

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: DAVID M. BARASCH, CHAIRMAN
AHMEENAH YOUNG, COMMISSIONER
Richard G. Jewell; Keith R. McCall; Gregory
C. Fajt; Anthony C. Moscato; William H.
Ryan, Jr.; Members
Jorge Augusto, representing Russell
Redding, Secretary of the Department of
Agriculture; Jennifer Langan, representing
Tim Reese, the State Treasurer; and Bob
Coyne, representing the Secretary of
Revenue, Eileen McNulty

MEETING: Wednesday, January 11, 2017
10:04 a.m.

LOCATION: PA Department of Gaming
Strawberry Square Complex, 2nd Floor
Harrisburg, PA 17101

Reporter: Amy Warehime

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ALSO PRESENT:

MICHAEL BALLEZZI, Executive Director, PA Thoroughbred
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MARK JULIANO, Chief Executive Officer, Sands Bethworks
Gaming, LLC

MATTHEW FORBES, Director of Security, Sands Bethworks
Gaming, LLC

WENDY HAMILTON, General Manager, SugarHouse HSP
Gaming, LP

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

ALSO PRESENT:

ANTHONY DILACQUA, Director of Security, SugarHouse HSP
Gaming, LP

GARY HENDRICKS, Vice President & General Manager,
IOC-PA, LLC (Management Company for Woodlands Fayette,
LLC)

RYAN KAZOKAS, Report and Recommendation, Placement on
the Involuntary Exclusion List

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CHAIRMAN:

Good morning. I'm David Barasch, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would just ask that we put our various electronic devices on silent so it doesn't disrupt things. Today I have with us, George Augusta, representing Russell Redding, Secretary of the Department of Agriculture; Jen Langan, representing Tim Reese, the State Treasurer; and Bob Guyne, representing the Secretary of Revenue, Eileen McNulty. Thank you all for coming.

Quorum of the Board being present, I'll call today's proceedings to order. The first order of business, the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Before we begin today, we have several presentations of service awards for Gaming employees. Kevin?

MR. O'TOOLE:

Good morning, Chairman. Good morning, Commissioners. It's always an enjoyable task to put on the wireless microphone and have undivided

1 attention. But we are continuing a tradition that we
2 began over a year ago of recognizing and
3 congratulating in a public way employees who have
4 reached that very significant milestone of ten years
5 of service with the Gaming Control Board. So, with
6 the assistance of Human Resource Specialist Joe Bach,
7 we're going to recognize seven employees this morning.

8 So, let's have everybody, if we could,
9 all come up here front and center. Okay. Fantastic.
10 So, our first honoree this morning is Wes Davenport.
11 Wes was hired on October 14 of 2006 as a licensing
12 analyst within the Bureau of Licensing's Gaming
13 Service Provider Unit. Wes continues to do a great
14 job for the Agency in that position today. Wes,
15 congratulations and thank you for your work.

16 MR. DAVENPORT:

17 Thank you.

18 MR. O'TOOLE:

19 Next up is Salim Jackson. Salim had the
20 longest trip to get here today. Thank you very much
21 for driving from the Pittsburgh area. Salim was hired
22 on November 13th of 2006 as a licensing analyst within
23 the Bureau of Licensing here in Harrisburg. In May of
24 2010 Salim --- who had decided to relocate to the
25 Pittsburgh area to become a casino compliance

1 representative with our Bureau of Casino Compliance.
2 And then in 2015 Salim was promoted to supervisor of
3 the Casino Compliance Unit assigned to the Rivers
4 Casino. Congratulations, Salim. Thank you very much
5 for your work.

6 MR. JACKSON:

7 Thank you.

8 MR. O'TOOLE:

9 Rita Spitler is someone that hopefully
10 we all recognize. She was hired on December 21st of
11 2006 as the Agency's receptionist, the position that
12 she holds today. We are all very appreciative of
13 Rita's smile that greets us every morning as we enter
14 the office to begin our workday. Thank you for your
15 smile and for your work.

16 MS. SPITLER:

17 Thank you.

18 MR. O'TOOLE:

19 Next we have Patty Gustavson. Patty was
20 hired on December 26, 2006, as a Gaming Compliance
21 Examiner within the Bureau of Gaming Operations.
22 Patty has the distinction of being one of the few
23 employees hired in 2005/2006 who had casino
24 experience. And that proved very helpful. And since
25 2007, Patty has served our Agency as compliance

1 manager. Congratulations and thank you, Patty.

2 MS. GUSTAVSON:

3 Thank you.

4 MR. O'TOOLE:

5 Neil Hittinger, Neil was hired on
6 January the 8th of 2007 as a law clerk for the Office
7 of Hearings and Appeals (OHA). Neil soon became an
8 Assistant Chief Counsel within the Office of Chief
9 Counsel (OCC). And today Neil holds the position of
10 Senior Counsel. We really don't remember when you
11 were a law clerk, Neil. It was so long ago. But
12 congratulations and thank you for your work.

13 MR. HITTINGER:

14 Thank you.

15 MR. O'TOOLE:

16 So, we were hoping to have Tania Miller
17 here with us, our HR specialist. I think the weather
18 conditions on the road prevented her from coming in.
19 But Tania and Lindsley Dyno and Angela DeSantis all
20 started on the same day. They started on January 13th
21 of 2007. I'm sure you guys remember being together
22 and being oriented. Lindsley was hired on January
23 13th of '07 as a Licensing Analyst for the Employee
24 Permitting Unit within the Bureau of Licensing. In
25 April of last year Lindsley became an Investigative

1 Analyst for the (BIE). Congratulations, Lindsley, and
2 thank you for your work.

3 MS. DYNO:

4 Thank you.

5 MR. O'TOOLE:

6 And Angela DeSantis, our last honoree
7 this morning. She was also hired on January 13th of
8 '07 as a Licensing Technician in the Special Services
9 Units within the Bureau of Licensing. Angela accepted
10 the responsibilities of executive secretary and was
11 promoted into that position within the Bureau of
12 Licensing in July of 2014, the position that she
13 currently holds. Angela, congratulations and thank
14 you for your work.

15 MS. DESANTIS:

16 Thank you.

17 MR. O'TOOLE:

18 So, let's give everybody a hand. Thank
19 you, all.

20 CHAIRMAN:

21 By way of announcements, the Board held
22 an executive session yesterday, January 10th, to
23 conduct quasi-judicial deliberations relating to
24 matters the Board's going to be considering today.
25 Next we have considerations on a motion to approve the

1 minutes and transcripts of the November 16th meeting.
2 Do we have such a motion?

3 MR. FAJT:

4 Mr. Chairman, I move that the Board
5 approve the minutes and transcript of the November 16,
6 2016 meeting.

7 MR. JEWELL:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 AYES RESPOND

12 CHAIRMAN:

13 All opposed? Motion's adopted. Under
14 new business, we will hear from our Executive
15 Director, Kevin O'Toole again.

16 MR. O'TOOLE:

17 For the Executive Director's Report this
18 morning, we have the Pennsylvania Thoroughbred
19 Horseman's Association here this morning for an item
20 that our Director of Racetrack Operations, Kevin Kile,
21 will summarize.

22 MR. KILE:

23 Good morning, Chairman, members of the
24 Board. The Pennsylvania Thoroughbred Horseman's
25 Association, or PTHA, have requested approval of

1 amendments to their trainer's retirement plan,
2 employee retirement plan and health benefit plan.
3 Under section 1406 of the Act, approximately four
4 percent of funding received from the Pennsylvania Race
5 Horse Development Fund is required to be used to fund
6 health insurance and pension benefits for members of
7 the Horseman's organizations, their families and their
8 employees in accordance with the rules and eligibility
9 requirements of each organization. Subsection F of
10 Section 1406 of the Act requires that all health and
11 pension benefit contracts be approved by the Board.
12 The PTHA represents the owners and trainers who enter
13 and race horses at Parx Racing. Representatives from
14 the PTHA are present today and are here to address the
15 amendments to health and pension benefits plan to the
16 Board.

17 CHAIRMAN:

18 Before we proceed, could each of you
19 stand up and identify yourself for the court reporter?

20 ATTORNEY WASCH:

21 Yes, I'd be happy to. Thank you, Kevin
22 and Mr. Director. I'm Nancy Wasch. I'm Counsel to
23 the Horseman's Association, PTHA, and I draft these
24 plans, I get them approved by the IRS when necessary
25 and do other things related to the benefits for the

1 Horseman's Association.

2 CHAIRMAN:

3 Thank you.

4 MR. BALLEZZI:

5 Good morning, Mr. Chairman. I'm Michael
6 Ballezzi, B-A-L-L-E-Z-Z-I. I'm the Executive Director
7 for the Pennsylvania Thoroughbred Horseman's
8 Association.

9 CHAIRMAN:

10 Mr. Ballezzi, ---

11 MR. BALLEZZI:

12 Yes, sir?

13 CHAIRMAN:

14 --- would you please take the oath?

15 -----

16 MICHAEL BALLEZZI, HAVING FIRST BEEN DULY SWORN,
17 TESTIFIED AS FOLLOWS:

18 -----

19 CHAIRMAN:

20 Thank you very much. You may proceed.

21 MR. BALLEZZI:

22 If I may, Mr. Chairman, Members? As the
23 Executive Director of the Pennsylvania Thoroughbred
24 Horseman's Association, we represent the horsemen who
25 race at Parx Racing. As a result of Act 71, we've

1 developed a pension and healthcare plan for the
2 trainers, owners and the stable employees and the
3 employees at the PTHA. We're asking today for several
4 amendments which Ms. Wasch, as our Counsel, will
5 present to you in the request for the amendments.
6 Thank you.

7 ATTORNEY WASCH:

8 Thanks, Mike. Okay. We have three
9 benefit plans at issue that are funded by the Race
10 Horse Development Fund. And I think the best way
11 organization-wise is I'll go through each plan and
12 I'll tell you the provisions of the plan, the
13 eligibility, the vesting, and then the changes that
14 we're asking for today. And of course if you have any
15 questions, just shout.

16 There is the PTHA employee's retirement
17 plan. That plan is a 401K plan, so it's qualified
18 under the Internal Revenue Code and it is also subject
19 to ERISA. The plan provides for employees to make
20 salary deferral contributions and also they may make
21 Roth contributions, which are after tax contributions
22 that have special distribution tax consequences. And
23 there's an employer contribution that the association
24 makes. The PTHA and any related organizations are
25 included in that plan.

1 The eligibility requirements are one
2 year of service, so any employee who has one year of
3 service and has attained age 21 becomes eligible to
4 make the contributions under the 401K and Roth
5 portions and also to receive employer contributions.
6 Currently there are 14 employees in that plan.

7 The plan has what we call a six-year
8 grade vesting schedule. Meaning that after two years
9 employees are 20 percent vested, then 40, 60, 80, 100
10 percent vested in the employer contributions. But
11 they're always 100 percent invested in their own
12 contributions. The only change that we're asking for
13 in this plan is to approve the plan as restated. No
14 discretionary amendments were made during this
15 restatement. But every six or so years the IRS
16 requires this type of a plan to be restated and
17 incorporate any changes in the law.

18 So, periodically we'll make amendments
19 just because they're required by law. Like things
20 like USARA, which provides rights for people who are
21 in the Armed Services. And all of those changes have
22 to be incorporated into the document in order to
23 maintain the tax-qualified status. And so that's the
24 changes that we're asking for today. It's just,
25 putting all of those together in one document and

1 following what the IRS requires.

2 The second plan I want to talk about is
3 the PTHA Trainer's Retirement Plan. That plan is not
4 covered by ERISA, it's not an employee plan. It's got
5 some, you know, tax status. The plan, it has 174
6 trainers currently involved in the plan. And the
7 eligibility is determined generally based on racing
8 starts. So, I'll tell you what the eligibility is.
9 It has been 20 eligible starts, provided that 60
10 percent of the trainer's annuals starts --- 65 percent
11 of the trainer's annual starts are at Parx Racing.

12 And we're asking to approve an amendment
13 changing that to 15 starts, from 20 to 15 starts. A
14 trainer may also become eligible by reason of having
15 100 eligible starts during the year or the prior
16 calendar year and --- or having a full barn at Parx
17 Racing. And participants are vested after five years
18 of eligibility in that plan. And they get
19 distributions only from certain events, such as
20 obtaining retirement age or disability or death.

21 The third plan is the PTHA Health
22 Benefit Plan. That plan has the same eligibility
23 requirements for trainers as the trainers retirement
24 plan. And we are requesting the same change from 20
25 starts down to 15 starts, with 65 percent of your

1 eligible starts at Parx. And plus the other criteria,
2 full barn or 100 starts. That plan also covers the
3 stable personnel. And it's a combination of an
4 insured health benefit and a health reimbursement
5 under that plan. So, ---.

6 MR. BALLEZZI:

7 Can I interject?

8 ATTORNEY WASCH:

9 Yeah.

10 MR. BALLEZZI:

11 May I interject, please? The purpose of
12 the diminution in number of starts is because we've
13 had a diminution in number of days. Basically we were
14 racing 220 days per year. And by agreement with the
15 Parx Racing and other parts of the contract, we agreed
16 to reduce our days to 170, approximately 25 percent.
17 So, we believe that it's necessary to reduce the
18 number of eligibility starts by 25 percent to be fair
19 to all the trainers. And I think it's reasonable.

20 ATTORNEY WASCH:

21 We also changed the name of the plan,
22 the Trainers' Retirement Plan. We're asking for a
23 name change to the Pennsylvania Thoroughbred
24 Horseman's Association Trainer's Non-Qualified
25 Retirement Plan. We're adding the term non-qualified

1 because a lot of the trainers had questions from their
2 accountants about what kind of a plan this is. They
3 thought it was a qualified plan, but PTHA not being
4 the employer of the trainers cannot have that sort of
5 a plan for the employees. So, we just added a more
6 descriptive term to reduce some confusion about that.
7 And eligible starts also will now include canceled
8 races, which is defined in the amendment.

9 So, that's all that I was going to say
10 about the plan. And if you don't have any questions
11 on that, Mike's going to talk about the financial
12 aspect and the reasonableness of the administrative
13 components.

14 MR. BALLEZZI:

15 Thank you, Mr. Chairman. One of the
16 requirements is the plan maintain a reasonableness,
17 quote/unquote, as defined by the statute. So, what
18 I've done for your benefit is to break down the costs
19 on a percentage basis and a raw number basis so you
20 get an idea how much we spend for each of the
21 categories as a percentage of the whole. For example
22 our healthcare plan which incorporates not only the
23 trainers but the backstretch employees and employees
24 of the PTHA. The approximate total cost of that is
25 \$2,367,000 a year, or approximately 74 percent of the

1 budget. The pension plan which also covers the
2 trainers and certain employees, employees of the PTHA,
3 amounts to about \$442,000 per year, or 14 percent. We
4 also have an obligation under the statute to give the
5 jockeys \$250,000 per year for the disability plan,
6 which we pay in quarterly payments. That's eight
7 percent of our budget.

8 So, the total budget for our healthcare
9 and pension and the jockeys is 96 percent and our
10 actual expense for administrative expenses is four
11 percent, which I think is more than reasonable given
12 the fact that the statute allows 15 percent. So, I'm
13 pleased to announce to you that we certainly come
14 under the requirements of reasonableness. I think we
15 give more bang for the buck than probably any other
16 plan in existence. And I'm pleased to say that this
17 certainly qualifies it under the statute.

18 CHAIRMAN:

19 Thank you. Do you have anything else at
20 this point?

21 ATTORNEY WASCH:

22 No. We ask for your approval of these
23 amendments.

24 CHAIRMAN:

25 Just a question. Do you have any

1 further questions on this, Kile?

