDC Enterprises 18  
11 and The Walt Disney Company.

12 TFCF Sports, Draft Kings, Crown Gaming  
13 and Crown PA Gaming have filed applications with the  
14 Board.

15 The OEC has no objection to the relief  
16 requested. That is for the waiver of those five  
17 upstream entities, subject to several conditions  
18 outlined in their Answer. And specifically, those  
19 conditions restrict the ability of the upstream  
20 companies to direct or control TFCF Sports or the  
21 companies below it.

22 Additionally, the parties have  
23 requested confidentiality of certain information filed  
24 in the matter, to which OEC does not object. And this  
25 is - the request for waiver is now ready for the

1 Board's motion.

2 CHAIRMAN: Questions or comments from  
3 the Board?

4 Hearing none, may I have a motion?

5 MR. KERNODLE: Mr. Chairman, I move  
6 that the Board approves the Joint Petition of Crown PA  
7 Gaming, Inc. and TFCF Sports Enterprise, LLC for Board  
8 Waivering the Qualification Requirements of Certain  
9 Entities as described by the OCC and with conditions  
10 being outlined in the Board Order.

11 I further move that the Board grants  
12 Petitioner's request for confidentiality.

13 MR. LOGAN: Second.

14 CHAIRMAN: All in favor?

15 AYES RESPOND

16 CHAIRMAN: All opposed? The motion's  
17 adopted.

18 ATTORNEY SHERMAN: Next before the  
19 Board is Downs Racing's request to allow an employee  
20 of the Surveillance Department to transfer to another  
21 position within the casino.

22 Board Regulations require segregation  
23 of employees of a casino's Surveillance Department  
24 from other casino staff and operations. This is done  
25 so as to limit the risk of collusion and malfeasance

1 between the various areas.

2 As a result, persons employed in  
3 Surveillance are not free to change positions outside  
4 of that department without Board review and approval.

5 In this case, Downs Racing seeks  
6 approval to transfer the employee, who worked - has  
7 been working as a Surveillance Agent to a Compliance  
8 Clerk position, which would work primarily in the  
9 Back-of-the House Office assisting the Legal  
10 Department in completing compliance documentation.

11 The OEC had no objection to the  
12 proposed transfer and the employees new - as the  
13 employees new duties are not conducted on the Gaming  
14 Floor and do not directly involve casino operations  
15 requiring surveillance. And that's ready for the  
16 Board's consideration.

17 CHAIRMAN: Questions or comments from  
18 the Board.

19 Hearing none, may I have a motion?

20 MR. LOGAN: Mr. Chairman, I move that  
21 the Board approve Downs Racing, LP's Petition to  
22 permit Weslee Shultz to be employed as a Compliance  
23 Clerk as described by the OCC.

24 MS. MANDERINO: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed?

3 The motion's adopted.

4 ATTORNEY SHERMAN: The final Petition  
5 before the Board today is RoseAnn Stabile's Petition  
6 for Removal from the Involuntary Exclusion List.

7 By way of background, in April of 2013  
8 the Board placed Ms. Stabile on the Involuntary  
9 Exclusion List after it found that during September of  
10 2012 she was involved in a scheme with two other  
11 patrons and a Table Game Dealer at Harrah's  
12 Philadelphia, which resulted in her collecting  
13 winnings to which she was not entitled.

14 Ms. Stabile pled guilty to criminal  
15 charges relating to the situation and was sentenced to  
16 two years probation and ordered to make restitution in  
17 the amount of \$3,515.

18 In June of 2018 Ms. Stabile filed for  
19 removal from the list. A hearing was held and both  
20 she and OEC appeared at the hearing. Subsequently, an  
21 Order was issued denying her removal from the list at  
22 that time, but stating that she could seek removal  
23 from the list upon successful completion of the  
24 criminal sentence, which will be the probation period  
25 and the payment of restitution.

1 Ms. Stabile has now completed her  
2 probation, has made payment to the Court for all  
3 outstanding costs and is now - again, now seeking  
4 removal from the Exclusion List. OEC doesn't object  
5 to the request, and the matter is now ready for the  
6 Board's consideration.

7 CHAIRMAN: Questions or comments from  
8 the Board?

9 Hearing none, may I have a motion?

10 MS. MANDERINO: Mr. Chairman, I move  
11 the Board approve RoseAnn Stabile's Petition for  
12 Removal from the PGCB Involuntary Exclusion List as  
13 described by the OCC.

14 MR. MUSTIO: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed?

18 The motion's adopted.

19 ATTORNEY SHERMAN: Next are  
20 Withdrawals and Surrenders as well as Reports and  
21 Recommendations, presented by Deputy Chief Counsel,  
22 Steve Cook.

23 ATTORNEY COOK: Morning. The Board  
24 has received several unopposed Petitions to withdraw  
25 applications or surrender the credentials of the

1 following individuals, Martin Alan Berkowitz, Daphne  
2 Lendais, Nathalie De Broglie, Dorothy G. Abel, Eric  
3 Paul Endy, Robert John Kelly, Christopher Armes,  
4 Gerald Ford - not the Gerald Ford - Alain Mark  
5 Thieffry, Tina Kilmer, Jean-Francois Lendais.

6 In addition to these Withdrawals and  
7 Surrenders, the Board has also - the Las Vegas Sands  
8 Corporation has also filed two (2) corporations  
9 seeking the withdrawal of applications of five (5)  
10 individuals and the surrender of 25 individual  
11 licenses - or 25 licenses of individuals or entities.

12 This was necessitated by the sale of  
13 the Sands Casino in Bethlehem to the Poarch Band of  
14 Creek Indians. And rather than go through that list,  
15 it was provided to the Board in advance.

16 The OEC has no objection to any of  
17 these Withdrawals or Surrenders. And as a result, if  
18 the Board grants them, each of these persons and  
19 entities would have their applications withdrawn  
20 without prejudice. And they're all ready for the  
21 Board's consideration.

22 CHAIRMAN: Thank you, Steve.

23 Questions or comments from the Board?

24 Hearing none, may I have a motion?

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

1 the Board issue Orders to approve the Withdrawals and  
2 Surrenders as described by the OCC.

3 MS. REITZEL: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

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

8 ATTORNEY COOK: Next before the Board  
9 for consideration are seven Reports and  
10 Recommendations received from the Office of Hearings  
11 and Appeals (OHA). These Report and Recommendations,  
12 along with the complete evidentiary record, have been  
13 provided to the Board in advance of this meeting.

14 And additionally, each person that is  
15 the subject of one of these Reports and  
16 Recommendations has been notified that they have the  
17 right to come forward and briefly address the Board.  
18 If any of these persons are present and wish to  
19 briefly address the Board, I'd ask them to come  
20 forward when their matter is called.

21 Warren Carmichael's matter is the  
22 first Report and Recommendation before the Board  
23 today. Mr. Carmichael holds a Gaming Employee  
24 Occupation Permit; however he's not currently employed  
25 with any licensed facility in the Commonwealth.

1                   Mr. Carmichael was a Table Games  
2 Dealer at SugarHouse Casino from 2011 through April 26  
3 of 2018, at which time he was terminated after testing  
4 positive for cocaine six days earlier on April 20th,  
5 2018 during his work hours.

6                   Subsequently in August of 2018 the OEC  
7 filed a Complaint to revoke Mr. Carmichael's Gaming  
8 Employee Occupation Permit for this positive drug  
9 test.

10                   A hearing in this matter was held on  
11 June 6th. The OEC appeared, offering testimony and  
12 documentary evidence. Mr. Carmichael also appeared at  
13 the hearing and testified on his own behalf.