2 MR. KILE:

3 I do not.

4 CHAIRMAN:

5 Any questions or comments from the
6 Board?

7 MR. FAJT:

8 One quick question. Counselor, nice to
9 see you again. I know you've been here ---

10 ATTORNEY WASCH:

11 Yes.

12 MR. FAJT:

13 --- a number of times before. And Mr.
14 Ballezzi. You may have answered this question before.
15 But the non-qualified retirement plan, is that
16 historic? I mean, it's a little unusual to have for
17 employees, non-executives, to have a non-qualified
18 plan as I recall.

19 ATTORNEY WASCH:

20 It is an unusual plan. As a matter of
21 fact, I consider it a unique plan as far as the tax
22 structure goes. And for that reason we took the
23 protective step of going to the IRS and actually
24 getting a letter of ruling about the tax issues
25 related to that plan. The individuals covered aren't

1 employees of the Association. So, it doesn't fall
2 under executive compensation as you normally see it.
3 It doesn't fall under employee's plans. So, what is
4 it and when do people get taxed? And we didn't want
5 it to be viewed as anything that would potentially
6 compromise the 501(c)(6) status of the Association ---
7 or (c)(9) --- I'm sorry, the (c)(6) status of the
8 Association. So, we went to the IRS and actually got
9 a favorable ruling on that. And it was a ruling of
10 first impression. It took us three years of
11 discussing it with the IRS to get that ruling. But
12 it ---.

13 MR. FAJT:

14 Do you have a copy of that letter?

15 MR. BALLEZZI:

16 Yeah.

17 ATTORNEY WASCH:

18 We do.

19 MR. FAJT:

20 Thank you.

21 ATTORNEY WASCH:

22 Okay. Thank you.

23 CHAIRMAN:

24 Other questions? Tony?

25 MR. MOSCATO:

1 Thank you, sir. Just one quick
2 question. What percentage of all the employees
3 participate in this? Is it 100 percent or ---?

4 ATTORNEY WASCH:

5 Well, employees or trainers?

6 MR. MOSCATO:

7 I'm sorry. Trainers.

8 ATTORNEY WASCH:

9 That's okay. I always make --- because
10 of my tax brain --- yeah. The trainers --- Mike, do
11 you ---?

12 MR. BALLEZZI:

13 The eligible trainers 100 percent.

14 MR. MOSCATO:

15 Okay.

16 ATTORNEY WASCH:

17 Well, the eligible meaning they met the
18 number of starts.

19 MR. BALLEZZI:

20 We had that whole list of things where
21 they have a barn or 100 starts, 20 starts, 15 starts.
22 If you're eligible, they're all on the plan.

23 MR. MOSCATO:

24 All on the plan? Thank you.

25 CHAIRMAN:

1 Anything, Bill?

2 MR. RYAN:

3 No thanks.

4 MR. BALLEZZI:

5 Which encompasses probably of the folks
6 who run at Parx Racing, probably 80 percent meet the
7 eligibility requirements.

8 CHAIRMAN:

9 Thank you. Do I have a motion?

10 MR. JEWELL:

11 Mr. Chairman, I move that the Board
12 issue an Order to grant the amendments to the
13 Pennsylvania Thoroughbred Horseman's Association's
14 Retirement and Health Benefits Plan as described by
15 the Office of Racetrack Gaming.

16 MR. MCCALL:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 All opposed? The motion's adopted.

23 Thank you so much for your time.

24 ATTORNEY WASCH:

25 Thank you, Mr. Chairman, Members of the

1 Board.

2 MR. BALLEZZI:

3 Thank you, Mr. Members. Thank you,
4 members.

5 CHAIRMAN:

6 Next we'll hear from our Director.
7 You're not the Director of Human Resources. But we're
8 going to hear from Claire at this point. You have a
9 new title, Claire.

10 MS. YANTIS:

11 Good morning, Chairman and Board
12 members. We have one administrative motion for your
13 consideration today relative to the PGCB
14 classification and compensation structure. With the
15 recent changes to the Agency's organizational
16 structure, there were three positions that needed to
17 be either replaced onto the classification and
18 compensation structure or have their pay grades
19 changed within the structure. A memo explaining these
20 changes was provided to you in advance of this
21 meeting. To summarize the changes, the position of
22 administrative director was added to the structure in
23 pay grade GE05. The position of director of Gaming
24 Laboratory Operations was moved from pay grade GE04 to
25 GE03. The position of director of information

1 technology was moved from pay grade GE02 to GE03. I
2 would be happy to entertain any questions you may have
3 relative to these changes. If none, I would ask for a
4 motion formalizing the changes as described.

5 CHAIRMAN:

6 Any questions or comments from the
7 Board?

8 MR. FAJT:

9 One quick question. Thank you, Mr.
10 Chairman. Claire, just for the public record. These
11 change in classifications, they will not result in any
12 pay change or salary change to current employees? I
13 mean, the range is changed, but what these individuals
14 in these positions are making now, it will not have an
15 effect on their current compensation; is that correct?

16 MS. YANTIS:

17 Correct. In terms of the --- there was
18 nobody in the position when the position was changed.

19 MR. FAJT:

20 Okay.

21 MS. YANTIS:

22 So, it doesn't move anybody's pay up or
23 down because of the change. The changes were made and
24 then individuals put into those positions.

25 MR. FAJT:

1 Thank you.

2 CHAIRMAN:

3 Thank you.

4 MS. YANTIS:

5 Welcome.

6 CHAIRMAN:

7 May I have a motion?

8 COMMISSIONER YOUNG:

9 Mr. Chairman, I move that the Board
10 approve the amendment to the PGCB Classification and
11 Compensation Structure as proposed by the
12 Administrative Director.

13 MR. RYAN:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 All opposed? The motion's adopted.

20 MS. YANTIS:

21 Thank you.

22 CHAIRMAN:

23 Thanks, Claire. Dave Rhen, our
24 Financial Management Director.

25 MR. RHEN:

1 Good morning.

2 CHAIRMAN:

3 Good morning.

4 MR. RHEN:

5 I'm here today to present the second
6 quarterly budget update of the fiscal year. The
7 current year budget is --- budget appropriation is
8 \$40,169,000. Overall we are within budget and
9 currently projecting a surplus for the fiscal year due
10 to higher than expected vacancies. As of December
11 31st, our employee count stood at 295. This was down
12 four from last fiscal year and down 18 from the year
13 before that. The current year budget was based on
14 over 300 positions. Now, that we're carrying less
15 than 295 for most of the first half of the fiscal
16 year, that's the reason for the surplus projection.

17 During the first half, in fact, the
18 complimented level fell as low as \$292,000, which was
19 the lowest in seven years. And that's before table
20 games were enacted. Due to timing differences,
21 expenses were up 6.1 percent, or \$1 million for the
22 first half of the fiscal year. Nearly all of the
23 increase is due to one additional payroll hitting in
24 the current year versus last year.

25 Overall expenditures totaled \$18.1

1 million through December. \$16 million of this, or 88
2 percent, was for payroll and benefits. Despite rising
3 costs, the average biweekly payroll total was
4 essentially unchanged from last year due to carrying
5 fewer positions. Benefit expenses were 69 percent of
6 total salary expenses, up from 67 percent last year
7 and 60 percent the year before that. Operating at
8 fixed asset expenses for the first half totaled \$2.1
9 million, or 12 percent, of overall expenses. This
10 total is down \$15,000 from last year. Nearly 70
11 percent of the \$2.1 million dollars in operating
12 expenses were for rentals and leases totaling
13 \$755,000. And service expenditures, which consisted
14 of inter-agency billings, directors and officers
15 insurance and investigative fingerprint fees, which
16 totaled \$614,000. And that concludes my remarks.

17 CHAIRMAN:

18 Thank you. Are there any questions for
19 Dave from anybody?

20 MR. RYAN:

21 If I can, Mr. Chairman? Dave, you
22 indicated that so far we're running a surplus for this
23 fiscal year. If you can answer I would ask, how much
24 money, if any, did the Board give back at the end of
25 last fiscal year? Do you remember?

1 MR. RHEN:

2 It was north of \$1.5 million.

3 MR. RYAN:

4 Okay. Thank you.

5 MR. RHEN:

6 I'm not sure of the exact figure.

7 CHAIRMAN:

8 Any other questions or comments? May I
9 have a motion? Oh, there is no motion. Thanks, Dave.

10 MR. RHEN:

11 Yeah.

12 CHAIRMAN:

13 Oh, yeah. I think we do. Oh, no. No.
14 It's ---. Doug? There you go.

15 ATTORNEY SHERMAN:

16 Good morning, Chairman and members of
17 the Board. Our first agenda item relates to a
18 proposed regulation which Assistant Chief Counsel,
19 Susan Yocum, is here to present.

20 ATTORNEY YOCUM:

21 Good morning, Chairman and members of
22 the Board. The agenda item is a Proposed Rulemaking
23 #125-204. It will add two new table games to the
24 complemented games available for play in the
25 Commonwealth, and that would be Cajun Stud and Four

1 Card Prime. Included in this rulemaking are the rules
2 of play, dealing procedures and permissible payout
3 odds. I'm more than happy to answer any questions you
4 may have.

5 CHAIRMAN:

6 Questions or comments from the Board?
7 May I have a motion?

8 MR. MCCALL:

9 Mr. Chairman, I move that the Board
10 issue an Order to adopt the Proposed Regulation,
11 #125-204 as described by the (OCC).

12 MR. MOSCATO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 All opposed? Motion's adopted. Thank
19 you so much.

20 ATTORNEY SHERMAN:

21 Today we have three petitions before you
22 for your consideration. Each can be decided on the
23 documents filed of record, as they were uncontested.
24 For each of the matters the Board has, in advance of
25 this meeting, been provided with the petition, OEC's

1 answer as well as any evidentiary materials which have
2 been filed of record. The first matter is that of
3 Alexander's Sung's Petition for Reconsideration of the
4 Board's Denial of his Gaming Employee Permit Renewal
5 Application. By way of background, in January of
6 2016, Mr. Sung submitted a renewal application for his
7 gaming permit to allow him to continue to work as a
8 table gaming dealer at Harrah's, Philadelphia. In
9 March of 2016, the Office of Enforcement Counsel (OEC)
10 recommended the denial of his renewal application
11 based upon his failure to file 2013/2014 federal tax
12 returns as well as non-compliance with Department of
13 Revenue obligations.

14 As a result of that recommendation on
15 May 26th, 2016, the Board denied his renewal. On
16 November 29th of last year, Mr. Sung informed the
17 Board that he is now compliant with the federal and
18 Commonwealth taxes, and as a result has requested
19 reconsideration of the Board's denial. The Board's
20 (BIE) had confirmed that DOR --- with DOR that Mr.
21 Sung is compliant. And also confirmed that he had
22 filed his federal tax returns through 2014.

23 There was a matter of his tax returns
24 still concerning 2015 still being outstanding. And I
25 think the recommendation which had come to the Board

1 prior to right now was that he be approved for
2 renewal, subject to BIE confirming his 2015 taxes.

3 There's a little wrinkle in what we had
4 discussed yesterday during our deliberations. Mr.
5 Sung has come to the hearing today, to the public
6 meeting. And I'm told that he has presented his 2015
7 returns to OEC and that there now is no objection.
8 So, I can present him for reconsideration of the
9 denial and renew his gaming permit without regard to
10 any conditions for the 2015 returns. That matter is
11 now ready for decision.

12 CHAIRMAN:

13 Just one quick question before I open
14 this up. Mr. Sung, is the Revenue Department
15 satisfied with the situation?

16 MR. SUNG:

17 Yes, sir.

18 CHAIRMAN:

19 Thank you.

20 MR. SUNG:

21 We always get those returns and the
22 money with them.

23 CHAIRMAN:

24 Very nice. Any questions or comments
25 from the Board? In that case, I'll take a motion.

1 MR. MOSCATO:

2 Mr. Chairman, I move that the Board
3 grant the petition of Alexander Sung, seeking
4 reconsideration for his Gaming Employee Occupation
5 Permit Renewal Application.

6 MR. RYAN:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 All opposed? Motion's adopted.

13 ATTORNEY SHERMAN:

14 The next petition before the Board
15 pertains to the (OEC)'s request to place Janee Deck on
16 the Involuntary Exclusion List. After originally
17 requesting the hearing, Ms. Deck subsequently decided
18 to waive her right to a hearing and have the Board
19 decide the matter based upon the documentary record.
20 The uncontested facts in the matter show that on July
21 1st of 2016, Ms. Deck who was 20 years old used a
22 false identification card to gain entrance to the
23 Presque Isle gaming floor. Upon security discovering
24 she was under age she was escorted off the floor and
25 subsequently charged with carrying a false

1 identification card, a charge she pled guilty to. The
2 matter to exclude her is now ready for the Board's
3 consideration.

4 CHAIRMAN:

5 Questions or comments from the Board?
6 May I have a motion?

7 MR. RYAN:

8 Mr. Chairman, I move that the Board
9 grant the petition for placement of Janee Deck on the
10 PGCB Involuntary Exclusion List as described by the
11 (OCC). And that Ms. Deck be placed on the Board's
12 Excluded Persons List until at least her 22nd
13 Birthday. At which time she may petition to be
14 removed from the list.

15 COMMISSIONER YOUNG:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 All opposed? Motion's adopted.

22 ATTORNEY SHERMAN:

23 And the final petition is that of Paul
24 Huynh. It's a petition for early reapplication for a
25 G2 permit. In March of 2012 Mr. Huynh filed an

1 application for a Gaming Employee Occupation Permit to
2 seek work as a table game dealer at Valley Forge
3 Casino.

4 Prior to ever beginning his employment
5 there, apparently Mr. Huynh decided not to continue to
6 seek the employment at Valley Forge and he let the
7 application process go to the point that he was
8 declared to be noncompliant with the licensing
9 process. And in terms of non-compliance, he simply
10 didn't respond to requests for information. As a
11 result, he subsequently was denied an application due
12 to the lack of cooperation by the Board on July 12th,
13 2012.

14 The request now before the Board states
15 that Mr. Huynh has been working at Harrah's Casino in
16 Atlantic City for the past five years and is seeking
17 to transfer to the Harrah's Philadelphia Casino in
18 order to gain a full-time supervisor position.
19 Typically when there's a denial there's a five-year
20 prohibition for reapplication in this case. Four
21 years has passed without the full five-year period
22 lapsing. And therefore, he has requested that he be
23 permitted to apply early, that is after four years to
24 seek employment at Harrah's Chester.

25 CHAIRMAN:

1 This five-year normal restriction, is
2 that statutory or is that by practice here?

3 ATTORNEY SHERMAN:

4 That's in our regulation.

5 CHAIRMAN:

6 It's in your regulations?

7 ATTORNEY SHERMAN:

8 Because it's in a regulation the Board
9 has the discretion to grant relief from it.

10 CHAIRMAN:

11 Okay. Thank you. Any questions or
12 comments from the Board? May I have a motion?

13 COMMISSIONER YOUNG:

14 Mr. Chairman, I move that the Board
15 grant Paul Huynh's petition seeking reapplication for
16 a G2 Employee Permit as described by the (OCC).

17 MR. FAJT:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 All opposed? Motion's adopted.

24 ATTORNEY SHERMAN:

25 Okay. Next presenting Withdrawals and

1 Reports and Recommendations is Deputy Chief Counsel,
2 Steve Cook.

3 ATTORNEY COOK:

4 Good morning. The Board has received
5 several unopposed petitions to withdraw the
6 applications or surrender the credentials of
7 individuals or businesses. These persons and entities
8 are as follows; Marc Comella, Wesley Robert Edens,
9 Innovative Business Concepts, Inc., Stuart Cohen,
10 William OC Media, LLC, Bally Gaming, Inc. and DEQ
11 Systems Corp, Gurpreet S. Dhindsa, Justin M. Findlay,
12 Bradley J. Broderick and Todd Cravens. The (OEC) has
13 no objection to any of these withdrawals and
14 surrenders. And as a result, if the Board were to
15 grant same today, they would be doing so without
16 prejudice to each of these parties.

17 CHAIRMAN:

18 Thank you. Any questions or comments
19 from the Board? May I have a motion?

20 MR. FAJT:

21 Mr. Chairman, I move that the Board
22 issue Orders to approve the Withdrawals and Surrenders
23 as described by the (OEC).

24 MR. JEWELL:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 All opposed? The motion's adopted.

6 ATTORNEY COOK:

7 Next on the Board's agenda, Reports and
8 Recommendations. I would note for the record that
9 each of these Reports and Recommendations received
10 from the (OHA) have been provided to the Board in
11 advance of today's meeting, as well as the evidentiary
12 record behind each Report and Recommendation. And in
13 addition to that, each person that is the subject of
14 the Report and Recommendation has been notified that
15 the Board was taking the matter up today and that they
16 had the ability to come forward or come today and
17 briefly address the Board. At least one of these
18 individuals is present today.

19 And I would also note for the record
20 that on the Board agenda there are four Reports and
21 Recommendations. However, the second one listed,
22 James Evans the III, I would request that we pass over
23 that today. Mr. Evans apparently misread the notice
24 and appeared in our Wilkes-Barre office. And as a
25 result, he does want to appear in front of the Board.

1 So, we'll schedule it for the next meeting, the next
2 Board meeting.

3 CHAIRMAN:

4 Very well.

5 ATTORNEY COOK:

6 The first Report and Recommendation
7 before the Board pertains to Pasang Sherpa. Mr.
8 Sherpa was issued a Gaming Employee Occupation Permit
9 in April of 2013 and worked as table games dealer at
10 Presque Isle Downs. On August 2nd, 2016, the (OEC)
11 filed a request for an emergency suspension of Mr.
12 Sherpa's gaming permit after learning that he'd been
13 charged with several criminal offenses, including one
14 felony offense. On February 18th, 2016, after
15 following an arrest for DUI on that date when Mr.
16 Sherpa was transported home after processing by the
17 Pennsylvania State Police, he became uncooperative
18 with the authorities, which resulted in a struggle and
19 one of the troopers being injured. As a result of
20 that conduct he was arrested on further charges above
21 and beyond the DUI, including the felony I mentioned
22 previously.

23 And as a result of that conduct, alleged
24 conduct and the felony charge the Executive Director
25 issued an emergency suspension. A hearing on the

1 validity of the emergency suspension was held on
2 October 19th, 2016. Prior to that meeting Mr.
3 Sherpa's counsel, his criminal defense attorney,
4 contacted the (OHA), indicating that they were aware
5 that the hearing would be occurring but they would not
6 be participating. As a result, the only evidence put
7 into the record was OEC's evidence about the charges
8 and the underlying basis for those charges. And as a
9 result of that evidence, the Hearing Officer's
10 recommendation is that the emergency suspension remain
11 in place?

12 CHAIRMAN:

13 Questions or comments from the Board?
14 May I have a motion?

15 MR. JEWELL:

16 Mr. Chairman, I move that the Board
17 adopt the Report and Recommendation issued by the
18 (OHA) regarding the suspension of Pasang Sherpa's
19 Gaming Employee Occupation Permit as described by the
20 (OCC).

21 MR. MCCALL:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 AYES RESPOND

1 CHAIRMAN:

2 All opposed? Motion's adopted.

3 ATTORNEY COOK:

4 There are two other reports and
5 recommendations on the agenda today. They are
6 related. They involved two brothers, Cameron and Ryan
7 Kazokas. Mr. Ryan Kazokas is presented today and has
8 indicated he would like to address the Board. And so
9 I'd call him forward. And while he's coming forward I
10 will briefly give the Board a synopsis of the reports
11 and recommendations. Basically the reports and
12 recommendations, there are two for Cameron and Ryan
13 Kazokas. Hearings in these matters was held on
14 September 29th, 2016, with both the (OEC) and both of
15 the Kazokas brothers appearing and offering evidence.
16 The undisputed evidence at those hearings shows that
17 on January 16th, 2016, a patron at the Mohegan side of
18 Pocono Downs Casino reported to casino personnel that
19 her cell phone was missing.

20 A review of surveillance video showed
21 the patron and her friend sitting at a casino bar with
22 their cell phone located on the bar. Cameron Kazokas
23 along with Ryan Kazokas and a third individual,
24 Christopher Gillispie are seen in the video talking to
25 the patron and one of her friends. At one point while

1 the patron's back was turned towards the machine,
2 Cameron Kazokas took the phone and placed it into
3 Ryan's back pocket. Thereafter the three men left the
4 area and the patron can be seen searching for her
5 phone.

6 Shortly thereafter the three men
7 returned to the center bar to again speak to the
8 patron and she informs them that her phone is missing.
9 Ryan then walks away from the conversation and drops
10 the phone on the floor whether it is later retrieved
11 by security. Cameron Kazokas testified at his hearing
12 that he was intoxicated and did not remember taking
13 the cell phone.

14 He admitted that the video shows him
15 taking the phone but he states that he must have
16 thought it was his own cell phone rather than of
17 someone else's. Ryan testified that he did not ask
18 his brother to take the phone, nor did he realize the
19 phone was placed in his back pocket. He also
20 testified that he did, in fact, tell the police he had
21 the phone, but he did not mean to do any harm to the
22 women.

23 Subsequently a Report and Recommendation
24 was issued in each of these two cases, recommending
25 that Cameron and Ryan Kazokas be placed on the Board's

1 Exclusion List. In reaching this conclusion the
2 Hearing Officer opines that he believed the incident
3 was fueled by alcohol intoxication and that there was
4 no criminal intent on the part of the brothers.

5 Notwithstanding that conclusion, the
6 Hearing Officer recommends that both brothers be
7 placed on the Exclusion List in furtherance of the
8 Board's historical desire to have a strict regulatory
9 process in this area and so as to be consistent with
10 the treatment of the third individual, Christopher
11 Gillispie, whom the Board has previously placed on the
12 Exclusion List pursuant to a default judgment.

13 Both Kazokas brothers filed exceptions
14 to the Hearing Officer's Report and Recommendation,
15 arguing first that OEC had not met its burden to place
16 them on the Exclusion List and second that the Hearing
17 Officer's rationale of placing them on the list to be
18 consistent with the treatment of Mr. Gillispie was
19 improper.

20 Both of these matters are ready for
21 consideration. We will need two separate motions
22 because they are two separate Reports and
23 Recommendations. As indicated, Ryan is present to
24 address the Board and would like to address the Board.

25 MR. KAZOKAS:

1 I would like to address the Board.

2 CHAIRMAN:

3 Mr. Kazokas, if you're going to address
4 the Court, would you please stand and be sworn?

5 -----

6 RYAN KAZOKAS, HAVING FIRST BEEN DULY SWORN, TESTIFIED
7 AS FOLLOWS:

8 -----

9 CHAIRMAN:

10 You may proceed.

11 A. Okay. So, let me just preface it by saying, we
12 --- well, I speak for myself. I deeply regret my
13 actions that night and they were definitely fueled by
14 intoxication. But not as bad as my --- it wasn't that
15 bad. The recommendation states if the Board desires a
16 strict regulatory process for gaming and Respondent
17 should be placed on list via default judgment. That
18 was Chris' default judgment, so he was placed on the
19 Exclusion List. 4PA CS-1514(e)(3) states that the
20 list is not all-inclusive. Any list compiled by the
21 Board of persons to be excluded or ejected shall not
22 be deemed an all-inclusive list. Therefore if that's
23 the only basis on placing us on the --- well, myself
24 on the Exclusion List, then this does not follow this
25 amendment. And that's about it.

1 CHAIRMAN:

2 Just to make sure I understand
3 something. You're here on your own behalf or also on
4 behalf of your brother?

5 A. On my own behalf. I'm sorry.

6 CHAIRMAN:

7 Okay. You're not raising these issues
8 as to your brother?

9 A. That's his own.

10 CHAIRMAN:

11 Okay. Are there questions?

12 MR. RYAN:

13 No.

14 CHAIRMAN:

15 No questions. Could I have a motion?

16 ATTORNEY COOK:

17 We need two motions.

18 CHAIRMAN:

19 Oh, there's two. Okay.

20 ATTORNEY COOK:

21 I believe, but I'm not sure which one's
22 first. Cameron's first.

23 CHAIRMAN:

24 Oh, okay. That's from you. That's what
25 confused me.

1 MR. MOSCATO:

2 Okay. And this is Ryan here?

3 MR. KAZOKAS:

4 Yes.

5 MR. MOSCATO:

6 Got you.

7 ATTORNEY COOK:

8 And we're going with Cameron first;
9 right?

10 MR. MOSCATO:

11 Right. I'm sorry. I thought we were
12 going out of order. Mr. Chairman, I move that the
13 Board adopt the Report and Recommendation of the (OHA)
14 regarding the placement of Cameron Kazokas on the PGCB
15 Involuntary Exclusion List, but note the Hearing
16 Officer's under --- but not the Hearing Officer's
17 underlying rationale.

18 MR. RYAN:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 AYES RESPOND

23 CHAIRMAN:

24 All opposed? Motion's adopted.

25 ATTORNEY COOK:

1 The second motion would involve Ryan
2 Kazokas.

3 MR. FAJT:

4 Thank you, Mr. Chairman. Mr. Kazokas,
5 you heard the statement of facts by Mr. Cook. Do you
6 deny any of the facts that Mr. Cook laid out?

7 MR. KAZOKAS:

8 I do not. I never denied having the
9 phone that night to anybody, once I knew I had it.

10 MR. FAJT:

11 So, your brother's initial story that,
12 you know, he thought it was his phone wasn't true?

13 MR. KAZOKAS:

14 I have no idea. I wasn't with him when
15 he took --- I was with him but I was not standing by
16 him when he took the phone. So, maybe he did, maybe
17 he didn't. But I can't speak for that.

18 MR. FAJT:

19 Thank you.

20 CHAIRMAN:

21 Other questions? I have a motion? Oh.

22 MR. RYAN:

23 Sir, you indicated that you thought this
24 was your phone? Is that what you're saying?

25 MR. KAZOKAS:

1 No. That was my brother who took the
2 phone and placed it in my pocket. That was his
3 statement.

4 MR. RYAN:

5 Okay.

6 MR. KAZOKAS:

7 I have no idea if he thought that or
8 not. I just know I found the phone in my pocket a few
9 minutes later.

10 MR. RYAN:

11 And you didn't ---?

12 MR. KAZOKAS:

13 I had no idea until I saw the evidence
14 that he put it in my pocket.

15 MR. RYAN:

16 Did you have a phone that night?

17 MR. KAZOKAS:

18 I have actually two phones.

19 MR. RYAN:

20 Both with you?

21 MR. KAZOKAS:

22 Right now?

23 MR. RYAN:

24 That night.

25 MR. KAZOKAS:

1 Oh, yeah. I had --- yeah. I actually
2 even showed one of the security staff that I had an
3 iPhone, an older one. And I showed him that it was
4 mine and I was able to ---

5 MR. RYAN:

6 Okay.

7 MR. KAZOKAS:

8 --- prove that it was mine.

9 MR. MCCALL:

10 All right. I have a follow-up question.

11 CHAIRMAN:

12 Please.

13 MR. MCCALL:

14 Steve, I guess to you. The surveillance
15 video, when finding the phone, how did the phone get
16 dropped on the floor? Did his brother take it out of
17 his pocket or did he take it out of his pocket and
18 drop it on the floor?

19 MR. KAZOKAS:

20 I took it out of my own pocket.

21 MR. MCCALL:

22 Well, then you had --- then you knew
23 that the phone was there?

24 MR. KAZOKAS:

25 I do. And I state that I should have

1 gave the phone back to her once I realized I had it.
2 But I just --- in a panic, I just wanted to leave and
3 drop it and get it out of there.

4 MR. MCCALL:

5 Thank you.

6 CHAIRMAN:

7 Okay. Now, may I have a motion?

8 MR. RYAN:

9 Mr. Chairman, I move that the Board
10 adopt the recommendation of the (OHA) regarding the
11 placement of Ryan Kazokas on the PGCB Involuntary
12 Exclusion List, but not the Hearing Officer's
13 underlying rationale.

14 COMMISSIONER YOUNG:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN:

20 Opposed? The motion's adopted.

21 ATTORNEY COOK:

22 And that concludes all matters of the
23 (OCC).

24 CHAIRMAN:

25 Thank you. The next part of the agenda

1 is Susan Hensel with the Bureau of Licensing. Good
2 morning, Sue.

3 MS. HENSEL:

4 Thank you, Chairman Barasch and members
5 of the Board. Before the Board today will be three
6 Table Game Manufacturer Licenses and 529 Principal Key
7 Gaming and Non-Gaming Employee Applicants. In
8 addition there will be the consideration of 15 Gaming
9 Service Provider Applicants. The first matter for
10 your consideration is the approval of the Table Games
11 Manufacturer License for CountR GmbH. CountR is a
12 German company specializing in gaming-related cash and
13 ticket redemption products. The company makes among
14 other products a micro-ticket redemption machine
15 designed to be installed at table games. The
16 redemption machine allows the table games dealer to
17 issue chips in exchange for vouchers and vouchers in
18 exchange for chips. CountR has asked that the Board
19 grant it a reduced licensing fee. The licensing fee
20 for the manufacturer's initial one-year license is
21 normally \$50,000. Under the Gaming Act the Board may
22 modify the fee for a table games manufacturer if it
23 determines that the fee will unreasonably limit a
24 table games product in Pennsylvania.

25 Consistent with this provision of the

1 Act, the Bureau of Licensing has adopted a reduced
2 licensing fee policy, which takes into account how
3 many manufacturers produce a particular product as
4 well as the amount of revenue the company anticipates
5 earning. The policy has previously been presented to
6 the Board. CountR has requested a reduced fee of
7 zero, which is consistent with the Bureau's policy.
8 The company is the only maker in Pennsylvania of that
9 micro-ticket redemption machine. The Bureau of
10 Licensing recommends that the Board grant the reduced
11 licensing fee.

12 The (BIE) has completed its
13 investigation and the Bureau of Licensing has provided
14 you with a background investigation and suitability
15 report. I have also provided you with a draft order
16 and ask that the Board consider the Order, approving a
17 Table Game Manufacturer License for CountR GmbH,
18 including the reduced licensing fee.

19 CHAIRMAN:

20 Comments from Enforcement Counsel?

21 ATTORNEY PITRE:

22 Enforcement Counsel has no objection.

23 CHAIRMAN:

24 Questions or comments from the Board?

25 May I have a motion?

1 COMMISSIONER YOUNG:

2 Mr. Chairman, I move that the Board
3 approve the Table Games Manufacturer License of CountR
4 GmbH as described by the Bureau of Licensing.

5 MR. FAJT:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 All opposed? The motion's adopted.

12 MS. HENSEL:

13 Next for your consideration is the
14 renewal of the TCX John Huxley America, Inc.'s Table
15 Games Manufacturer License. TCS John Huxley America
16 is a subsidiary of TCS John Huxley Europe Limited,
17 whose license renewal you will consider next. The
18 Nevada based business manufactures and sells a variety
19 of table game related products, including the Big Six
20 wheels manufactured by its parent company.

21 The (BIE) has completed its
22 investigation and the Bureau of Licensing has provided
23 you with a background investigation and suitability
24 report. I have provided you with a draft order and
25 ask that the Board consider the Order to renew the

1 Table Game Manufacturer License.

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Thank you. Any questions or comments
6 from the Board? May I have a motion?

7 MR. FAJT:

8 Mr. Chairman, I move that the Board
9 approve the renewal of TCS John Huxley America Inc's
10 Table Games Manufacturer License as described by the
11 Bureau of Licensing.