14                   The evidence presented in total showed  
15 that while dealing craps on April 20th, Mr. Carmichael  
16 essentially was falling asleep at the table and  
17 leaning against the table to help himself stand. He  
18 was thereafter removed from the Gaming Floor and given  
19 the drug test.

20                   Mr. Carmichael testified that during  
21 this time period he was working two jobs and getting  
22 very little sleep. He was - and also going through  
23 some personal issues.

24                   He further testified that he was on  
25 vacation a week prior to this incident and admitted

1 that during his vacation time he had used cocaine, but  
2 had not used any cocaine prior to his work shift on  
3 the day in question or after his vacation had ended.

4 He additionally indicated that he was  
5 sick on that particular date that he was falling  
6 asleep at the table and was taking cold medication.  
7 He also put into the record that he's currently  
8 licensed in New Jersey, which he is, and is currently  
9 working at one of the Atlantic City area casinos,  
10 where he passed a preemployment drug test.

11 After hearing all of the evidence  
12 presented by both sides, the Report and Recommendation  
13 issued by the Hearing Officer recommended that Mr.  
14 Carmichael's Gaming Employee Permit not be revoked,  
15 but rather that he simply be reprimanded and warned  
16 that any future criminal actions or positive tests for  
17 drugs would result in a revocation of his permit. And  
18 that's the recommendation before the Board.

19 CHAIRMAN: Questions or comments from  
20 the Board?

21 Hearing none, may I have a motion?

22 MS. REITZEL: Mr. Chairman, I move  
23 that the Board adopt the Report and Recommendation  
24 issued by the OHA regarding the revocation of Warren  
25 Carmichael's Gaming Employee Occupation Permit as

1 described by the OCC.

2 MR. SANTONI: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed?

6 The motion's adopted.

7 ATTORNEY COOK: Kyle Stephens' matter  
8 is the next Report and Recommendation before the  
9 Board. Mr. Stephens was issued a Gaming Employee  
10 Occupation Permit in June of 2018 and hired to work as  
11 a Table Games Dealer at the SugarHouse Casino.

12 On August 13th, 2018, however, before  
13 Mr. Stephens began work at SugarHouse, the OEC filed a  
14 Complaint to suspend his permit, after being notified  
15 that on July 7th of 2018 he had been charged with  
16 carrying a firearm without a license and possession of  
17 marijuana.

18 Mr. Stephens was a passenger in a  
19 vehicle that was stopped by police because of  
20 excessive window tint. A subsequent search of the  
21 vehicle found a firearm under Mr. Stephens' seat. He  
22 admitted it was his firearm. This led to an arrest  
23 and a search of his person, at which time marijuana  
24 was found.

25 A hearing in this matter was held on

1 January 30th, 2019. OEC appeared, presenting evidence  
2 supporting the facts that I just stated. At that  
3 point in time, however, Mr. Stephens - the criminal  
4 charges against Mr. Stephens were still pending. And  
5 OEC later filed an Amended Complaint after a  
6 conviction - or Mr. Stephens was convicted of  
7 misdemeanor - of a misdemeanor firearm charge as a  
8 result of this incident and the drug charge was nolle  
9 prossed.

10 Another hearing was held, because of  
11 the Amended Petition, on June 5th, 2019. OEC appeared  
12 at that hearing, offering evidence of the condition -  
13 or the conviction. Mr. Stephens did appear at the  
14 first hearing, although he did not participate or  
15 provide any evidence. At the second hearing he did  
16 not attend at all.

17 Ultimately a Report and Recommendation  
18 was issued recommending a six-month suspension of Mr.  
19 Stephens' permit for the firearm conviction. That's  
20 the recommendation for the Board.

21 CHAIRMAN: Thank you. Questions or  
22 comments from the Board?

23 Hearing none, may I have a motion?

24 MR. SANTONI: Mr. Chairman, I move  
25 that the Board adopt the Report and Recommendation

1 issued by the OHA regarding the revocation of Kyle  
2 Stephens' Gaming Employee Occupation Permit as  
3 described by the OCC.

4 MR. KERNODLE: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

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

9 ATTORNEY COOK: The next matter to be  
10 heard by the Board is the Report and Recommendation  
11 regarding William Kline.

12 Mr. Kline holds a Gaming Employee  
13 Occupation Permit and had worked as a Slot Technician  
14 at Hollywood Casino. On June 25th, 2019, the OEC  
15 filed a Request for an Emergency Suspension of Mr.  
16 Kline's Gaming Employee Occupation Permit after  
17 receiving notice that he had been charged with several  
18 felony offenses pertaining to possession of child  
19 pornography.

20 As a result of these charges, the  
21 Board's Executive Director issued an Emergency Order  
22 suspending Mr. Kline's Gaming Employee Permit. And  
23 the matter was referred to Hearings and Appeals for an  
24 evidentiary hearing, which was held on July 18th,  
25 2019.

1           Mr. Kline did not attend that hearing.  
2 The only evidence put into the record, therefore, was  
3 evidence of the criminal charges. And as a result,  
4 the Hearing Officer recommends that his suspension  
5 continue.

6           CHAIRMAN: Questions or comments from  
7 the Board?

8           Hearing none, may I have a motion?

9           MR. KERNODLE: Mr. Chairman, I move  
10 that the Board adopt the Report and Recommendation  
11 issued by OHA regarding suspension of William Kline,  
12 Gaming Employee Occupation Permit as described by the  
13 OCC.

14           MR. LOGAN: Second.

15           CHAIRMAN: All in favor?

16 AYES RESPOND

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

19           ATTORNEY COOK: The next Report and  
20 Recommendation before the Board pertains to Tnae  
21 Bullock. On March 4th, 2019 the OEC filed a Petition  
22 requesting that Ms. Bullock be placed on the Board's  
23 Involuntary Exclusion List.

24           This action was triggered by Ms.  
25 Bullock on August 28th, 2019, leaving her two-year-old

1 son unattended in one of the hotels that is attached  
2 to the Valley Forge Casino for approximately 25  
3 minutes while she gamed on the casino floor.

4 Casino staff found the child in the  
5 hallway after he was able to open the hotel room door,  
6 leave the hotel room and the door closed behind him.  
7 Ms. Bullock also has a history of cheating and  
8 trespassing at three other Philadelphia area casinos.

9 A hearing in OEC's Complaint was held  
10 on June 25th of 2019. Ms. Bullock did not attend the  
11 hearing. And it was held in her absence. And  
12 ultimately, after hearing the evidence presented, the  
13 Hearing Officer recommends that she, in fact, be  
14 placed on the Board's Involuntary Exclusion List.

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

17 MR. LOGAN: Mr. Chairman, I move that  
18 the Board adopt the Report and Recommendation issued  
19 by the OHA regarding the placement of Tnae Bullock on  
20 the PGCB Involuntary Exclusion List as described by  
21 the OCC.

22 MS. MANDERINO: Second.

23 CHAIRMAN: All in favor?

24 AYES RESPOND

25 CHAIRMAN: All opposed?

1 The motion's adopted.

2 ATTORNEY COOK: Bobby Patton, Jr.'s  
3 Report and Recommendation is next before the Board.  
4 On November 1st, 2018 the OEC filed a Petition to  
5 place Mr. Patton on the Exclusion List, alleging that  
6 in July of 2018 he cheated while gaming at Parx.

7 Specifically on July 9th, Mr. Patton  
8 placed bets totaling \$257, while playing a hand of  
9 Texas Hold'em Poker. After the hand was over and Mr.  
10 Patton lost, he picked up his \$257 in wagered chips,  
11 left the table and cashed them out before exiting the  
12 casino.

13 Ultimately he was identified, and OEC  
14 brought its enforcement action. The hearing was held  
15 in February of 2019. Despite receiving notice, Mr.  
16 Patton didn't appear at that hearing. And as a result  
17 of the evidence presented by Enforcement Counsel, the  
18 Hearing Officer recommends that he be placed on the  
19 Board's Exclusion List.