12 MR. JEWELL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 All opposed? Motion's adopted.

19 MS. HENSEL:

20 Also for your consideration is the
21 renewal of the TCS John Huxley Europe Limited's Table
22 Games Manufacturer License. TCS John Huxley Europe is
23 head quartered in the United Kingdom. The Company
24 manufacturer's roulette and Big Six wheels as well as
25 chip sorting machines.

1 The (BIE) has completed its
2 investigation and the Bureau of Licensing has provided
3 you with a background investigation and suitability
4 report. I have provided you with an Order and ask
5 that the Board consider the Order to renew the Table
6 Game Manufacturer License.

7 ATTORNEY PITRE:

8 Enforcement Counsel has no objection.

9 CHAIRMAN:

10 Questions or comments from the Board?
11 May I have a motion?

12 MR. JEWELL:

13 Mr. Chairman, I move that the Board
14 approve the renewal of TCS John Huxley Europe
15 Limited's Table Games Manufacturer License as
16 described by the Bureau of Licensing.

17 MR. MCCALL:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 All opposed? Motion's adopted.

24 MS. HENSEL:

25 Also for your consideration is the

1 approval of Principal and Key Employee Licenses.
2 Prior to this meeting the Bureau of Licensing provided
3 you with a proposed Order for seven Principal and 14
4 Key Employee Licenses. I ask that the Board consider
5 the Order approving these licenses.

6 ATTORNEY PITRE:

7 Enforcement Counsel has no objection.

8 CHAIRMAN:

9 Questions or comments from the Board?

10 May I have a motion?

11 MR. MCCALL:

12 Mr. Chairman, I move that the Board
13 approve the issuance of Principal and Key Employee
14 licenses as described by the Bureau of Licensing.

15 MR. MOSCATO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 All opposed? Motion's adopted.

22 MS. HENSEL:

23 There are also Temporary Key Employee
24 Licenses for your consideration. Prior to this
25 meeting, the Bureau of Licensing provided you with an

1 Order regarding the issuance of temporary licenses for
2 nine Key Employees. I'd ask that the Board consider
3 the Order approving these licenses.

4 ATTORNEY PITRE:

5 Enforcement Counsel has no objection.

6 CHAIRMAN:

7 Questions or comments from the Board?

8 May I have a motion?

9 MR. MOSCATO:

10 Mr. Chairman, I move that the Board
11 approve the issuance of Temporary Key Employee
12 credentials as described by the Bureau of Licensing.

13 MR. RYAN:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 All opposed? Motion's adopted.

20 MS. HENSEL:

21 Next there are Gaming Permits and
22 Non-Gaming Registrations. The Bureau of Licensing has
23 provided you with a list of 349 individuals to whom
24 the Bureau has granted temporary or full occupation
25 permits. And 131 individuals to whom the Bureau has

1 granted registrations under the authority delegated to
2 the Bureau of Licensing. I ask that the Board
3 consider a motion approving the Order.

4 ATTORNEY PITRE:

5 Enforcement Counsel has no objection.

6 CHAIRMAN:

7 Questions or comments from the Board?

8 May I have a motion?

9 MR. RYAN:

10 Mr. Chairman, I move that the Board
11 approve the issuance of Gaming Employee Permits and
12 Non-Gaming Employee Registrations as described by the
13 Bureau of Licensing.

14 COMMISSIONER YOUNG:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN:

20 All opposed? Motion's adopted.

21 MS. HENSEL:

22 Also there are recommendations of denial
23 for two Gaming Employee Applicants. In each case the
24 Applicant failed to request a hearing within the
25 specified time frame. The Bureau of Licensing has

1 provided you with Orders addressing these applicants
2 who the (OEC) has recommended for denial. I ask that
3 the Board consider a motion approving the denials.

4 ATTORNEY PITRE:

5 Enforcement Counsel continues to request
6 denial in each instance.

7 CHAIRMAN:

8 Questions or comments from the Board?
9 May I have a motion?

10 COMMISSIONER YOUNG:

11 Mr. Chairman, I move that the Board deny
12 the Gaming Employee Applications as described by the
13 Bureau of Licensing.

14 MR. FAJT:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN:

20 All opposed? Motion's adopted.

21 MS. HENSEL:

22 In addition for your consideration are
23 withdrawal requests for Gaming and Non-Gaming
24 Employees. In each case the permit or registration is
25 no longer required. Before today's meeting I provided

1 the Board with a list of 15 Gaming and two Non-Gaming
2 Employee withdrawals for approval. I ask that the
3 Board consider the Orders approving the list of
4 withdrawals.

5 ATTORNEY PITRE:

6 Enforcement Counsel has no objection.

7 CHAIRMAN:

8 Questions or comments from the Board?

9 May I have a motion?

10 MR. FAJT:

11 Mr. Chairman, I move that the Board
12 approve the withdrawals as described by the Bureau of
13 Licensing.

14 MR. JEWELL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN:

20 All opposed? Motion's adopted.

21 MS. HENSEL:

22 Next we have an Order to certify the
23 following Gaming Service Providers: HFB-Phil
24 Management, LLC; Keating Consulting, LLC; L&H Signs,
25 Inc.; and Sport View Television Corporation, doing

1 business as Sport View Technologies. I ask that the
2 Board consider the Order approving these gaming
3 service providers for certification.

4 ATTORNEY PITRE:

5 Enforcement Counsel has no objection.

6 CHAIRMAN:

7 Questions or comments from the Board?

8 May I have a motion?

9 MR. JEWELL:

10 Mr. Chairman, I move that the Board
11 approve the Applications for Gaming Service Provider
12 Certification as described by the Bureau of Licensing.

13 MR. MCCALL:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 All opposed? Motion's adopted.

20 MS. HENSEL:

21 Finally for your consideration are
22 Gaming Service Provider Registrations. The Bureau of
23 Licensing provided you with an Order and an attached
24 list of 11 registered Gaming Service Provider
25 Applicants. I ask that the Board consider the Order

1 registering these Gaming Service Providers.

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Questions or comments from the Board?

6 May I have a motion?

7 MR. MCCALL:

8 Mr. Chairman, I move that the Board
9 approve the Applications for Gaming Service Provider
10 Registration as described by the Bureau of Licensing.

11 MR. MOSCATO:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 AYES RESPOND

16 CHAIRMAN:

17 All opposed? Motion's adopted.

18 MS. HENSEL:

19 That concludes the matters of the Bureau
20 of Licensing.

21 CHAIRMAN:

22 Thanks, Susan. Next up, (OEC).

23 ATTORNEY PITRE:

24 Good morning. This morning we will
25 present 24 matters for the Board's consideration,

1 consisting of 3 Consent Agreements, 5 Revocations, 16
2 Involuntary Exclusions. The next matter up on the
3 agenda for the Board's consideration is a Consent
4 Agreement between the (OEC) and Sands Bethworks, LLC.
5 This matter will be presented by Senior Enforcement
6 Counsel Michael Roland.

7 CHAIRMAN:

8 Well, before we proceed, I would ask
9 anyone addressing the Board to state and spell your
10 name for the court reporter as we get started here.
11 And anybody other than attorneys should stand to be
12 sworn as well. Cyrus? Well, if you would?

13 ATTORNEY PITRE:

14 That's you, Michael.

15 CHAIRMAN:

16 All of you.

17 -----
18 WITNESSES SWORN EN MASSE
19 -----

20 CHAIRMAN:

21 Would all three of you please identify
22 yourselves?

23 ATTORNEY MAGAZZU:

24 Michael Magazzu, M-A-G-A-Z-Z-U, Vice
25 President and General Counsel, Sands Bethworks Gaming,

1 LLC.

2 MR. JULIANO:

3 Mark Juliano, J-U-L-I-A-N-O, Chief
4 Operating Officer, Sands Bethworks.

5 MR. FORBES:

6 Matthew Forbes, F-O-R-B-E-S, Director of
7 Security, Sands Bethworks.

8 CHAIRMAN:

9 Thank you.

10 ATTORNEY ROLAND:

11 Good morning, Mr. Chairman and members
12 of the Board. Michael Roland, R-O-L-A-N-D, with the
13 (OEC). The first proposed Consent Agreement consists
14 of four separate fact patterns, which address five
15 underage incidents at Sands Casino. In our first
16 count we have Taylor Michael Logan, who was 19 years
17 of age. And he was found on the gaming floor and
18 consuming alcoholic beverages at Sands. Mr. Logan was
19 initially discovered by a cocktail server who
20 challenged that he was 33 years old as stated on the
21 driver's identification he provided. Sands Security
22 was dispatched to the slot machine where Mr. Logan was
23 seated. And after security asked several questions
24 about the identification Mr. Logan admitted that it
25 was not his and that he consumed two alcohol drinks.

1 Mr. Logan entered the casino through the
2 main entrance where security reviewed the
3 identification. The identification was scanned and
4 accepted. Mr. Logan was on the gaming floor for
5 approximately one hour and 17 minutes before he was
6 approached by security. He gamed for approximately 44
7 minutes at two separate slot machines. Mr. Logan was
8 charged by the Pennsylvania State Police with carrying
9 a false identification card and the purchase of
10 alcohol by a minor. He was permanently evicted from
11 Sands Casino and the incident was self-reported.

12 Our second incident involves So Hyun
13 Myung and she presented a Korean passport at the bus
14 entrance of Sands Casino before being granted access
15 to the gaming floor. Security misread the passport,
16 which indicated Ms. Mayong was only 20 years of age.
17 She was on the gaming floor for approximately seven
18 hours before she hit a \$1,624 jackpot at a slot
19 machine.

20 She gamed for approximately 6 hours and
21 22 minutes at 10 different slot machines. She was
22 identified as underage when she presented her Korean
23 passport to the slot attendant to claim the jackpot.
24 Sands security confiscated both the jackpot and a
25 \$62.45 gaming voucher. Ms. Mayong did not consume

1 alcohol beverages and was not charged by the
2 Pennsylvania State Police. She was permanently
3 evicted and this incident was also self reported by
4 Sands.

5 Our third count involves Sands
6 surveillance, who notified the Bureau of Casino
7 Compliance about two underage patrons, Kenyatta
8 Meadows, age 20, and Thomas Rollins, age 19, who were
9 found on the gaming floor. Both Mr. Meadows and Mr.
10 Rollins used false identification to enter the casino.
11 Mr. Meadows and Mr. Rollins were identified as
12 underage after being involved in a fight in the Sands
13 parking garage. After learning of the arrest, Sands
14 surveillance did a review and determined that both Mr.
15 Meadows and Mr. Rollins had gamed.

16 Prior to the fight at the parking
17 garage, Mr. Meadows and Mr. Rollins entered the casino
18 through the bus entrance where security requested
19 identification. Mr. Meadows and Mr. Rollins were on
20 the gaming floor for approximately 1 hour and 13
21 minutes. Mr. Meadows gamed for approximately 43 of
22 those minutes at two separate slot machines. Mr.
23 Rollins gamed for approximately 15 minutes at three
24 separate slot machines.

25 Bethlehem Police cited Mr. Meadows and

1 Mr. Rollins with disorderly conduct and the incident
2 was self reported by Sands.

3 And our last count, the Bureau of Casino
4 Compliance was notified by Sands security about a
5 possible underage individual, Jody Lynn Baer, age 20,
6 who was on the gaming floor at Sands Casino. After an
7 extensive review, Mr. Baer was found to be on the
8 floor for approximately 3 hours at 59 minutes. He
9 gamed for 3 hours and 25 of those minutes at 22
10 different slot machines. After review of surveillance
11 footage, it was revealed that Mr. Baer was not
12 challenged at the main entrance despite there being
13 four security guards present. Mr. Baer was discovered
14 when he was asked identification by a beverage server
15 while gaming on a slot machine. Mr. Baer was unable
16 to provide his identification and security was
17 notified.

18 Mr. Baer did not consume alcohol while
19 on the gaming floor, nor did he engage in table games
20 play. Mr. Baer was charged with a minor on the gaming
21 floor. That's under our Act, specifically Section
22 1518, and he was permanently evicted from the Sands
23 Casino. This incident was also self reported.

24 The (OEC) requests that the Board
25 approve this Consent Agreement between the parties.

1 The terms of the settlement include that within five
2 days of the Board's Order approving this Consent
3 Agreement, Sands shall pay a civil penalty of \$50,000
4 for the alleged violations described. Also within
5 five days of the Board's Order approving this Consent
6 Agreement, Sands shall pay the Board \$2,500 for the
7 costs incurred by OEC, BIE and other related staff in
8 connection with the matter. Further, Sands shall
9 immediately review its policies and controls and
10 provide training and guidance to its employees which
11 will minimize the opportunity for the occurrence of
12 similar incidents in the future.

13 If you have any questions we'll take
14 them at this time.

15 CHAIRMAN:

16 Thank you. Before we proceed to
17 questions, any comments from Sands at this point?

18 ATTORNEY MAGAZZU:

19 Thank you, Chairman, members of the
20 Board. Just that we acknowledge and agree with the
21 facts as stated in the Consent Agreement and cited by
22 the (OEC) on the record here today. We regret that
23 these incidents occurred and we firmly believe that
24 the measures that we have taken and will continue to
25 take, particularly in the next couple of months, and

1 more robust ID scanning system at each of our entrance
2 points will have a significant impact on our ability
3 to combat this problem in 2017 and beyond. And with
4 that, we ask that you approve the Consent Agreement as
5 written. And if you have any questions, we will do
6 our best to answer them.

7 CHAIRMAN:

8 I have a question before I turn it on to
9 others. It may not be relevant to this particular
10 case. But I'm just curious as a matter of policy. If
11 you have scanners and whatnot and you discover that
12 they're not working, do you ever inform us? Or you
13 just take the scanner and put it in a closet? Or what
14 do you do?

15 ATTORNEY MAGAZZU:

16 We would certainly notify the onsite
17 office if scanners aren't working. So, the answer to
18 your question directly is yes. Our challenge has been
19 that the handheld scanners that we use, which
20 infrequently do not work. I can't ever remember an
21 instance when they weren't.

22 CHAIRMAN:

23 But the standard policy would be if you
24 have a scanner that's not working, that you would tell
25 people from the Gaming Control Board about that?

1 That's the way you proceed?

2 ATTORNEY MAGAZZU:

3 To my knowledge, yes. I would defer to
4 Mr. Forbes as our Director of security.

5 CHAIRMAN:

6 Is that accurate, gentlemen?

7 MR. FORBES:

8 Yes. Yes, it is.

9 CHAIRMAN:

10 Thank you. I'll open it up to other
11 questions.

12 MR. FAJT:

13 Thanks, Bill. Thank you, Mr. Chairman.
14 Mr. Juliano, first of all, thank you for being here.
15 As you know this is --- these are serious matters, a
16 serious fine. And we appreciate, you know, you as the
17 GM and as the head of that Sands-Bethworks, being here
18 today. Having said that, what discipline has been ---
19 meted out to the employees involved in this issue?
20 Specifically the security guard who did not card the
21 one 20 year old, as I recall from the facts, that came
22 in. Can you just go through the disciplinary
23 measures?

24 ATTORNEY MAGAZZU:

25 I believe, Commissioner ---.

1 MR. FAJT:

2 And could you speak up a little bit?

3 ATTORNEY MAGAZZU:

4 I'm sorry. I believe that the incident
5 you're referring to, if I'm not mistaken, is the last
6 one noted by the (OEC), where the individual walked
7 through the entrance without being challenged. There
8 were three security officers who received last and
9 final warnings. That according to our policy is the
10 discipline that is issued for a first infraction of
11 this type. A second such infraction within 12 months
12 would result in termination. So, those three security
13 officers received last and final warnings. One of
14 those security offices was terminated as a result of
15 one of the other incidents that is the subject of this
16 Consent Agreement, the second one that was mentioned.

17 MR. FAJT:

18 Thank you.

19 MR. JULIANO:

20 Yes, sir.

21 CHAIRMAN:

22 Other questions?

23 MR. MOSCATO:

24 The second one that's mentioned is the
25 Korean passport?

1 ATTORNEY MAGAZZU:

2 That's correct.

3 MR. MOSCATO:

4 I'm curious --- I'm guessing and I will
5 plead ignorance --- and Greg is thinking, finally, he
6 pleads ignorance. Right? No?

7 CHAIRMAN:

8 We wouldn't say that.

9 MR. MOSCATO:

10 The passport is written in Korean or
11 it's in English?

12 MR. PITRE:

13 It was in English; wasn't it? It was in
14 English.

15 ATTORNEY MAGAZZU:

16 It was English.

17 MR. MOSCATO:

18 Okay. Well, then that answered my
19 question. Thank you.

20 CHAIRMAN:

21 Bill, did you have a question?

22 MR. RYAN:

23 No.

24 CHAIRMAN:

25 Go ahead, do you have a question. Any

1 others?

2 MR. MCCALL:

3 What changes are you making? I mean,
4 this has --- you know, this has occurred before. So,
5 what can you do new, different, to prevent this from
6 happening? I know it's a difficult situation but we
7 do take this very seriously. Maybe if you could just
8 expound on that a little bit? And maybe, you know, we
9 always hear that you're trained --- you train your
10 employees to card these individuals if they ---
11 anybody that's 30 years old or under. I mean, you're
12 really attacking, you know, a 30 year old just to make
13 sure a 20 year old's not getting on there. I mean,
14 does that work? Or maybe just talk about the changes
15 that you're making and expound on that a little bit.

16 MR. JULIANO:

17 Well, I'll --- and certainly Matt and
18 Michael will add. But one of the most significant
19 changes that we've made, if anyone has been there
20 recently. We had a system where we were using
21 stanchions with just, you know, theater style velvet
22 ropes. And we replaced all of them and put permanent
23 steel and brass gates around all the entrances with
24 only one place, forcing the people to where the
25 security checkpoint is. And we believe that that will

1 --- has been a help and will continue to be a help. I
2 mean literally would have to jump over the fence,
3 which I hope someone would notice if that happened.
4 And the other thing is that we are, and I'm going to
5 have Matt explain this because it gets into a little
6 bit more technical. We are upgrading the scanning
7 system.

8 MR. FORBES:

9 We will be upgrading the scanning system
10 to a full 3M scanner. So, we'll be able to read all
11 drivers' licenses, IDs, passports. It'll slow down
12 the process a little bit, but it will also verify fake
13 IDs as well. It goes through almost a forensic style
14 scan to do this. It slows down a little bit. But at
15 least it'll give us the time and opportunity to make
16 sure that we challenge people more and we're able to
17 look at it further.

18 MR. MCCALL:

19 How many, on average, how many people do
20 you turn away in a day? Just off the top of your
21 head. I know you may not have it, but ---.

22 MR. JULIANO:

23 I can tell you that just today would be
24 --- going over some of these statistics. There's
25 25,000 people a day that walk through the casino?

1 MR. FORBES:

2 Average visitors, yes.

3 MR. JULIANO:

4 Average visitors. So, of those 25,000,
5 Matt, how many do we turn away?

6 MR. FORBES:

7 I'd say off the top of my head, we're
8 looking probably close to 300 a day.

9 MR. MCCALL:

10 That many try to get through?

11 MR. FORBES:

12 I would guesstimate.

13 MR. MCCALL:

14 Uh-huh (yes).

15 MR. FORBES:

16 But I'd have to pull those numbers just
17 to be sure.

18 MR. MCCALL:

19 Thank you.

20 ATTORNEY MAGAZZU:

21 Just to elaborate on Matt's point,
22 Commissioner. And I started to mention before, one of
23 the challenges with those handheld scanners is that
24 the sophistication of some of these fake IDs is such
25 that the barcode will have the person's information on

1 it, and it looks like the person, it looks like a real
2 ID. This more robust system that we are in the
3 process of incorporating does a multi-point check, a
4 much more comprehensive check on the ID to test the
5 legitimacy of it. And we find that the way that it
6 functions at our cage and at the My Sands Player
7 Loyalty Center, works much better. And we truly
8 believe that when that happens, which should be by the
9 end of Q1, we will see much better results.

10 CHAIRMAN:

11 Okay. Thank you for your testimony.
12 Any other questions or comments from the Board?
13 Hearing none, may I have a motion?

14 MR. MOSCATO:

15 Mr. Chairman, I move that the Board
16 approve the Consent Agreement between the (OEC) and
17 Sands Bethworks Gaming, LLC as described by the (OEC).

18 MR. RYAN:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 AYES RESPOND

23 CHAIRMAN:

24 All opposed? The motion's adopted.

25 Thank you very much for coming.

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ATTORNEY MAGAZZU:

Thank you.

MR. JULIANO:

Thank you.

MR. FORBES:

Thank you for your time.

ATTORNEY PITRE:

The next matter on the Agenda for the Board's consideration is a Consent Agreement between the (OEC) and SugarHouse HSP Gaming, LP. This matter will be presented by Assistant Enforcement Counsel James Armstrong.

CHAIRMAN:

Before we proceed. Would representatives for SugarHouse please identify themselves? And if you're not an attorney, stand and be sworn.

MS. HAMILTON:

Wendy Hamilton, General Manager at SugarHouse Casino.

MR. DILACQUOA:

Anthony Dilacqua, D-I-L-A-C-Q-U-A, Director of Security.

WITNESSES SWORN EN MASSE

1 -----
2 ATTORNEY ARMSTRONG:
3 Good morning, Chairman and
4 Commissioners. James Armstrong on behalf of the
5 (OEC), A-R-M-S-T-R-O-N-G. The next matter on the
6 agenda for the Board's consideration is a Consent
7 Agreement reached between the (OEC) and SugarHouse
8 Casino in regards to five incidents of underage
9 gambling involving ten individuals. In the first
10 incident on January 22nd, 2016, a casino compliance
11 review revealed that at 1:23 a.m. two underage patrons
12 were allowed entry to the SugarHouse Gaming Floor and
13 notification was not properly made to the Bureau of
14 Casino Compliance or the Pennsylvania State Police.
15 The underage patrons along with two companions were
16 admitted after security requested and reviewed their
17 identification. One underage patron went to a
18 blackjack game and gambled for 25 minutes until the
19 pit manager requested his identification and
20 determined that it looked suspicious and called
21 security. Security scanned his identification and
22 determined it to be invalid.
23 Security confiscated the false
24 identification from this underage patron and also that
25 of his companion. The surveillance review revealed

1 the companion gambled at a roulette game for
2 approximately 30 minutes. Further review by the
3 casino compliance review revealed that both of the
4 individuals were underage and college students,
5 approximately 19 and 20 years of age. Both underage
6 patrons were allowed to leave without security
7 notifying the State Police or the Bureau of Casino
8 Compliance. SugarHouse reported that the security
9 officers who checked the identification of the
10 underage patrons were not able to use the handheld
11 scanners because they were inoperative at the time.

12 Commissioners, in the second incident,
13 on May 8th, the Bureau of Casino Compliance received
14 notification from SugarHouse security that three
15 underage patrons were detected by a SugarHouse pit
16 manager at a blackjack game at 11:57 p.m.

17 The three patrons admitted to security
18 they were underage and that they had used false
19 identification to gain entry into the casino.
20 SugarHouse requested and reviewed the identification
21 upon allowing entry at 11:00 p.m. but did not utilize
22 a scanner. The individuals were all confirmed to be
23 18 years old and college students. The surveillance
24 review determined that the three underage patrons were
25 on the casino floor for approximately one hour, gamed

1 on four blackjack tables and were served beer. The
2 State Police issued them citations for being underage.
3 The underage patrons were also issued formal eviction
4 notices and escorted off the property. In the third
5 incident on May 29th, a casino compliance
6 representative observed five individuals on the casino
7 floor who appeared to be underage and requested
8 security check their identifications. The last
9 individual presented a Pennsylvania identification
10 card that belonged to someone who was born in 1978.

11 The female who was subsequently
12 identified as a minor and only 15 years old was
13 instructed to accompany security and the Bureau of
14 Casino Compliance to the security office. The minor
15 and two of her companions resisted and the State
16 Police responded to the casino floor. A trooper took
17 custody of the minor and escorted her to the back of
18 the house. The surveillance review revealed that the
19 minor was allowed entry at 1:22 a.m., after her
20 identification was requested and reviewed by
21 SugarHouse security. Security did not utilize
22 scanners. The minor was on the casino floor for
23 approximately 30 minutes and gamed on four slot
24 machines. State Police issued the minor a citation
25 for being underage and released her to the custody of

1 her mother. She was also issued a formal eviction
2 notice.

3 Commissioners, in the fourth incident on
4 June 3rd, the Bureau of Casino Compliance received
5 notification from SugarHouse security that three
6 underage patrons were detected on a blackjack game.
7 After the three underage patrons were questioned about
8 their identification, they admitted to security they
9 were all underage and they had used false
10 identifications to gain entry into the casino. The
11 surveillance review revealed that security did not
12 utilize the scanner at the point of entry to check
13 whether the identifications were authentic. The
14 surveillance review also revealed that the three
15 underage patrons played blackjack for 25 minutes and
16 were served alcohol drinks before they were confronted
17 by security. The three underage patrons were also
18 determined to be 18, 19 and 20 years old and college
19 students. The State Police issued them citations for
20 being underage on the casino floor and for consuming
21 alcoholic beverages underage. They were issued formal
22 eviction notices and escorted off the property.

23 Commissioners, in the fifth incident on
24 August 19th, the Bureau of Casino Compliance received
25 notification from security that a 20 year old underage

1 patron was detected on the casino floor. Security
2 advised that they were contacted by a table game
3 supervisor in regard to three individuals at a Spanish
4 21 game who appeared underage. Security asked for
5 their identifications. Two of the individuals
6 produced valid identifications. The third individual
7 produced an out of state driver's license. After he
8 was questioned about his identification, the third
9 patron admitted to security he was underage and that
10 he had used false identification to gain entry into
11 the casino.

12 The surveillance review determined that
13 the underage patron gained entry at 12:19 a.m. after
14 security requested and reviewed his identification but
15 did not use a scanner. The underage patron was on the
16 casino floor for 1 hour and 39 minutes. Gamed at
17 blackjack, roulette and Spanish 21 tables and was
18 served alcohol. The State Police issued the underage
19 patron a citation for being underage on the casino
20 floor. He was also issued a formal eviction notice
21 and escorted off the property.

22 Commissioners, the (OEC) and SugarHouse
23 Casino respectfully request the Board approve the
24 proposed Consent Agreement and stipulation and
25 settlement, which requires SugarHouse to maintain

1 policies and training to prevent similar underage
2 gambling violations from reoccurring. That SugarHouse
3 pay a civil penalty in the amount of \$100,000 and a
4 fee of \$2,500 for costs incurred by the (OEC) and
5 other Board staff in connection with the
6 investigations assessment in the settlement of these
7 issues. I'd be glad to answer any questions you may
8 have. Mr. Donnelly is here on behalf of the
9 SugarHouse Casino.

10 CHAIRMAN:

11 Thank you. Any comments from SugarHouse
12 at this time?

13 ATTORNEY DONNELLY:

14 Yes. Thank you, Mr. Chairman. John
15 Donnelly, appearing on behalf of SugarHouse. We, when
16 we first learned of these events and from the (OEC),
17 and were advised before the complaint even came and
18 the consent was circulating. My client took this
19 extremely seriously. Essentially the client
20 determined that it's time to stop the presses here and
21 see what's going wrong on our property. There was a
22 spat of events that occurred, mainly in the spring and
23 summer of this year, when it somewhat coincided with
24 the opening of the new project. We, to that end, did
25 a lot of things that Wendy is going to discuss. But

1 it's been an all hands on deck effort to --- before we
2 responded to the Consent Order to sit down with our
3 staff, all our staff, consider what went wrong,
4 analyze what went wrong and then come up with a
5 comprehensive plan to try to stop this in the future.
6 A very complex problem. And it has to --- because it
7 has people and it has machinery working together. But
8 we have a very, very brief PowerPoint that Wendy is
9 going to present that demonstrates what, in a
10 nutshell, the steps that the company took after it was
11 advised that this consent was going to come about.

12 MS. HAMILTON:

13 Good morning, Mr. Chairman,
14 Commissioners. As John said, this is a very complex
15 issue and one that we take very seriously. We had a
16 number of incidents happen during the late spring,
17 early summer of this past year. And by the late
18 summer we had raised an eyebrow and sat up straight
19 and said wow, what's going on here. We decided
20 amongst ourselves that it was time to take a look at
21 all of the different pieces that play a part in
22 preventing underage entry to the casino. So, we put
23 together an 11 points, what we call our comprehensive
24 underage plan and went back and reassessed everything
25 from the technology that we used to help our officers

1 --- you know, the tool our officers used to identify a
2 potential underage entrants, the training that we give
3 them, the culture on the property, the incentives that
4 are out there to keep us all focused on this.

5 And we made a number of changes. So, I
6 wanted to run through them with you very quickly
7 before we take your questions. We've shared this plan
8 with OEC back in November. One of the things that is
9 I think, you know, one of the biggest elements of this
10 and the thing that I've seen change the most in the 25
11 years that I've been involved in the industry is that
12 some of the IDs that come in now are very, very
13 sophisticated, that they cost a lot of money. But
14 they're available on the internet. Our property
15 became much more attractive to varsity athletes from
16 nationally ranked universities at a certain point this
17 year. And these are people who have access and have
18 these IDs. It's a little bit of a scary thing. We
19 had technology in place to scan IDs. And there is a
20 separate issue with that technology in the way that it
21 was working. But even when it was working properly
22 and our officers were consistently scanning, it didn't
23 always pick up some of these newer and more
24 sophisticated fake IDs.

25 The product that we've moved to is much

1 more effective in doing this, which has a double ---
2 the double result of number one where, you know, it
3 has the ability to catch. And number two, our
4 officers are much more incented to use it because it
5 works. It's consistent and they get feedback that's
6 very detailed about why an ID is not acceptable for
7 entry.

8 So, we've installed the new technology
9 now at all of our three entrances. The new north
10 entrance, the old main port entrance and the very
11 small valley entrance on the south side all have
12 hardwired laptop technology now where every person who
13 is carded is also swiped. We've implemented
14 surveillance audits on this to know that the officers
15 are actually swiping every ID they check. In December
16 we were 589 for 589 on the audits that we conducted.
17 In January we missed one and that officer has been
18 disciplined.

19 We went back and looked at our training.
20 We've always done ID training for several of the
21 departments throughout the building. But when this
22 happened we realized that it's not only important to
23 train folks that this is, you know, why this is
24 important and then it's their job and then it's
25 everybody's job and everyone on the property receives

1 the training.

2 We brought in a heavier hitter to train
3 people not to just look at the ID and say okay, what's
4 your address, what's your birthday and recite the data
5 that's on the ID. But instead to say, uh-huh, what's
6 your sign? Things that you need to think of. That's
7 just an example but things that the bearer of the ID
8 would need to think of. There's tips for how to kind
9 of sweat the person and make them, you know, come
10 clean. Especially 19 year olds who have paid a lot of
11 money for a great fake ID. And so our security
12 officers are predominantly through that now. And then
13 that training will go to some of the other departments
14 in the building as well. That's done by an outside
15 consultant.

16 We've had a disciplinary matrix in place
17 for several years now. We did take a look back at
18 that. We did not make any changes to it. It seems to
19 work. It seems to work. We differentiate between
20 cases where two officers are talking to each other and
21 a five year old walks in the door without anybody
22 looking. That's an egregious error on the part of the
23 personnel. And in that case, regardless of what's
24 already in your file and we have a five step
25 disciplinary process. Regardless of what's in your

1 file, that would go to immediate termination. On the
2 other end of the scale you have an officer who cards,
3 who swipes, the swipe comes back acceptable, he looks
4 you up and down, he asks you a question or two, he
5 allows you in. It turns out later it's a valid ID,
6 it's the guy's brother, they look exactly alike and
7 the person in 19. That officer would receive, for
8 example, one step of discipline in the five. So, it
9 depends on the egregiousness. Anthony always prepares
10 the discipline, he emails it to me, I approve or
11 challenge it and then it's applied to the person's
12 personnel file. So, again, no changes there. That
13 seems to be working for us.