20 CHAIRMAN: Questions or comments from  
21 the Board, hearing none, may I have a motion?

22 MS. MANDERINO: Mr. Chairman, I move  
23 that the Board adopt the Report and Recommendation  
24 issued by the OHA regarding the placement of Bobby  
25 Patton, Jr. on the PGCB Involuntary Exclusion List as

1 described by the OCC.

2 MR. MUSTIO: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

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

7 ATTORNEY COOK: The next Report and  
8 Recommendation before the Board today pertains to an  
9 individual with the initial F.F.'s request to recover  
10 monies confiscated from him by casino personnel at  
11 Parx.

12 Specifically by way of background, on  
13 October 9th, 2018 F.F. placed himself on the Board's  
14 Self-Exclusion List for a period of one year. On  
15 December 7th, 2018, approximately two months later,  
16 F.F. was found gaming on the floor at Parx. And in  
17 addition to being removed from the Gaming Floor, \$500  
18 in chips were confiscated from him.

19 He requested recovery of that money.  
20 A hearing in this matter was held on April 9th, 2019  
21 and again on June 18th, 2019. OEC attended both  
22 hearings and presented testimony and documentary  
23 evidence, indicating - including surveillance video,  
24 showing that F.F.'s winnings total \$405. So, \$405 of  
25 the \$500 confiscated was shown to be winnings by the

1 evidence.

2                   At the June 18th hearing, F.F.  
3 appeared and testified that while he was - felt that  
4 he was developing a gambling problem and did  
5 self-exclude for one year, there was some confusion,  
6 because he attempted to remove himself from the list  
7 by contacting Parx by telephone 15 minutes after  
8 coming off the list. And he was told by a Parx  
9 employee - or he testified that he was told by a Parx  
10 employee that he would be removed from the list.

11                   Clearly that was not the case. He did  
12 remain on the list. And Parx employees really don't  
13 have anything to do with placing a person on the  
14 statewide Self-Exclusion List.

15                   Hearing all of the evidence, the  
16 Hearing Officer recommends that of the \$500  
17 confiscated from F.F. that \$405 was, in fact, winnings  
18 that can be confiscated by the Board under the Act,  
19 and that \$95 should be returned to him.

20                   CHAIRMAN: Questions or comments from  
21 the Board?

22                   Hearing none, may I have a motion?

23                   MS. LEWIS: Excuse me, Chairman.

24                   CHAIRMAN: Oh, I'm sorry.

25                   MS. LEWIS: Shouldn't that be

1 referenced as voluntary?

2 ATTORNEY COOK: Oh, yes. It is the  
3 voluntary.

4 MS. LEWIS: So, the motion should say  
5 voluntary.

6 CHAIRMAN: Thank you very much. Very  
7 good. Thank you, Pam.

8 Hearing this, can I have a revised  
9 motion?

10 MR. MUSTIO: Mr. Chairman, I move that  
11 the Board adopt the Report and Recommendation issued  
12 by the OHA regarding F.F.'s Petition to recover monies  
13 while on the PGCB Voluntary Exclusion List as  
14 described by the OCC.

15 CHAIRMAN: Thank you very much.

16 MS. REITZEL: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: All opposed?

20 The motion's adopted.

21 ATTORNEY COOK: The final Report and  
22 Recommendation for the Board today pertains to Torie  
23 Stimaker.

24 In February of 2019 Ms. Stimaker  
25 submitted a Non-Gaming Employee Registration

1 Application seeking work as a Beverage Server at The  
2 Meadows Casino and Racetrack.

3 On March 28th, 2019 the OEC issued a  
4 Notice of Recommendation of Denial based upon Ms.  
5 Stimaker's criminal record and outstanding costs owed  
6 to the Court related to that record.

7 Specifically between August of 2010  
8 and May of 2015, Ms. Stimaker's criminal convictions  
9 included DUI, theft offenses and drug charges. A  
10 hearing in this matter was held on June 26, 2019.  
11 Enforcement Counsel appeared offering testimony and  
12 documentary evidence as to the criminal history of Ms.  
13 Stimaker.

14 Ms. Stimaker herself appeared and  
15 testified on her own behalf, specifically admitting to  
16 her criminal record and stating that it was a  
17 manifestation of her drug addiction and a means to  
18 support that addiction.

19 She indicated she was between the ages  
20 of 19 and 23 at the time of all of these occurrences.  
21 I believe she's now approximately 28 years old. And  
22 that she has been working to turn her life around,  
23 starting after she had her most recent criminal  
24 convictions, which placed her in a drug rehabilitation  
25 program, both inpatient and outpatient. And she

1 continues to participate in drug rehabilitative  
2 efforts.

3 As a result of hearing all of the  
4 evidence presented, including Ms. Stimaker's  
5 testimony, the Hearing Officer recommended that her  
6 application for a Non-Gaming Employee Registration be  
7 granted.

8 CHAIRMAN: Questions or comments from  
9 the Board on this matter?

10 Hearing none, may I have a motion?

11 MS. REITZEL: Mr. Chairman, I move  
12 that the Board adopt the Report and Recommendation  
13 issued by the OHA regarding Torie Stimaker's  
14 Non-Gaming Employee Registration as described by the  
15 OCC.

16 MR. SANTONI: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

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

21 ATTORNEY SHERMAN: And that concludes  
22 the matters of the OCC.

23 CHAIRMAN: Thank you very much,  
24 gentlemen.

25 Sue Hensel, Bureau of Licensing. Good

1 morning, Susan.

2 MS. HENSEL: Thank you, Chairman  
3 Barasch and members of the Board.

4 Before the Board today will be  
5 applicants for one Slot Machine Manufacturer License,  
6 two Video Gaming Terminal Establishments and one  
7 Conditional Video Gaming Terminal Operator. In  
8 addition, there will be 725 Principals and Key, Gaming  
9 and Non-Gaming Employees.

10 Finally, there will be the  
11 consideration of one Certified Gaming Service Provider  
12 and 16 Registered Gaming Service Provider applicants.

13 The first matter for your  
14 consideration is a Slot Machine Manufacturer License  
15 for Aruze Gaming America, Inc. Aruze Gaming America,  
16 Inc. is a Las Vegas, Nevada-based manufacturer of slot  
17 machines and other gaming-related equipment.

18 The BIE has completed its  
19 investigation of the company and the Bureau of  
20 Licensing has provided you with a Background  
21 Investigation and Suitability Report.

22 I have provided you with a Draft Order  
23 and ask that the Board consider the Order to approve  
24 the Slot Machine Manufacturer License.

25 ATTORNEY PITRE: Enforcement Counsel

1 has no objection.

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

4 MR. SANTONI: Mr. Chairman, I move  
5 that the Board grant a Slot Machine Manufacturer  
6 License to Aruze Gaming America, Inc. as described by  
7 the Bureau of Licensing.

8 MR. KERNODLE: Second.

9 CHAIRMAN: All in favor?

10 AYES RESPOND

11 CHAIRMAN: All opposed?

12 The motion's adopted.

13 MS. HENSEL: Next we have  
14 consideration of VGT Establishment Licenses for TA  
15 Operating, LLC Site #336 doing business as Petro  
16 Stopping Centers, which is located at 1201 Harrisburg  
17 Pike, Carlisle in Cumberland County and CHR  
18 Corporation, doing business as Rutter's Store 36,  
19 which is located at 3050 Heidlersburg Road, York  
20 Springs, Adams County.

21 VGT Establishments are truck stops  
22 seeking to place VGTs in their businesses. Both  
23 entities are currently conditionally licensed. The  
24 BIE has now completed its investigations, including  
25 evaluation that the applicants meet the VGT

1 establishment eligibility criteria.

2           The Bureau of Licensing has provided  
3 you with Background Investigation and Suitability  
4 Reports. Once fully licensed, an establishment can  
5 continue forward toward completing the steps necessary  
6 to commence VGT operations.

7           I have provided you with Draft Orders  
8 and ask that you consider first the Order to license  
9 TA Operating LLC Site #336.

10           ATTORNEY PITRE: OEC has no objection.

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

13           MR. KERNODLE: Mr. Chairman, I move  
14 that the Board grants the Video Gaming Terminal  
15 Establishment License for TA Operating LLC Site #336  
16 doing business as Petro Shopping Center as described  
17 by the Bureau of Licensing.

18           MR. LOGAN: Second.

19           CHAIRMAN: All in favor?

20 AYES RESPOND

21           CHAIRMAN: All opposed?

22           The motion's adopted.

23           MS. HENSEL: And next is CHR  
24 Corporation doing business as Rutter's Store 36.

25           ATTORNEY PITRE: Enforcement Counsel

1 has no objection.

2 CHAIRMAN: Questions or comments from  
3 the Board.

4 Hearing none, may I have a motion?

5 MS. MANDERINO: Mr. Chairman, I move  
6 that the Board grant the Video Gaming Terminal  
7 Establishment License for CHR Corp., doing business as  
8 Rutter's, Rutter's Store #36 as described by the  
9 Bureau of Licensing.

10 MR. LOGAN: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

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

15 MS. HENSEL: Also for your  
16 consideration is a Conditional Video Gaming Terminal  
17 Operator License for Jango Entertainment, LLC, doing  
18 business as Jango Entertainment. Jango Entertainment,  
19 LLC is a Moosic, Pennsylvania-based company.

20 A VGT operator owns, services or  
21 maintains VGTs for placement and operation at truck  
22 stop establishments.

23 Under the Gaming Act, the Board may  
24 issue a Conditional VGT Terminal Operator License  
25 provided certain criteria are met, including that the

1 applicant has submitted a completed application, has  
2 never been convicted of a felony or gambling  
3 violation, is current on state taxes and has not had a  
4 similar license denied or revoked.

5 A preliminary review of this applicant  
6 indicates it meets these criteria. I ask that the  
7 Board consider a motion to approve a Conditional VGT  
8 Operator License for Jango Entertainment, LLC, doing  
9 business as Jango Entertainment.

10 ATTORNEY PITRE: Enforcement Counsel  
11 has no objection.

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

14 MR. LOGAN: Mr. Chairman, I move that  
15 the Board grant the Conditional Video Gaming Terminal  
16 Operator License for Jango Entertainment, LLC, doing  
17 business as Jango Entertainment as described by the  
18 Bureau of Licensing.

19 MS. MANDERINO: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

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

24 MS. HENSEL: The next matter is  
25 consideration of a - one-year license extensions for

1 Conditionally Licensed VGT Terminal Operators, a VGT  
2 Procurement Agent, an Interactive Gaming Manufacturer  
3 and VGT Establishments.

4           The companies were each granted a one  
5 year Conditional License approximately one year ago.  
6 Under the Gaming Act and the Board's Regulations, the  
7 Board is authorized to extend the license terms for an  
8 additional one year for good cause.

9           In each case the Background  
10 Investigation and Suitability Report process for the  
11 company is continuing. I ask that the Board grant one  
12 year extensions to the following companies: VGT  
13 Terminal Operators; Lucky Day Gaming Pennsylvania,  
14 LLC; Venture Gaming, LLC; Commonwealth Gaming, LLC;  
15 Shah VGT Services, Inc.; Golden Route Operations;  
16 Second State Gaming, LLC and Lendell Gaming, LLC.

17           Procurement Agent; Bell Gaming, Inc.  
18 Interactive Gaming Manufacturer, Everi Gaming, LLC.  
19 And VGT Establishments; Sandoo's, Inc. doing business  
20 as Lawrenceville Exxon; Sandoo's, Inc. doing business  
21 as Liberty Exxon; Sandoo's, Inc. doing business as  
22 Danville Mobil; Fegley Oil Company, Inc.; United  
23 Refining Company of Pennsylvania Kwik Fill #226 and  
24 United Refining Company of Pennsylvania Kwik Fill  
25 #229.

1 I have provided you with Orders  
2 regarding the license extensions and ask that you  
3 consider a motion approving the Orders.

4 ATTORNEY PITRE: Enforcement Counsel  
5 has no objection.

6 CHAIRMAN: Questions or comments from  
7 the Board?

8 Hearing none, may I have a motion?

9 MS. MANDERINO: Mr. Chairman, I move  
10 that the Board grant the Conditional License  
11 extensions as described by the Bureau of Licensing.

12 MR. MUSTIO: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

15 CHAIRMAN: All opposed?

16 The motion's adopted.

17 MS. HENSEL: Also for your  
18 consideration are Principal and Key Employee Licenses.  
19 Prior to this meeting, the Bureau of Licensing  
20 provided you with a Proposed Order for 1 Principal and  
21 1 Key Employee. I ask that the Board consider the  
22 Order approving these licenses.

23 ATTORNEY PITRE: Enforcement Counsel  
24 has no objection.

25 CHAIRMAN: Questions or comments from

1 the Board.

2 Hearing none, may I have a motion?

3 MR. MUSTIO: Mr. Chairman, I move that  
4 the Board grant the Principal and Key Employee  
5 Licenses as described by the Bureau of Licensing.

6 MS. REITZEL: Second.

7 CHAIRMAN: All in favor?

8 AYES RESPOND

9 CHAIRMAN: All opposed?

10 The motion's adopted.

11 MS. HENSEL: There are also Temporary  
12 Licenses for your consideration. Prior to this  
13 meeting, the Bureau of Licensing provided you with an  
14 Order regarding the issuance of Temporary Licenses for  
15 1 Principal and 10 Key Employees. I ask that the  
16 Board consider the Order approving these licenses.

17 ATTORNEY PITRE: Enforcement Counsel  
18 has no objection.

19 CHAIRMAN: Questions or comments from  
20 the Board?

21 Hearing none, may I have a motion?

22 MS. REITZEL: Mr. Chairman, I move  
23 that the Board grant the Temporary Principal and Key  
24 Employee credentials as described by the Bureau of  
25 Licensing.

1                   MR. SANTONI:    Second.

2                   CHAIRMAN:    All in favor?

3    AYES RESPOND

4                   CHAIRMAN:    All opposed?

5                   The motion's adopted.

6                   MS. HENSEL:    Additionally, there are  
7    Gaming Permits and Non-Gaming Registrations.  Prior to  
8    this meeting, the Bureau of Licensing provided you  
9    with a list of 513 individuals to whom the Bureau has  
10   granted Temporary or Full Occupation Permits and 176  
11   individuals to whom the Bureau has granted  
12   registrations under the authority delegated to the  
13   Bureau of Licensing.

14                   I ask that the Board consider a motion  
15   approving the Order.

16                   ATTORNEY PITRE:   Enforcement Counsel  
17   has no objection.

18                   CHAIRMAN:    Questions or comments from  
19   the Board?

20                   May I have a motion?

21                   MR. SANTONI:    Mr. Chairman, I move  
22   that the Board grant the Gaming Employee Occupation  
23   Permits and Non-Gaming Employee Registrations as  
24   described by the Bureau of Licensing.

25                   MR. KERNODLE:   Second.

1                    CHAIRMAN: All in favor?

2 AYES RESPOND

3                    CHAIRMAN: All opposed?

4                    The motion's adopted.

5                    MS. HENSEL: There is also a  
6 recommendation of denial for Gaming Employee  
7 Applicant, Anthony Phen. Mr. Phen was notified that  
8 he was recommended for denial and failed to request a  
9 hearing within the specified time period.