14 One of the trends we did notice is that
15 the category that seems to be most highly represented
16 in these counts was 18 and 19 year old college
17 students. And so we immediately went out first to the
18 university that came through most predominantly and
19 then to all of the other regional colleges and
20 universities. And we've done --- we have spoken with
21 several administrators at several colleges and
22 universities. Anthony and Evan, our senior counsel,
23 did a presentation to the Delaware Valley, a group of
24 campus security directors that gathers. And they tend
25 to be the group that is most interested in this

1 because they are used to having contact with students
2 acting out. And they --- thank you. And they know
3 the step for plugging these students into the
4 disciplinary process within the university. We don't
5 get, you know, private --- they won't tell us what
6 they did. But they all tell us that yes, in fact,
7 they have dealt with these students internally within
8 the universities' and colleges' own systems. They
9 were all very interested. I think the University of
10 Pennsylvania wrote a letter that you've seen
11 separately. We enjoy that partnership and they've
12 been very helpful in this process.

13 In addition, we met with Pennsylvania
14 State Police. We wrote a letter to the Commissioner,
15 State Police Commissioner, requesting that the State
16 Police use a different statute to address the
17 offenders. Because there's not much of a penalty in
18 place for these college kids who are very deliberately
19 doing this. It's like a super-bug in a hospital.
20 It's always changing and they are finding ways. They
21 try one door, they walk around the building and try a
22 different door, again, with these very good fake IDs.
23 And so this has been very difficult for us.

24 We found a statute that the State Police
25 could use that would make this a misdemeanor rather

1 than the summary offense that's included under the
2 Gaming Act. There's not full agreement that this
3 should end up being a misdemeanor that goes forever on
4 a 19 year old's record. And I understand that. What
5 they did do is --- we all agree, that if and when
6 there's an opportunity to change in the Gaming Act the
7 way that this kind of a violation can affect someone's
8 driver's license, which was done in New Jersey years
9 ago and hand a big impact, that that would be a great
10 idea. And so we've spoken out for that. The State
11 Police agree. And you know, like I said, when there's
12 an opportunity to change that in the Gaming Act and
13 perhaps introduce a driver's license suspension for
14 the offender, we believe that would be very effective.
15 So, we're working on that front as well. Our officers
16 continue to receive an incentive for any perfect
17 quarter of no underage entries. It's a grossed up \$50
18 per officer for every clean quarter.

19 We have a couple people on our security
20 staff especially who are particularly good. In all
21 but one of our cases it was our folks who ultimately
22 identified and self reported these underage entrants.
23 And that's not unusual. But we found that the folks
24 that are particularly good at that, let's put them at
25 the door. Let's let them identify it at the door, not

1 40 feet inside the casino 30 minutes later. That
2 doesn't make any sense. And so especially on the
3 shifts where this was most prevalent, we've put those
4 folks before the entrance to the casino. I think I've
5 covered ---.

6 MR. DILACQUA:

7 The signage.

8 MS. HAMILTON:

9 The what?

10 MR. DILACQUA:

11 The signage at the door.

12 MS. HAMILTON:

13 Oh, signage at the door. Which, yeah,
14 okay ---. So, you're seeing that on the display here.
15 We now have these decals on the glass doors as you
16 enter the property and the officer that you see here
17 is a life sized cardboard cutout also placed --- to be
18 placed, that's not out yet. In the main lobbies of
19 the casino to remind folks, especially college kids,
20 that we're not taking this lightly and this isn't the
21 place you want to try out your fake ID.

22 So, the new technology went into place
23 in late October. We've had no violations in three
24 months. There was some talk during the Sands
25 presentation about some of the statistics. But in

1 2016 we carded 230,000, turned away seven percent of
2 them. They're not all underage. Some of them are
3 expired or otherwise not worthy ID. But since
4 November 1st, this is interesting, 50,000 folks
5 carded, we're up over a point in how many were turned
6 away based on all of the things that this new software
7 evaluates. And 11 of them were underage. And now the
8 State Police will respond to the front door and
9 several of these 11 have been cited. So, they did not
10 gain entry but they have been cited by the State
11 Police, which will spread through campuses very, very
12 quickly. And we're very pleased at that as well.
13 We're ready for your questions.

14 CHAIRMAN:

15 Questions? Comments from the Board?
16 Greg?

17 MR. FAJT:

18 Thank you, Mr. Chairman. Ms. Hamilton,
19 same comment to you. Thank you for being here today.
20 Obviously this fine is more significant than the one
21 at Sands. And you know our history on this issue and
22 we do take it very seriously. So, thank you for being
23 here today, having said that, we also bear some blame
24 here. We have casino compliance representatives at
25 our casinos. We have asked our Executive Director,

1 Kevin O'Toole, to check with our folks and the
2 leadership in that Department and find out
3 specifically on the handheld scanners. And I'm going
4 to get to that in a second, Mr. Armstrong. It's my
5 understanding they were inoperable for an extended
6 period of time. And we expect our folks to look into
7 things like that. And that was not done. So, moving
8 onto that --- one more thing.

9 We do get that when kids come in with
10 sophisticated IDs and they're carded and they get
11 through your security system, you're absolutely right,
12 we have said that publically, that I believe and I
13 think most of my colleagues believe that that's, you
14 know, a venial sin as opposed to letting a five year
15 old because they're talking and somebody slips through
16 and that is a mortal sin. And so we understand that.
17 And I think Enforcement Counsel grades their finds and
18 offenses against you accordingly. So, just put that
19 on the record.

20 Let me move, Mr. Armstrong, to two
21 issues. I did not hear you elaborate on the issue of
22 handheld scanner but I thought in our executive
23 session yesterday it was reiterated to us that those
24 handheld scanners were inoperable for some period of
25 time; is that correct?

1 ATTORNEY ARMSTRONG:

2 In the first incident. The one that
3 happened back in January of last year.

4 MR. FAJT:

5 And how long ---?

6 ATTORNEY ARMSTRONG:

7 It turned out, that was the one which
8 they let the underage ---.

9 MR. FAJT:

10 I can't hear. Can you ---?

11 ATTORNEY ARMSTRONG:

12 I'm sorry. That was the one which they
13 let the underage leave the casino without notifying
14 the State Police or the Casino Compliance Bureau.

15 MR. FAJT:

16 Okay. And how long was that handheld
17 scanner operable?

18 ATTORNEY ARMSTRONG:

19 I think it was over a couple of weeks,
20 the one at the door. The one that was at that point
21 of entry where the security officers allowed the
22 underage come in that night.

23 MR. FAJT:

24 And it was a couple of weeks?

25 ATTORNEY ARMSTRONG:

1 Yeah, I believe it was.

2 MR. FAJT:

3 Ms. Hamilton, were you aware of that?

4 MS. HAMILTON:

5 Let me --- so this handheld technology,
6 it's similar to a cell phone that gets passed from
7 shift to shift, all kinds of people handling it all
8 day long. A new battery gets placed each shift. And
9 I would --- the state and this is --- I didn't go back
10 and audit this, per se. But my experience tells me
11 that for every hour a particular scanner didn't work,
12 it did work for nine hours. But they were not --- you
13 know, your cell phone battery eventually dies, you
14 can't charge it anymore. And somebody would end up
15 with one that's kind of on the blink. And it would
16 not get immediately reported and replaced with
17 something else from the back office. You could stand
18 in a certain place and it would work better here than
19 it would over here. Unfortunately, the nature of
20 wireless. And so hindsight 20/20, that was not a good
21 solution. We all are sleeping better now with these
22 laptops that are, you know, on a podium next to the
23 wall in the lobbies, plugged in a hundred percent of
24 the time. Which is also the reason the officers are
25 --- they love to use it because they know they're

1 going to get the feedback that they're asking it for.

2 MR. FAJT:

3 So, you were not aware that there was a
4 handheld scanner or two or five that were not working
5 for an extended period of time, weeks?

6 MS. HAMILTON:

7 No, sir.

8 MR. FAJT:

9 Okay. Mr. Armstrong, the issue of self
10 reporting? Tell me again about the incident where the
11 one individual or two individuals were escorted out
12 and we were not notified. Can you reiterate and give
13 some additional information?

14 ATTORNEY ARMSTRONG:

15 But that wasn't an incident of self
16 reporting. That was where the casino compliance
17 representative was observing surveillance and noticed
18 that they were bringing an underage back to the
19 security, or somebody who appeared to be underage back
20 to the security office. And when he got down there,
21 it turned out that person was already released. And
22 then he started an investigation and uncovered that
23 there were two underage individuals that were in
24 custody at one time by security suspected of being
25 underage and were simply escorted off the property.

1 MR. FAJT:

2 Okay. Mr. Hamilton, what happened to
3 those employees?

4 MS. HAMILTON:

5 I'm going to ask our Security Director,
6 Anthony Dilacqua, to talk about those incidents.

7 MR. DILACQUA:

8 In that particular count there was
9 question about the ID. This was --- two of the
10 students both athletes, as Wendy Hamilton had talked
11 about, with fake IDs. While taken off the floor, a
12 handheld scanner, our old technology handheld scanner
13 was used. I received a phone call in the middle of
14 the night as I always do when there's a potential
15 under aged incident. And I was informed that it
16 scanned and then it didn't scan and then they were
17 getting a reader error. And there was some question
18 about, at least in the minds of the people in my
19 department at that time who were present at the time
20 about the validity of the driver's license. But in
21 their eyes no definitive evidence that it was a fake
22 or fraudulent license. He was escorted off the floor,
23 wrongly. And let me say that upfront. Wrongly.

24 It was learned that he was in the
25 company of a buddy of his who was approached on the

1 floor, had a similar type of ID we have seen from ---
2 especially from one particular university. New
3 England, fake New England licenses. These were
4 Connecticut if my memory serves me correct. Again,
5 suspicious but it looks legitimate. Error on the side
6 of caution in my employee's mind, get them out, I'm
7 not sure this is good or not. Again, wrong. The
8 officers who failed to properly ID them, two, as they
9 came in were both disciplined.

10 As well as we have what we call class
11 two officers, they work in business attire, business
12 casual, handle most or just about all our reports and
13 investigations. In this particular case the class two
14 officer, a former member of the State Attorney
15 General's Office actually retired and now is in our
16 employ. He was disciplined. He received a write-up
17 for not handling the situation properly, as well as
18 his shift manager, a former member of Philly PD. So,
19 both of them were disciplined and both were told what
20 the procedure should have been. Hold the kid in the
21 back --- hold the potential underage in the back until
22 PSP or Gaming Control Board would be able to conduct a
23 full investigation.

24 In this particular case, the PGCB rep
25 onboard actually went into --- I think it was Facebook

1 or some social media site and searched the name and
2 found them in a university baseball uniform. And
3 compared that to his photo and did research through
4 social media. Now, obviously we don't have that
5 capability down on the floor if someone comes in. But
6 again, that's why we needed to hold them so someone
7 could do that investigation. So, they were all
8 disciplined.

9 MR. FAJT:

10 And the discipline given to them, was it
11 one step in the five-step process that Ms. Hamilton
12 described earlier or was it more than one step?

13 MR. DILACQUA:

14 For the class two officer, he received
15 accelerated discipline. The shift manager, our
16 management is not handled in the normal --- the same
17 as hourly employees for the progressive disciplinary
18 system with the standard form. So, as with other
19 management employees, it's a memo, spelling out. And
20 I have copies of it here if you need it. But spelling
21 out what was done wrong and how it should have been
22 done. And that, you know, again further disciplinary
23 action would be taken for future occurrences of a
24 similar nature.

25 MR. FAJT:

1 Thank you.

2 MR. JEWELL:

3 Ms. Hamilton, I was interested in your
4 testimony about sports teams, college sports teams,
5 did I take that --- that were --- tried to get in from
6 time to time. Are we talking about home teams, are we
7 talking about visiting team, we're talking about both?

8 MS. HAMILTON:

9 It's been the home team. It's
10 Philadelphia University. And I've spoken to the
11 coaches myself.

12 MR. JEWELL:

13 As a longtime college president, and I
14 would deal occasionally, although a small college,
15 with bars that weren't enforcing, you know, looking at
16 identification, et cetera. And I would actually go
17 and sit down with the owners and say we have a
18 problem, I think. And go through it with them and
19 just remind them that if this was continuing, that you
20 know, the wrath of law enforcement I guaranteed would
21 be over to see them.

22 And so I really made the case, I was
23 concerned about the jeopardy for our students and the
24 jeopardy of, you know, what could occur. And I assume
25 that you have now made sure that the ADs and the

1 Student Life folks at the colleges and universities
2 understand the jeopardy that can attach to their
3 students for this kind of conduct?

4 MS. HAMILTON:

5 Yes. And they have all jumped at the
6 opportunity. They've engaged willingly with us. Like
7 I said, they won't give us detail. But they promised
8 us that the --- you know, the Office of Student
9 Conduct has dealt with the students that we've given
10 them by name. And they are very willing partners.

11 MR. DILACQUA:

12 And if I may, Wendy? That is not only
13 for the students who we talk about today. The 11 that
14 we alluded to that were caught at the door. Not all
15 of them were college students. But the ones that were
16 and we were able to identify what university, I've
17 reached out to two universities and it's the same two
18 all the time. Right?

19 MS. HAMILTON:

20 The 11 turned away in the last three
21 months.

22 MR. DILACQUA:

23 They had disciplinary cases opened on
24 them at their schools for the mere fact that they
25 attempted entry. Again, we caught them. They didn't

1 get in. But they still faced discipline at their
2 universities.

3 MR. JEWELL:

4 Thank you.

5 CHAIRMAN:

6 Anybody else? I have a question or two
7 of my own.

8 COMMISSIONER YOUNG:

9 No, I'm good. I'm good.

10 CHAIRMAN:

11 I need to understand something. I'm
12 hearing things that don't quite fit together. I
13 think, Ms. Hamilton, you said, you know, you have a
14 portable device and you know it runs out of battery or
15 something. I'm trying to understand whether these
16 dysfunctions with your portable system, whether this
17 is just a matter of a battery running out or if you
18 actually had equipment that battery or not was not
19 working properly.

20 MS. HAMILTON:

21 There is also an issue of the software
22 that was installed in that technology. It was not as
23 effective as the software that's in the new technology
24 which ---.

25 CHAIRMAN:

1 No, I understand that.

2 MS. HAMILTON:

3 Okay.

4 CHAIRMAN:

5 But what I heard was that you had
6 machines that were not working. And I'm trying to
7 understand. Is that all --- as best you know, is that
8 all just a matter of a battery that ran out and had to
9 be replaced? Or are we talking about machines that
10 just weren't working?

11 MS. HAMILTON:

12 To my knowledge, there was no single
13 unit that, you know, didn't work 100 percent of the
14 time. They were undependable I think is the best way
15 I can describe it. Sometimes it was a battery issue,
16 sometimes it was a wireless issue. They were not ---
17 and again, hindsight 20/20. Our officers knew this
18 before, you know, and they're seeing --- you're seeing
19 in all five of these counts, the folks were carded and
20 not scanned. Now, we scanned after the fact, after we
21 caught them, and some of the licenses scanned
22 successfully. That's a different problem. But the
23 fact that they --- you know, ignored it, and it's no
24 surprise that it's cases where it's, you know, ten
25 individuals underage where ---. You know, it's no

1 surprise to me that it's actually 100 percent of these
2 cases where they weren't scanned. That's why they got
3 in. That's part of the reason that they got in,
4 because the officers weren't using it 100 percent of
5 the time because they didn't feel good about it. They
6 weren't getting the feedback from the tool.