10                   The Bureau of Licensing has provided  
11 you with an Order addressing the applicant who the OEC  
12 has recommended for denial. I ask that the Board  
13 consider the Order approving the denial.

14                   ATTORNEY PITRE: Enforcement Counsel  
15 continues to request denial in this instance.

16                   CHAIRMAN: Questions or comments from  
17 the Board?

18                   Hearing none, may I have a motion?

19                   MR. KERNODLE: Mr. Chairman, I move  
20 that the Board denies Anthony Phen's Gaming Employee  
21 Occupation Permit - Applicant as described by the  
22 Bureau of Licensing.

23                   MR. LOGAN: Second.

24                   CHAIRMAN: All in favor?

25 AYES RESPOND

1                   CHAIRMAN: All opposed?

2                   The motion's adopted.

3                   MS. HENSEL: In addition, for your  
4 consideration are Withdrawal Requests. In each case,  
5 the license, permit or registration is no longer  
6 required. For today's meeting I've provided the Board  
7 with a list of 1 Key Employee and 4 Gaming Employees,  
8 and ask that the Board consider the Orders approving  
9 the list of Withdrawals.

10                   ATTORNEY PITRE: Enforcement Counsel  
11 has no objections.

12                   CHAIRMAN: Questions or comments from  
13 the Board?

14                   Hearing none, may I have a motion?

15                   MR. LOGAN: Mr. Chairman, I move that  
16 the Board grant the Withdrawal of Key Employee and  
17 Gaming Employee Applications as described by the  
18 Bureau of Licensing.

19                   MS. MANDERINO: Second.

20                   CHAIRMAN: Thank you.

21                   All in favor?

22 AYES RESPOND

23                   CHAIRMAN: All opposed?

24                   The motion's adopted.

25                   MS. HENSEL: Next, we have an Order to

1 certify the following Gaming Service Provider (sic);  
2 Ernest Bock & Sons, Inc. I ask that the Board  
3 consider the Order approving this Gaming Service  
4 Provider for certification.

5 ATTORNEY PITRE: Enforcement Counsel  
6 has no objection.

7 CHAIRMAN: Questions or comments from  
8 the Board?

9 Hearing none, may I have a motion?

10 MS. MANDERINO: Mr. Chairman, I move  
11 the Board approve Ernest Bock & Sons, Inc. application  
12 for Gaming Service Provider Certification as described  
13 by the Bureau of Licensing.

14 MR. MUSTIO: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed?

18 The motion's adopted.

19 MS. HENSEL: Finally, for your  
20 consideration, are Gaming Service Provider  
21 Registrations. The Bureau of Licensing provided you  
22 with an Order and an attached list of 16 Registered  
23 Gaming Service Provider Applicants. I ask that the  
24 Board consider the Order registering these Gaming  
25 Service Providers.

1                    ATTORNEY PITRE: Enforcement Counsel  
2 has no objection.

3                    CHAIRMAN: Questions or comments from  
4 the Board?

5                    Hearing none, may I have a motion?

6                    MR. MUSTIO: Mr. Chairman, I move that  
7 the Board approve the applications for Gaming Service  
8 Provider Registration as described by the Bureau of  
9 Licensing.

10                   MS. REITZEL: Second.

11                   CHAIRMAN: All in favor?

12 AYES RESPOND

13                   CHAIRMAN: All opposed?

14                   The motion's adopted.

15                   Thank you very much, Susan. Now I'll  
16 hear from Office of - Chief Enforcement Counsel, Cyrus  
17 Pitre.

18                   ATTORNEY PITRE: The OEC will present  
19 six matters today for the Board's consideration, which  
20 will - in which we will request the Board's approval  
21 of two Consent Agreements, two Revocations, one  
22 Suspension and one Involuntary Exclusion.

23                   The next matter on the Agenda for the  
24 Board's consideration is a Consent Agreement between  
25 the OEC and Category 1 Licensee Downs Racing, LP,

1 doing business as Mohegan Sun Pocono. The Consent  
2 Agreement will be presented by Assistant Enforcement  
3 Counsel John Crohe. And the representatives from  
4 Mohegan Sun are present.

5 At this time I'd request those  
6 individuals introduce themselves for the record, and  
7 anyone not here as an attorney, please stand and be  
8 sworn.

9 ATTORNEY SORIANO: Good morning, Chair  
10 Barasch, members of the Board. Christopher Soriano,  
11 S-O-R-I-A-N-O, Duane Morris, LLP, Counsel for Downs  
12 Racing.

13 With me are three individuals from  
14 Downs Racing.

15 MR. CARLUCCI: Tony Carlucci,  
16 C-A-R-L-U-C-C-I, General Manager, Mohegan Sun,

17 MR. CHRZAN: Ron Chrzan,  
18 C-H-R-Z-A-N, Director of Compliance for Mohegan Sun  
19 Pocono.

20 MR. KARPENSKE: And Donald Karpenske,  
21 K-A-R-P-E-N-S-K-E, Director of Surveillance.

22 CHAIRMAN: We should probably have you  
23 sworn.

24 ---

25 WITNESSES SWORN EN MASSE

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

---

CHAIRMAN: Thank you.

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

The next matter on the Agenda for the  
Board's consideration is a Consent Agreement reached  
between Mohegan Sun Pocono and the OEC, regarding  
failure to meet minimum staffing requirements.  
Between January 3rd, 2009 and April 28th, 2009 (sic)  
Mohegan Sun Pocono failed to meet the minimum staffing  
- security staffing requirements for a period of  
time -.

MR. LOGAN: I'm sorry, you said 2009.

ATTORNEY CROHE: This is 2009, right.

ATTORNEY PITRE: 2019.

ATTORNEY CROHE: Oh, I'm sorry, 2019.

My apologies.

Between January 3rd, 2019 and  
April 28th, 2019 Mohegan Sun Pocono failed to meet the  
minimum security staffing requirements for a period of  
time during at least one shift on a total of 90 days.

During each of these incidents one or  
more mandated Security Officer Rover position was left  
vacant. Through the internal controls process, the

1 Board approved specific security staffing levels,  
2 which are required to be submitted pursuant to the  
3 Board's Regulations that are maintained during all  
4 hours of operations. Therefore, Mohegan Sun Pocono's  
5 failure to meet these minimum staffing requirements  
6 violates Board-approved internal controls.

7                   The OEC and Mohegan Sun Pocono  
8 respectfully request the Board approve the Consent  
9 Agreement and stipulations of settlement that Mohegan  
10 Sun Pocono pay a civil penalty of \$150,000 as well as  
11 \$2,500 administrative fee for costs incurred by the  
12 Board's staff in connections with investigations into  
13 this matter.

14                   CHAIRMAN: Do you have anything you'd  
15 like to add?

16                   MR. LOGAN: I'm sorry, Mr. Chairman,  
17 can you just give me the dates again? Did you say  
18 between January 3rd, 2019 and April 22nd, 2019?

19                   ATTORNEY CROHE: April 28th, 2019.

20                   MR. LOGAN: Okay.

21                   CHAIRMAN: Okay.

22                   Counsel, do you have something you'd  
23 like to add?

24                   ATTORNEY SORIANO: I do. Thank you,  
25 Mr. Chairman, Commissioners. Good morning, again.

1 Downs Racing obviously takes this  
2 matter very seriously and accepts responsibility for  
3 the deviation from internal controls that are subject  
4 to this Consent Agreement and has worked with the OEC  
5 to resolve the matter.

6 Mr. Carlucci, Mr. Chrzan and Mr.  
7 Karpenske are here to offer some brief comments to the  
8 Board by way of mitigation and lessons learned from  
9 this.

10 Mr. Carlucci will provide an overview  
11 of what has taken place. Mr. Chrzan will provide some  
12 more detail as to the specific steps that are being  
13 taken to avoid this incident potentially taking place  
14 again.

15 And inasmuch as surveillance is a  
16 department that is also subject to the Board's minimum  
17 staffing requirements, Mr. Karpenske will speak about  
18 lessons learned about this incident have been applied  
19 to the Surveillance Department to avoid this problem  
20 potentially happening in that department in the  
21 future.

22 So, with that I'd like to -.

23 CHAIRMAN: Please. Please proceed.

24 MR. CARLUCCI: Mr. Chairman,  
25 Commissioners. First off, let me start - these are

1 not excuses. Just a simple fact of what happened is  
2 that two major distribution warehouses opened up in  
3 December or January of this year, and we had an exodus  
4 of security personnel. And I'm not making excuses,  
5 I'm simply stating the - what happened.

6                   What happened, we lost these  
7 individuals. I do want to point out at no time were  
8 any of the gates or the entranceways short, it was our  
9 rover position. I'm not making excuses, just that was  
10 the most priority.

11                   We got ourselves in a bad mess,  
12 frankly. We were short. We were in a position where  
13 sometimes - the licensing process takes, you know, two  
14 weeks, it can go up to 8, we've had as high as even 12  
15 weeks to get somebody licensed.

16                   During this period, we were - we were  
17 in a situation where as people were waiting for their  
18 licenses, they were leaving and taking other jobs. At  
19 one point for every like five or six we were hiring,  
20 we were losing two or three of them. And then people  
21 were resigning to take other jobs.

22                   I know I'm sounding like I'm making  
23 excuses. I'm just simply trying to explain what  
24 happened. So, we were behind. We were behind for  
25 several months, as we're trying to address this

1 matter. We took it very serious.

2                   Cyrus did his best to help us out. I  
3 mean, he put - I think at one point, you know, he put  
4 all of our applicants for security in the licensing  
5 process right to the front of the line. However,  
6 during this time the thing that really backed us up  
7 was the Federal Government shutdown, because the IRS  
8 background checks simply - really stalled it. Right?  
9 And we were like in a situation where, again, Cyrus is  
10 trying to help me, which I much appreciated it, but  
11 we're continuing, you know, being short.

12                   We put measures in place that are  
13 working out, no problem now. Okay? I mean, there's  
14 always going to be some turnover in this position. We  
15 put them in place.

16                   And all frankness, if I had a do-over,  
17 I should have done it before these warehouses opened,  
18 you know. And I apologize for that. You know, in  
19 hindsight, you know, you like to guess yourself, this  
20 is one of the ones I wish I had a do-over, frankly.

21                   But you know, most of this time during  
22 this, we were just backed up. And we couldn't get  
23 caught up, even with Cyrus's help, you know. And once  
24 we did - and Ron would go through the measurements  
25 that we did. We attacked it from numerous aspects,

1 and we finally got caught up. Right?

2 But that was why it went on for these,  
3 you know, several periods of the month. And the only  
4 thing that we didn't do, and I want to stress this, is  
5 we didn't do mandatory overtime. We offered all the  
6 overtime anybody wanted.

7 And the reason why I didn't force  
8 mandatory overtime is that we're losing people  
9 already. If I started forcing people to do overtime,  
10 it's just going to make matters worse.

11 MR. LOGAN: So, there was outreach  
12 from you folks to us about your staffing issues?

13 MR. CARLUCCI: Yes, yes. And again, I  
14 want to stress Cyrus did everything he could to help.  
15 Again, the government shutdown -.

16 MR. LOGAN: I was under the impression  
17 that there was not any outreach.

18 ATTORNEY PITRE: We reached out to  
19 them.

20 MR. CARLUCCI: Well - yeah, initially,  
21 yes. That's true.

22 MR. LOGAN: So, what was your outreach  
23 to us during - during 2019. So, from January to April  
24 of 2019, did you write, did you e-mail, did you call?

25 ATTORNEY PITRE: The outreach began

1 much further before then. The outreach began, quite  
2 frankly, in around November, when we started noticing  
3 that they were not meeting the security mandates.

4 MR. LOGAN: Okay.

5 ATTORNEY PITRE: So, we tried to get  
6 as many people - applications from them and we told  
7 them we'd work with them. That went on until we held  
8 a compliance conference in December 18th of 2018.

9 MR. LOGAN: Right.

10 ATTORNEY PITRE: And then subsequent  
11 to that is when the problem enveloped even more  
12 because of the government shutdown, but they were  
13 still out of the security staffing protocols for that  
14 January through April period.

15 Subsequent to that, there was another  
16 incident, but it was a small incident. And that was,  
17 I think, due to the way the schedule for the Security  
18 Officers were set up, if I'm not mistaken.

19 June 14, 2019 we sent a warning  
20 letter. There were three business days where that  
21 wasn't met. And I think that was -.

22 ATTORNEY CROHE: That was due to a  
23 miscommunication, I believe, between your staff, as  
24 you explained it, regarding when reliefs were granted  
25 for breaks. And because of the minimal amount of time

1 for those three specific incidents, we handled that  
2 through a warning letter, which was sent after this  
3 Consent Agreement was already being drafted.

4 MR. CARLUCCI: Clearly, a mistake on  
5 our part. All these incidents happened on our  
6 midnight shift, 8:00 in the morning, and we had a  
7 supervisor that, quite frankly, just made a mistake.  
8 Sent three people out at the same time on break,  
9 right, which, again - you know, we counseled the  
10 supervisor. It was simply a bad mistake.

11 You know, notify - all of these things  
12 were reported by us, I mean, because we have a sheet  
13 that we work through, our in-house agents that we  
14 report our scheduling to them. So, -.

15 ATTORNEY PITRE: There was also - and  
16 Mr. Carlucci is probably not aware of this. There was  
17 also a conference call with Mohegan Sun corporate to  
18 discuss ways that they could help Mr. Carlucci ensure  
19 that he had enough staffing, because I felt that he  
20 needed to get more support from corporate.

21 And they agreed to do that. And I  
22 think that has worked out well since that time.

23 CHAIRMAN: Before you go ahead, the  
24 initial contacts back in 2018 that you initiated, this  
25 was based from, what CCR people noticing?

1                    ATTORNEY PITRE: Based upon - based  
2 upon the CCRs doing their normal routine on the day to  
3 see what posts were being staffed. We started seeing  
4 reports coming in, where there were staffing  
5 shortages.

6                    I know that they were in contact with  
7 Mr. Carlucci with people on property. That's when we  
8 started getting notifications. And then we reached  
9 out to find out what was going on, to try to get more  
10 applications in.

11                    And all the staff licensing, BIE did  
12 everything in their power to try to move those  
13 applications through the process, to ensure that they  
14 can get those people on the job as quickly as  
15 possible.

16                    CHAIRMAN: But the initial instances  
17 of understaffing was not self-reported, and this  
18 precedes the problem with the Federal Government  
19 shutdown?

20                    ATTORNEY PITRE: It precedes the  
21 Federal Government shutdown. Self-reporting, it - I'm  
22 not going to say they didn't self-report it. The way  
23 the self-reporting occurs is that the CCR will go to  
24 the Security Supervisor, hey, any problems today? He  
25 said, I think we're short. I don't know for sure yet,

1 and then he subsequently reported we're short.

2 CHAIRMAN: I see. Thank you very  
3 much. Why don't you - your next witness.

4 MR. CARLUCCI: And the report that  
5 they do -

6 CHAIRMAN: Okay.

7 MR. CARLUCCI: - when they're writing  
8 down how many people. And many of these - not all of  
9 them, but many of them weren't for whole eight-hour  
10 shifts, they were during shifts - they were still  
11 short, no question about it.