7 CHAIRMAN:

8 To kind of burrow in there. Is it just
9 you didn't trust any of your machines? Or were there
10 particular machines that they didn't trust or
11 particular locations where they didn't work?

12 MS. HAMILTON:

13 No.

14 CHAIRMAN:

15 What are you talking about?

16 MS. HAMILTON:

17 They were handheld units, so they
18 wouldn't have necessarily been in the same location at
19 any given time. You know, you sign in for your shift,
20 you're given a unit. You know, it looks a little bit
21 like an iPhone. You slap a new battery into it, you
22 go to your post. You know, hey mine's kind of on the
23 blink, can I borrow yours? I'm busy with something
24 else. You know what, this license looks pretty good
25 and this thing's not going to tell me anything.

1 CHAIRMAN:

2 But you had a pattern over time until
3 you come up with the new technology, that whether it
4 was individual machines or just the overall approach,
5 was not terribly effective so that you couldn't depend
6 upon it?

7 MS. HAMILTON:

8 The overall approach, in the end, was
9 proven not to be dependable. It wasn't consistent and
10 it wasn't dependable.

11 CHAIRMAN:

12 So, in that setting, do you believe
13 that's what you were dealing with for months
14 sporadically? That there was any an obligation for
15 you all to let our folks know that your scanners were
16 undependable?

17 MS. HAMILTON:

18 I would be surprised if the CCRs on
19 property didn't know that this was a struggle for us.
20 But until we had a couple of incidents happen, I don't
21 think anybody said hey, this is a thing, there's a
22 problem here. In hindsight it's very easy. I'm the
23 first one saying what are we doing, like why didn't we
24 do this sooner. But that's why we didn't. When we
25 noticed, we did it right away.

1 CHAIRMAN:

2 But what I'm trying to pick up on is the
3 comment that my fellow Commissioner, Mr. Fajt, made a
4 point at the beginning, which is we have some ---
5 obviously, in addition to disciplining you, we have
6 some responsibility to make sure that all people are
7 doing their job. And the more I'm hearing the less
8 clear I am is whether the CCR should have been aware
9 of it on their own that these scanners weren't working
10 or whether you people weren't telling them and what
11 kind of corrective measures, if anything, should have
12 happened, if this was something that was unfolding
13 over a period of time.

14 MS. HAMILTON:

15 I don't know. And you know, I don't
16 know whether this is even relevant. I don't know that
17 we're required to have the scanners.

18 CHAIRMAN:

19 I think that's correct.

20 MS. HAMILTON:

21 I remember adding them a few years
22 back ---

23 CHAIRMAN:

24 Right.

25 MS. HAMILTON:

1 --- because we knew that it would be
2 helpful to us. That was the product that was kind of
3 the it product at the time. A few years later now,
4 there's something much better available. We were not
5 the first to adopt it. But as soon as we realized we
6 were kind of, you know, a technology behind, we did
7 it. I don't think --- you know, the best way I can
8 describe it is this. Technology's great except when
9 it's not. And we all deal with things every day that
10 we go like, why is this always like this. But we go
11 back and use it again the next day. And I don't think
12 the CCRs ignored it and I don't think we ignored it.
13 But I think we struggled with it and it wasn't a
14 perfect technology. But anybody that's there in the
15 operation and the CCRs are all over, they knew it
16 wasn't perfect. I mean, everybody saw what happened.

17 CHAIRMAN:

18 Okay. Questions from anybody else in
19 the Board?

20 MR. FAJT:

21 I have one more

22 ATTORNEY DONNELLY:

23 I just wanted to add one thing to that
24 too. Because as we kicked --- when I started out with
25 this. Once we got this spat of problems in the spring

1 and summer, we did kind of look through it all. We
2 said okay; let's figure out why everything's going on.
3 In looking at the scanner problem, it's hard to figure
4 out exactly. Because if a guard --- guards in my ---
5 at least my estimation, guards would say I didn't scan
6 because the battery was dead. Now, we don't know
7 whether the battery was dead or not or the person
8 didn't scan it and had that as an excuse. So, it was
9 a --- after looking at it very carefully we concluded
10 it was a global problem, and we needed to approach it
11 globally. And we did this not lightly --- we met, we
12 spent a lot of money in it. We met, we came and we
13 met with staff and we got their input and help from
14 the staff, and we went back and we wrote the plan.
15 And we took it to the audit committee, discussed it at
16 the audit committee, came back, found the technology
17 that seemed to be the best in the state, bought that
18 technology, spent money on training people, everything
19 to try to put a spike through this thing forever. So,
20 I want to give the impression --- or I want to convey
21 the impression of how seriously we took it, how much
22 time and effort we put into it and how we think we've
23 got this problem over for now until new technology
24 comes in, some genius comes up with a new idea. And
25 by the way, Homeland Security has been involved the

1 whole nine yards.

2 CHAIRMAN:

3 Given all that, I guess I'm not sure I'm
4 going to ask Mr. Armstrong or I ask Cyrus. Do you,
5 either of you, have a position to give us an opinion
6 about whether or not you think our CCRs have been
7 properly trained in this area?

8 ATTORNEY PITRE:

9 I think the CCRs are a lot further along
10 than anybody realizes. It's the CCRs that always
11 advise me of what's occurring in the casinos and
12 what's the best technology to use. As the underage
13 problem has spiked, I send my attorneys out for
14 compliance conferences. I mean, we've had a recent
15 instance where we thought we had it under control with
16 the new hardwired scanners. We just had one beat a
17 hardwired scanner. Okay. So, I'm sending that
18 attorney out, okay, what's the problem? What kind of
19 upgrades? What are we looking at? We've had a
20 situation in the past where we've contacted Homeland
21 Security and we've had an internet website shutdown.
22 So, the CCRs are much more ahead of this than a lot of
23 people realize. They're pretty much on the front
24 line. In the instance ---in all the instances here
25 they talked to the security staff, what's the problem.

1 Well, the battery wasn't charged. Well, why don't you
2 have a number of scanners that can be grabbed at any
3 given time that can be charged, that are charged up?

4 So, like John said, John willingly came
5 up to Harrisburg, he met with Jim and I, we went
6 through every instance, yeah, what's the latest and
7 greatest. Where can we --- how can we get our arms
8 around this? Move away from the portable, get to the
9 hardwired. That's what's been working lately. So, I
10 don't think that the CCRs were asleep at the wheel. I
11 think these problems were occurring in such a rapid
12 succession, the goal was to first get our arms around
13 it, bring the casino into compliance and then bring
14 this before the Board after there was a plan of
15 compliance and a plan of moving forward. Because
16 while the problem is going on, it's good to say, you
17 know, oh a violation occurred, you didn't do this, you
18 didn't do that. But what's your plan for coming into
19 compliance and how can we help you get into
20 compliance?

21 CHAIRMAN:

22 I don't want to beat this thing any
23 further. Any --- oh, Greg?

24 MR. FAJT:

25 Yeah, I do. Mr. Armstrong, in your

1 investigation did you talk to the CCRs about this
2 handheld issue and the fact that they were
3 malfunctioning? And was it your impression that they
4 were aware of that?

5 ATTORNEY ARMSTRONG:

6 They were aware of it. It came to light
7 when the shift manager at SugarHouse, the security
8 shift manager spoke to the Casino Compliance Bureau
9 supervisor at SugarHouse. And we just had a
10 compliance conference with SugarHouse personnel two
11 weeks before, and we were told that all the --- there
12 was updates done to the scanners and they were all in
13 proper working order. And the shift manager told the
14 supervisor that, well, the ones in that particular
15 location had not been working for several weeks.

16 MR. FAJT:

17 Okay. Thank you.

18 ATTORNEY ARMSTRONG:

19 I just want to add, too, that two of the
20 five incidences were by the casino compliance
21 representatives being proactive. One they caught on
22 the surveillance and the other one they caught walking
23 the casino floor.

24 CHAIRMAN:

25 No. I know that. I'm just trying to

1 understand the shape of this thing.

2 MS. HAMILTON:

3 They're very proactive.

4 MR. MOSCATO:

5 I just have one question. I really
6 didn't until you brought up the Department of Homeland
7 Security. And it piqued my curiosity. How is the
8 Department of Homeland Security involved with this
9 issue?

10 ATTORNEY DONNELLY:

11 Well, the concern is that these kids are
12 coming in with very sophisticated IDs that are faking
13 --- are tricking pretty sophisticated scanners.
14 Homeland Security should know that. And as Cyrus
15 pointed out, in one case now they've gone to them and
16 they've shut down the website that kids are buying
17 these things. So, if kids are buying them, other
18 people are buying them. So, that was the concern.

19 MR. MOSCATO:

20 I got you. Thank you for that
21 explanation.

22 CHAIRMAN:

23 If there's no other questions, I'd ask
24 if someone has a motion?

25 MR. RYAN:

1 Yes, Mr. Chairman, I do. Mr. Chairman,
2 I move that the Board approve the Consent Agreement
3 between the (OEC) and SugarHouse HSP Gaming, LP, as
4 described by the (OEC).

5 COMMISSIONER YOUNG:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 I am opposed. The motion is adopted.

12 MR. DILACQUA:

13 Thank you.

14 MS. HAMILTON:

15 Thank you.

16 ATTORNEY ARMSTRONG:

17 The next matter on the ---.

18 CHAIRMAN:

19 I didn't do that properly. I should
20 have asked if there's anybody opposed other than me.
21 I assume that's no? Okay.

22 MR. RYAN:

23 We forgive you, Mr. Chairman.

24 ATTORNEY PITRE:

25 The next matter on the agenda for the

1 Board's consideration is a Consent Agreement between
2 the (OEC) and IOC-PA, LLC. This matter will be
3 presented by Assistant Enforcement Counsel, Benjamin
4 Ferrell.

5 CHAIRMAN:

6 Oh, I'm sorry. Would the individuals
7 representing IOC-PA stand and identify themselves for
8 the court reporter?

9 MR. HENDRICKS:

10 Gary Hendricks, Vice President and
11 General Manager. It's, H-E-N-D-R-I-C-K-S.

12 ATTORNEY TRANCHINA:

13 I'm an attorney, Elizabeth Tranchina,
14 T-R-A-N-C-H-I-N-A.

15 ATTORNEY FERRELL:

16 All right. Good morning, Chairman and
17 members of the Board ---. Oh, sorry.

18 -----

19 GARY HENDRICKS, HAVING FIRST BEEN DULY SWORN,
20 TESTIFIED AS FOLLOWS:

21 -----

22 ATTORNEY FERRELL:

23 My apologies. Good morning, Chairman
24 and members of the Board. Benjamin Ferrell,
25 F-E-R-R-E-L-L. The next matter for consideration is a

1 Consent Agreement between the (OEC) and IOC-PA, LLC,
2 Management Company for Woodlands Fayette, LLC. Prior
3 to August 2nd, 2016, a promotional sales manager for
4 Lady Luck Casino was contacted by the general manager
5 for Pleasant Valley Golf Club, requesting Match Play
6 coupons and drink vouchers for the State Senator Pat
7 Stefano 2016 Golf Outing. Lady Luck has a
8 relationship with the golf club in which it supplies
9 Match Play coupons and drink vouchers for events held
10 at the golf club. The promotional sales manager
11 agreed to provide Match Play coupons and drink
12 vouchers for the event. Lady Luck was not a sponsor
13 and made no advertisement of its participation in the
14 event itself. On August 2nd, 2016, the promotional
15 sales manager arrived at the golf club and dropped off
16 120 Match Play coupons and 120 drink vouchers with the
17 club general manager.

18 The Match Play coupons and drink
19 vouchers were then distributed to each table setting
20 for the dinner that was scheduled as part of the
21 event. The Match Play coupons were printed and
22 entitled Senator Pat Stefano Outing. An investigation
23 conducted by the (BIE) determined that 120 Match Play
24 coupons valued at \$3,000 and 120 drink vouchers
25 valued at \$690 were placed at the table setting for

1 attendees of the event. Eight Match Play coupons
2 valued at \$200 and 11 drink vouchers valued at \$690
3 were later redeemed by event guests at Lady Luck
4 Casino. At the time IOC-PA, LLC's internal controls
5 and audit protocol did not require the training and
6 education of marketing staff regarding policies
7 designed to prevent violations of Section 1513 of the
8 Act, regarding political influence.

9 As such IOC-PA's internal controls and
10 audit protocols were insufficient in preventing
11 potential violations of Section 1513 of the Gaming
12 Act. IOC-PA has since submitted updated internal
13 controls to the Bureau of Gaming Operations for review
14 and subsequent approval, which require that the
15 marketing department employees be made aware and sign
16 an acknowledgement of Section 1513's political
17 influence prohibitions. Under the terms agreed upon
18 under the Consent Agreement, IOC-PA, LLC would pay a
19 civil penalty of \$15,000 as well as a \$2,500
20 investigation fee. We would ask that you approve this
21 Consent Agreement, and we are available for questions.

22 CHAIRMAN:

23 Any comments from the IOC-PA?

24 ATTORNEY TRANCHINA:

25 We would just like to confirm that the

1 amendment to the internal controls have been submitted
2 to the staff. And we have also implemented additional
3 standard operating procedures to safeguard against any
4 future possible incidents.

5 CHAIRMAN:

6 Thank you. Are there any questions or
7 comments from the Board? Hearing none, may I have a
8 motion?

9 MR. FAJT:

10 Mr. Chairman, I move that the Board
11 approve the Consent Agreement between the (OEC) and
12 IOC-PA, LLC Management Company for Woodlands Fayette,
13 LLC, as described by the (OEC).

14 MR. RYAN:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN:

20 All opposed? The motion's adopted.

21 Thank you very much for coming.

22 ATTORNEY TRANCHINA:

23 Thank you.

24 MR. HENDRICKS:

25 Thank you.

1 ATTORNEY PITRE:

2 The next five matters on the agenda
3 consist of enforcement actions in which the (OEC) has
4 filed complaints seeking the revocation of two Gaming
5 Permits and three Non-Gaming Registrations issued to
6 individuals by the Board. Each complaint has been
7 filed with the Board's (OHA) and properly served upon
8 the individuals named in each complaint. The
9 individual named in each complaint failed to respond
10 within 30 days as required by Board regulation. As a
11 result, the (OEC) filed a request for default judgment
12 and properly served the same upon each named
13 individual. Thereby the facts in each complaint are
14 deemed admitted. All filed documents have been
15 provided to the Board and the matters are presently
16 ripe for the Board's consideration. In each instance
17 we will provide a brief summary of the facts and
18 request the appropriate Board action.

19 ATTORNEY FERRELL:

20 The next matter up for your
21 consideration is a complaint for the revocation of
22 Durga Rai's Non-Gaming Employee Registration. On July
23 2nd, 2016, Mr. Rai took a wallet from a patron and
24 failed to return that wallet to the patron and keeping
25 it for himself. At this time OEC requests that the

1 Board issue an Order revoking Mr. Rai's Non-Gaming
2 Employee Registration.

3 CHAIRMAN:

4 Questions or comments from the Board?
5 May I have a motion?

6 MR. FAJT:

7 Mr. Chairman, I move that the Board
8 approve the revocation of Durga Rai's Non-Gaming
9 Employee Registration as described by the (OEC).

10 MR. JEWELL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 AYES RESPOND

15 CHAIRMAN:

16 All opposed? Motion's adopted.

17 ATTORNEY STUART:

18 Glenn Stuart for the (OEC), S-T-U-A-R-T.
19 Next for the Board's consideration is the revocation
20 of Justin Flynn's Gaming Employee Permit. Mr. Flynn
21 had most recently been employed as a Table Games
22 Dealer at Hollywood Casino in Grantville,
23 Pennsylvania. In June 2016 Mr. Flynn pled guilty to
24 one count of driving under the influence and one count
25 of fleeing or attempting to elude police in relation

1 to an incident where Mr. Flynn was driving erratically
2 and dangerously on an interstate highway. As such,
3 the revocation of Justin Flynn's Gaming Employee
4 Permit is now ripe for the Board's consideration.