12 CHAIRMAN: Why don't we go on to the  
13 witness then?

14 MR. CARLUCCI: Yeah. Because it's  
15 important, you know, that we're saying what we did,  
16 because we kind of threw the book to fix this problem  
17 and everything we possibly we could. So, we're naming  
18 a few things, but we did much more - it's in there.

19 MR. CHRZAN: Good morning, Mr.  
20 Commissioner and members of the Board. So, a few of  
21 the remediation steps we took to fix these issues,  
22 first off we increased the starting rate of Security  
23 Officers from \$9.50 an hour to \$11.50 an hour, just to  
24 help attract and retain talent.

25 And as Tony had mentioned, the

1 majority - all of our issues occur during our grave  
2 shift. So, we instituted a significant increase in  
3 grave shift up to \$15 an hour for officers just again,  
4 to - to attract and maintain talent, because that's  
5 where we were struggling the most.

6 We also implemented s Sign-On Bonus  
7 Program, where if any Security Officer who took the  
8 shift was successfully - and was successfully licensed  
9 and stayed in that shift for three months, they  
10 received a monetary bonus. If they stayed a total of  
11 six months, they received an additional monetary  
12 bonus. So, just an additional way to just retain the  
13 talent.

14 We implemented an additional program,  
15 where if somebody was referred - was referred by a  
16 team member, and then they were successfully hired and  
17 maintained their Security Officer status and  
18 licensing, the person who referred that team member  
19 would also receive a monetary bonus. So, just an  
20 additional step to try to, again, attract and retain  
21 talent.

22 And the last thing we did is we  
23 created an Events Security position, which required a  
24 Non-Gaming License. And the reason we did that  
25 position is just to try and just get people actually

1 on board and not have to go through the Gaming License  
2 process. It would just be a quicker way to get them  
3 on board. They had no responsibilities for any gaming  
4 areas. They were used for back-of-house areas, any  
5 areas that's Non-Gaming, but it allowed us to get them  
6 into the door and at least employed before they were  
7 able to potentially find work elsewhere and go through  
8 the delay process.

9 MR. CARLUCCI: I'm going to jump in,  
10 if you don't mind. The thought process there for the  
11 sign-on bonus and the event security, because during  
12 the licensing process they were leaving and taking  
13 other jobs. Right? So, by the sign-on bonuses could  
14 help that.

15 And also, our goal was just get them  
16 to work and get them paid, you know, even - quite  
17 frankly, if they were sitting in an office, I wouldn't  
18 have cared, quite frankly, and just get them on board.

19 And the raising the hourly raise to  
20 \$15 an hour on our midnight shift, many of our more  
21 experienced officers actually transferred to that  
22 shift, because now it's an appealing shift.

23 CHAIRMAN: I guess it's working now,  
24 huh?

25 MR. CARLUCCI: You know, again, I

1 apologize, I wish I would have done this a little -.

2 CHAIRMAN: Now you're going to be  
3 short in your prime times.

4 Right?

5 MR. CARLUCCI: Yeah, but it's  
6 easier -. You're right, Mr. Chairman, but it's easier  
7 to offer overtime to a day person to stay on a swing,  
8 or swing person to come in on day. Very few people,  
9 you know, really want to do overtime when they're  
10 tired and -.

11 CHAIRMAN: Sure.

12 Is there anything else you wanted to  
13 add?

14 MR. CHRZAN: No thank you.

15 ATTORNEY SORIANO: If we can have Mr.  
16 Karpenske very briefly address the Surveillance  
17 Department.

18 MR. KARPENSKE: Good morning, Mr.  
19 Chairman, Commissioners. I just wanted to mention  
20 that several months ago that Mr. Carlucci and Ron  
21 called me in. And because of my requirements being  
22 similar, wanted me to start working on programs and  
23 ideas for the same issues.

24 So, we've matched many of the same  
25 things that security did. We increased the starting

1 wage. We also have a similar sign-on bonus, and we  
2 have the bonus to bring a friend of yours to work at  
3 the casino in to work, too.

4 And we have not gone understaffed yet.  
5 I've been here three years now, we haven't done it.  
6 And I'm hoping that we don't have - these things seem  
7 to be working for our department as well.

8 CHAIRMAN: Well, I'm glad we're seeing  
9 it fixed. Thank you very much.

10 Is there anything else that you wanted  
11 to add at this time?

12 ATTORNEY SORIANO: No, that's all, Mr.  
13 Chairman. Again, certainly Downs Racing  
14 representatives accept responsibility for this. I'd  
15 like to thank the OEC for working with us on this and  
16 hope that the strategies we've outlined here reflect a  
17 good path forward to avoid any problems like this  
18 happening again. We'd respectfully request that the  
19 Board approve the Consent Agreement

20 CHAIRMAN: We certainly hope you're  
21 successful as well.

22 Let me just open it up, just in case  
23 there was somebody other than Sean and I who had  
24 questions.

25 Any other questions? May I have a

1 motion?

2 MS. REITZEL: Mr. Chairman, I move  
3 that the Board adopt the Consent Agreement between the  
4 OEC and Downs Racing, LP as described by the OEC.

5 MR. SANTONI: Second.

6 CHAIRMAN: All in favor?

7 AYES RESPOND

8 CHAIRMAN: All opposed?

9 The motion's adopted. Thank you very  
10 much for your time.

11 ATTORNEY SORIANO: Thank you, Mr.  
12 Chairman, Commissioners.

13 ATTORNEY PITRE: The next matter on  
14 the Agenda for the Board's consideration is a Consent  
15 Agreement between the OEC and a Board permitted  
16 self-excluded individual identified by the initials  
17 B.T.

18 The Consent Agreement will be  
19 presented by Assistant Enforcement Counsel, Bradley  
20 McAllister.

21 ATTORNEY MCALLISTER: Chairman  
22 Barasch, members of the Board, Bradley McAllister,  
23 M-C-A-L-L-I-S-T-E-R. Assistant Enforcement Counsel  
24 for the OEC.

25 The next matter on the Agenda for the

1 Board's consideration is the Consent Agreement entered  
2 into between the OEC and an individual with the  
3 initials B.T.

4 B.T. holds a Gaming Level II Employee  
5 Occupation Permit issued by the Board and is employed  
6 as a Table Games Supervisor at Rivers Casino  
7 Pittsburgh.

8 B.T. placed himself on the Board's  
9 Self-Exclusion List in June of 2017. In March of 2019  
10 B.T. gamed at The Meadows Casino while on the  
11 Self-Exclusion List, in violation of the terms of  
12 Self-Exclusion Agreement and associated regulations.  
13 As a result, B.T. was charged with and pled guilty to  
14 criminal trespass.

15 Pursuant to the Consent Agreement, the  
16 parties stipulate and agree that B.T.'s G2 Permit be  
17 suspended for a period of three consecutive calendar  
18 days as a result of this violation.

19 At this time the OEC requests the  
20 Board approve the Consent Agreement in this matter.

21 CHAIRMAN: Questions or comments from  
22 the Board?

23 Hearing none, may I have a motion?

24 MR. SANTONI: Mr. Chairman, I move  
25 that the Board adopt the Consent Agreement between the

1 OEC and B.T. as described by the OEC.

2 MR. KERNODLE: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed?

6 The motion's adopted.

7 ATTORNEY PITRE: The next three  
8 matters on the Agenda consist of enforcement actions  
9 in which the OEC filed Complaints seeking the  
10 revocation of two Gaming Employee Occupation Permits  
11 and the suspension of one Non-Gaming Registration,  
12 which were issued by the Board.

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

18 As a result the OEC filed a Request  
19 for Default Judgment and properly served the same upon  
20 each named person. Therefore, the facts in each  
21 Complaint 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.

24 In each instance, we will provide a  
25 brief summary of the facts and request the appropriate

1 Board action.

2 ATTORNEY MCALLISTER: The next matter  
3 on the Agenda for the Board's consideration is a  
4 Suspension of the Non-Gaming Employee Registration  
5 issued to Stephanie Shipman.

6 Ms. Shipman was arrested and  
7 criminally charged with access device fraud, forgery  
8 and conspiracy, all graded as a felony of the third  
9 degree and several misdemeanor-graded offenses related  
10 to her conduct in April of 2019, when Ms. Shipman was  
11 involved in a scheme to deposit fraudulent checks in  
12 Bucks County, Pennsylvania.

13 According to the Criminal Docket,  
14 charges remain pending. At this time the OEC requests  
15 that the Board suspend the Non-Gaming Employee  
16 Registration issued to Ms. Shipman.

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

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

23 MR. LOGAN: Second.

24 CHAIRMAN: All in favor?

25 AYES RESPOND

1                   CHAIRMAN: All opposed? The motion's  
2 adopted.

3                   ATTORNEY MILLER: Good morning,  
4 Chairman Barasch, members of the Board, Dustin Miller  
5 on behalf of the OEC.

6                   Next on the Agenda for the Board's  
7 consideration is a Complaint to revoke the Gaming  
8 Employee Occupation Permit issued to Charles McBride.  
9 Mr. McBride, while employee as a Dealer at SugarHouse  
10 Casino, engaged in unsuitable behavior by revealing  
11 cards to six players at his Blackjack game, paying a  
12 losing bet and overpaying a winning patron.

13                   He was charged with theft and two  
14 gaming-related offenses by Pennsylvania State Police.  
15 He is not currently employed in Pennsylvania's gaming  
16 industry. Accordingly, the OEC requests that the  
17 Board revoke the Gaming Employee Occupation Permit  
18 issued to Charles McBride.

19                   CHAIRMAN: Questions or comments from  
20 the Board?

21                   Hearing none, may I have a motion?

22                   MR. LOGAN: Mr. Chairman, I move that  
23 the Board approve the revocation of Charles McBride's  
24 Gaming Employee Occupation Permit as described by the  
25 OEC.

1                   MS. MANDERINO: Second.

2                   CHAIRMAN: All in favor?

3 AYES RESPOND

4                   CHAIRMAN: All opposed?

5                   The motion's adopted.

6                   ATTORNEY MILLER: Next on the Agenda  
7 for the Board's consideration is a Complaint to revoke  
8 the Gaming Level 2 Employee Occupation Permit issued  
9 to Phillip Prince.

10                   Mr. Prince, while employed as a Table  
11 Games Supervisor at SugarHouse Casino, engaged in  
12 unsuitable behavior by falsifying players' ratings,  
13 giving patrons inflated playing time or falsifying  
14 playing time for when patrons were not present at the  
15 casino.

16                   Mr. Prince would also issue patrons  
17 complimentary benefits that they were not entitled to  
18 receive. He was terminated from SugarHouse Casino and  
19 is not presently employed in Pennsylvania's gaming  
20 industry.

21                   Accordingly, the OEC requests that the  
22 Board revoke the Gaming Level 2 Employee Occupation  
23 Permit issued to Phillip Prince.

24                   CHAIRMAN: Questions or comments from  
25 the Board?

1                   Hearing none, may I have a motion?

2                   MS. MANDERINO: Mr. Chairman, I move  
3 the Board approve the revocation of Phillip Prince's  
4 Gaming Level 2 Employee Occupation Permit described -  
5 as described by the OEC.

6                   MR. MUSTIO: Second.

7                   CHAIRMAN: All in favor?

8 AYES RESPOND

9                   CHAIRMAN: All opposed?

10                   The motion's adopted.

11                   ATTORNEY PITRE: The remaining matter  
12 on the Agenda consists of an enforcement action in  
13 which the OEC filed a Petition seeking the Involuntary  
14 Exclusion of David Pistorius, whose presence in a  
15 licensed facility is deemed inimical to the interests  
16 of the Commonwealth and/or licensed gaming therein.

17                   In this instance the Petition for  
18 Exclusion has been filed with the Board's OHA and  
19 properly served upon Mr. Pistorius. He failed to  
20 respond within 30 days, as required by Board  
21 Regulation. As a result, the OEC filed a Request for  
22 Default Judgment against Mr. Pistorius and properly  
23 served the same upon him.

24                   Therefore, all the facts in the  
25 Petition are deemed admitted. All filed documents

1 have been provided to the Board and this matter is  
2 presently ripe for the Board's consideration.

3 If the Board orders the proposed  
4 exclusion, Mr. Pistorius' photo, personal identifiers  
5 and a summary of his inimical conduct will be placed  
6 on the Board's public website.

7 ATTORNEY MONAGHAN: Good morning,  
8 Thomas Monaghan, M-O-N-A-G-H-A-N, with the OEC. The  
9 final matter on the Agenda for the Board's  
10 consideration is a request to place David Pistorius on  
11 the Board's Involuntary Exclusion List.

12 On April 29th, 2019, Mr. Pistorius  
13 cashed out a voucher that belonged to another patron  
14 at Rivers Casino and redeemed the voucher for cash in  
15 the amount of \$700. Mr. Pistorius was charged by  
16 Pennsylvania State Police for his actions.

17 At this time OEC requests that the  
18 Board place David Pistorius on the Board's Involuntary  
19 Exclusion List.

20 CHAIRMAN: Questions or comments from  
21 the Board?

22 Hearing none, may I have a motion?

23 MR. MUSTIO: Mr. Chairman, I move that  
24 the Board approve the addition of David Pistorius to  
25 the PGCB Involuntary Exclusion List as described by

1 the OEC.

2 MS. REITZEL: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed?

6 The motion is adopted.

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

9 CHAIRMAN: Thank you very much, Cyrus.

10 Well, that concludes today's Agenda.

11 Next public meeting will be held on Wednesday,

12 October 30th at 10:00 a.m. in this room.

13 May I have a motion to adjourn the  
14 meeting?

15 MS. REITZEL: I move to adjourn.

16 MR. SANTONI: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: All opposed?

20 The motion is adopted and we are  
21 adjourned. Thank you one and all.

22 \* \* \* \* \*

23 MEETING CONCLUDED AT 11:45 A.M.

24 \* \* \* \* \*

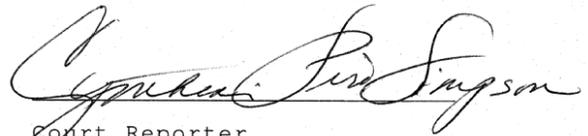
25

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

CERTIFICATE

I hereby certify that the foregoing proceeding was reported by me on 10/02/2019 and that I, Cynthia Piro Simpson, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 28<sup>th</sup> day of October, 2019



Court Reporter  
Cynthia Piro Simpson

## ERRATA

PENNSYLVANIA GAMING CONTROL BOARD  
PUBLIC MEETING TRANSCRIPT  
OCTOBER 2, 2019

PAGE 33, LINE 10	ATTORNEY COOK:	the surrender of 25 individuals licenses – or 25
	SHOULD READ:	the surrender of 26 individual’s licenses – or 26
PAGE 40, LINE 11	MR. KERNODLE:	issued by OHA regarding suspension of William Kline
	SHOULD READ:	issued by OHA regarding the suspension of William Kline’s
PAGE 50, LINE 16	MR. KERNODLE:	doing business as Petro Shopping Center as described
	SHOULD READ:	doing business as Petro Stopping Centers as described