5 CHAIRMAN:

6 Questions or comments from the Board?
7 May I have a motion?

8 MR. JEWELL:

9 Chairman, I move that the Board approve
10 the revocation of Justin Flynn's Gaming Employee
11 Occupation Permit as described by the (OEC).

12 MR. MCCALL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 All opposed? The motion's adopted.

19 ATTORNEY HAKEN:

20 Good morning, Chairman, members of the
21 Board. Tamara Haken for the (OEC), H-A-K-E-N. The
22 next matter on the agenda for the Board's
23 consideration is the revocation of the Gaming Employee
24 Permit issued to Teresa Vickers. Eleven (11) months
25 after her resignation from her position as a cage

1 cashier for Rivers Casino, Mr. Vickers went into
2 Rivers and attempted to enter the main cage area,
3 walked through back of house areas and used a stun gun
4 on a security officer, resulting in arrest for
5 multiple misdemeanors, including defiant trespass and
6 disorderly conduct. As a result (OEC) requests that
7 the Gaming Employee Permit issued to Teresa Vickers be
8 revoked.

9 CHAIRMAN:

10 Questions or comments from the Board?

11 May I have a motion?

12 MR. MCCALL:

13 Mr. Chairman, I move that the Board
14 approve the revocation of Teresa Vickers' Gaming
15 Employee Occupation Permit as described by the (OEC).

16 MR. MOSCATO:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 All opposed? The motion's adopted.

23 ATTORNEY MILLER:

24 Good afternoon. Dustin Miller on behalf
25 of the (OEC). The next matter today is a request for

1 revocation involving Sheina Martin. Ms. Martin was
2 employed as an EVS attendant at Parx Casino and
3 registered as a Non-Gaming Employee. The (OEC) filed
4 an Enforcement Complaint on September 28th, 2016, to
5 revoke Ms. Martin's Non-Gaming Employee Registration
6 after she was convicted of theft and receiving stolen
7 property on April 6th, 2016 for stealing money from a
8 customer's purse while working at a local retailer.
9 The (OEC) would ask the Board to consider the
10 revocation of Sheina Martin's Non-Gaming Employee
11 Registration at this time.

12 CHAIRMAN:

13 Questions or comments from the Board?
14 May I have a motion?

15 MR. MOSCATO:

16 Mr. Chairman, I move that the Board
17 approve the revocation of Sheina Martin's Non-Gaming
18 Employee Registration as described by the (OEC).

19 MR. RYAN:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 AYES RESPOND

24 CHAIRMAN:

25 All opposed? The motion's adopted.

1 ATTORNEY MILLER:

2 The next matter today is a request for
3 revocation involving Curtis Palmore. Mr. Palmore was
4 employed as a valet attendant at Valley Forge Casino
5 Resort and registered as a Non-Gaming Employee. The
6 (OEC) filed an Enforcement Complaint on September
7 15th, 2016, to revoke Mr. Palmore's Non-Gaming
8 Employee Registration after Valley Forge employees
9 found a plastic bag containing cocaine residue at the
10 valet pickup area at the casino. Surveillance
11 revealed that Mr. Palmore had dropped the bag earlier
12 in the day while working at Valley Forge. Mr. Palmore
13 was charged with simple possession of a controlled
14 substance and possession of drug paraphernalia by
15 Pennsylvania State Police due to the incident. On
16 June 13th, 2016, Mr. Palmore pleaded guilty to
17 disorderly conduct and paid a \$100 fine plus court
18 costs for the conviction. The (OEC) would ask the
19 Board to consider the revocation of Curtis Palmore's
20 Non-Gaming Employee Registration at this time.

21 CHAIRMAN:

22 Questions or comments from the Board?
23 May I have a motion?

24 MR. RYAN:

25 Mr. Chairman, I move that the Board

1 approve the revocation of Curtis Palmore's Non-Gaming
2 Employee Registration as described by the (OEC).

3 COMMISSIONER YOUNG:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 AYES RESPOND

8 CHAIRMAN:

9 All opposed? The motion's adopted.

10 ATTORNEY PITRE:

11 The remaining 16 matters on the agenda
12 consist of enforcement actions in which the (OEC) has
13 filed petitions seeking the involuntary exclusion of
14 individuals whose presence in a licensed facility are
15 inimical to the interests of the Commonwealth or
16 licensed gaming therein. In each instance the
17 Petition for Exclusion has been filed with the Board's
18 OHA and properly served upon the individual named in
19 each petition. The individuals named in the petition
20 failed to respond within 30 days as required by the
21 Board regulation. As a result, the (OEC) filed a
22 request for default judgment in each instance and
23 properly served the same upon each named individual.
24 Thereby all facts in each petition are deemed
25 admitted. All filed documents have been provided to

1 the Board and the matters are presently ripe for the
2 Board's consideration. In each instance the Board
3 orders to propose exclusion of each individual, the
4 individual's photo, personal identifiers and a summary
5 of the inimical conduct will be placed on the Board's
6 public website.

7 ATTORNEY MILLER:

8 The next matter today is a request for
9 placement on the Board's Excluded Person's List
10 involving Ulyes Ricks. The (OEC) filed a petition to
11 place Mr. Ricks on the exclusion list on August 24th,
12 2016, due to an incident that occurred on April 9th,
13 2016, whereby Mr. Ricks approached the main cage in
14 Parx Casino and demanded \$100,000 from a cage cashier.
15 Mr. Ricks refused to leave Parx Casino after being
16 approached by Parx Casino security personnel. And Mr.
17 Ricks attempted to gain access to the main cage and
18 resisted arrest after Pennsylvania State Police came
19 to the scene. Mr. Ricks was criminally charged for
20 his actions. On December 6th, 2016, Mr. Ricks pled
21 guilty to possessing a small amount of marijuana and
22 defiant trespass. Mr. Ricks was sentenced to pay
23 fines and costs related to the prosecution. Based on
24 upon the forgoing, the (OEC) asks that the Board place
25 Ulyes Ricks on the Board's Excluded Person's List.

1 CHAIRMAN:

2 Questions or comments from the Board?

3 May I have a motion?

4 COMMISSIONER YOUNG:

5 Mr. Chairman, I move that the Board
6 approve the addition of Ulyes J. Ricks to the PGCB
7 Involuntary Exclusion List as described by the (OEC).

8 MR. FAJT:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 All opposed? The motion's adopted.

15 ATTORNEY HAKEN:

16 Good morning, again. The next matter on
17 the Agenda for the Board's consideration is the
18 Involuntary Exclusion of Teresa Vickers. Eleven (11)
19 months after her resignation from her position as a
20 cage cashier for Rivers Casino, Ms. Vickers did enter
21 Rivers and that she attempted to enter the main cage
22 area, walked through the back of house area and used a
23 stun gun on a security officer, resulting in an arrest
24 for multiple misdemeanors including defiant trespass
25 and disorderly conduct. As a result, OEC requests

1 that the Board issue an order placing Teresa Vickers
2 on the Involuntary Exclusion List.

3 CHAIRMAN:

4 Questions or comments from the Board?
5 May I have a motion?

6 MR. FAJT:

7 Mr. Chairman, I move that the Board
8 approve the addition of Teresa Vickers to the PGCB
9 Involuntary Exclusion List as described by the (OEC).

10 MR. JEWELL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 AYES RESPOND

15 CHAIRMAN:

16 All opposed? The motion's adopted.

17 ATTORNEY FERRELL:

18 The next matter for your consideration
19 is the petition to place Christie Bentler onto the
20 Board's Involuntary Exclusion List. On August 17th,
21 2016, Ms. Bentler used a fraudulent driver's license
22 to enter the gaming floor of Presque Isle Downs
23 Casino. At this time OEC requests that the Board
24 issue an order placing Christie Bentler on the
25 Involuntary Exclusion List.

1 CHAIRMAN:

2 Questions or comments from the Board?

3 May I have a motion?

4 MR. JEWELL:

5 Mr. Chairman, I move that the Board
6 approve the addition of Christie Bentler to the PGCB
7 Involuntary Exclusion List as described by the (OEC).
8 I further move that Ms. Bentler may petition for
9 removal from the list at any time after her 22nd
10 Birthday.

11 MR. MCCALL:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 AYES RESPOND

16 CHAIRMAN:

17 All opposed? The motion's adopted.

18 ATTORNEY FERRELL:

19 The matter for your consideration is a
20 petition to place Wei Lin onto the Board's Involuntary
21 Exclusion List. On August 18th, 2016, Mr. Lin used
22 another patron's driver's license in an attempt to
23 enter the gaming floor of Presque Isle Downs Casino
24 while underage. At this time OEC requests that the
25 Board issue an order placing Wei Lin on the

1 Involuntary Exclusion List.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 May I have a motion?

5 MR. MCCALL:

6 Mr. Chairman, I move that the Board
7 approve the addition of Wei Lin to the Pennsylvania
8 Gaming Control Board's Involuntary Exclusion List as
9 described by the (OEC). I further move that Mr. Lin
10 may petition for removal from the list anytime after
11 his 22nd Birthday.

12 MR. MOSCATO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 All opposed? The motion's adopted.

19 ATTORNEY ARMSTRONG:

20 Chairman and Commissioners, the next
21 matter for your consideration of the Board is
22 Christopher Baker's placement on the Involuntary
23 Exclusion List. On May 15th of 2016 the (OEC) filed a
24 petition seeking to place Mr. Baker on the Board's
25 Excluded Person's List as a result of his conduct

1 while a patron at SugarHouse Casino. Mr. Baker was
2 investigated by the State Police for allegedly passing
3 counterfeit \$100 bills while gambling at six different
4 table games at SugarHouse Casino. Mr. Baker was
5 arrested and criminally charged with multiple counts
6 of forgery. On September 7th he pled guilty to three
7 counts of forgery, second degree felonies. As a
8 result of the conduct Mr. Baker was permanently
9 evicted from SugarHouse Casino. Accordingly, the
10 (OEC) requests the Board enter judgment upon default
11 and place Mr. Baker on the Board's Involuntary
12 Exclusion List.

13 CHAIRMAN:

14 Questions or comments from the Board?
15 May I have a motion?

16 MR. MOSCATO:

17 Mr. Chairman, I move that the Board
18 approve the addition of Christopher Baker to the PGCB
19 Involuntary Exclusion List as described by the (OEC).

20 MR. RYAN:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 All opposed? The motion's adopted.

2 ATTORNEY CROHE:

3 Good afternoon, Chairman and members of
4 the Board. John Crohe, C-R-O-H-E, for the (OEC). The
5 next matter for your consideration is a request to
6 place Joseph Murphy on the Board's Excluded Person's
7 List for stealing the cell phone of another patron
8 while gaming at Mohegan Sun. Mr. Murphy pleaded
9 guilty to receiving stolen property and the (OEC) now
10 requests that the Board place Mr. Murphy on the
11 Board's excluded persons list.

12 CHAIRMAN:

13 Questions or comments from the Board?
14 May I have a motion?

15 MR. RYAN:

16 Mr. Chairman, I move that the Board
17 approve the addition of Joseph Murphy to the PGCB
18 Involuntary Exclusion List as described by the (OEC).

19 CHAIRMAN:

20 Is there a second?

21 COMMISSIONER YOUNG:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 AYES RESPOND

1 CHAIRMAN:

2 All opposed? The motion's adopted.

3 ATTORNEY CROHE:

4 The next two matters before the Board
5 are factually related, therefore I ask that I ask to
6 read one set of facts and then ask separately for each
7 of them to be placed on the exclusion list. On June
8 25th, 2016, Jacob Leitner was gaming, was playing at
9 pai gow at Mohegan Sun Casino with his sister, Jordan
10 Leitner standing behind. Jacob Leitner left the table
11 as Jordan Leitner argued with another patron at the
12 time and then struck him in the face. Jacob Leitner
13 returned to the table, also argued with the same
14 patron and then struck him several times in the face.
15 The (OEC) now asks that the Board place Jacob Leitner
16 on the Board's excluded persons list.

17 CHAIRMAN:

18 Questions and comments from the Board?

19 May I have a motion?

20 COMMISSIONER YOUNG:

21 Mr. Chairman, I move that the Board
22 approve the addition of Jacob Leitner to the PGCB
23 Involuntary Exclusion List as described by the (OEC).

24 MR. FAJT:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 All opposed? The motion's adopted.

6 ATTORNEY CROHE:

7 And the (OEC) also now requests that the
8 Board place Jordan Leitner on the Board's Excluded
9 Person's List?

10 CHAIRMAN:

11 Questions or comments from the Board?

12 May I have a motion?

13 MR. FAJT:

14 Mr. Chairman, I move that the Board
15 approve the addition of Jordan Leitner to the PGCB
16 Involuntary Exclusion List as described by the (OEC).

17 MR. JEWELL:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 All opposed? The motion's adopted.

24 ATTORNEY ROLAND:

25 Next is a request to place Jeffrey Crews

1 on the Involuntary Exclusion List. Mr. Crews was on
2 the gaming floor at Sands Casino while in possession
3 of cocaine. Mr. Crews was charged by the Pennsylvania
4 State Police under the Drug Act with possession of a
5 controlled substance and the charge remains pending.
6 The matter is now before the Board to consider the
7 placement of Jeffrey Crews on the Board's Involuntary
8 Exclusion List.

9 CHAIRMAN:

10 Questions or comments from the Board?
11 May I have a motion?

12 MR. JEWELL:

13 Mr. Chairman, I move that the Board
14 approve the addition of Jeffrey Crews to the PGCB
15 Involuntary Exclusion List as described by the (OEC).

16 MR. MCCALL:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 All opposed? The motion's adopted.

23 ATTORNEY ROLAND:

24 Next is a request to place Jody Lynn
25 Baer on the Involuntary Exclusion List. Mr. Baer, age

1 20, gained access to the gaming floor at Sands Casino
2 and gamed for approximately three hours and 25 minutes
3 at 22 separate slot machines. Mr. Baer was
4 permanently evicted by Sands Security and was charged
5 by the Pennsylvania State Police with a minor on the
6 gaming floor. He has pled guilty to that charge and
7 the matter is now before the Board to consider the
8 placement of Jody Lynn Baer on the Board's Involuntary
9 Exclusion List.

10 CHAIRMAN:

11 Questions or comments from the Board?
12 May I have a motion?

13 MR. MCCALL:

14 Mr. Chairman, I moved that the Board
15 approve the addition of Jody Lynn Baer to the
16 Pennsylvania Gaming Control Board Involuntary
17 Exclusion List for a period of at least one year,
18 after which he may petition to be removed from the
19 list.

20 MR. MOSCATO:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 All opposed? The motion's adopted.

2 ATTORNEY ROLAND:

3 Next is a request to place Miguel
4 Reynoso on the Involuntary Exclusion List. Mr.
5 Reynoso passed multiple counterfeit \$100 bills at
6 several gaming tables while gaming at Sands Casino.
7 The matter is now before the Board to consider the
8 placement of Miguel Reynoso on the Board's Involuntary
9 Exclusion List.

10 CHAIRMAN:

11 Questions or comments from the Board?
12 May I have a motion?

13 MR. MOSCATO:

14 Mr. Chairman, I move that the Board
15 approve the addition of Miguel A. Reynoso to the PGCB
16 Involuntary Exclusion List as described by the (OEC).

17 MR. RYAN:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 All opposed? The motion's adopted.

24 ATTORNEY TEPPER:

25 Good morning, Chairman Barasch and

1 members of the Board. David Tepper, T-E-P-P-E-R, with
2 the (OEC). The next matter on the Board's agenda is
3 to consider the placement of Alyssa Gill on the
4 Involuntary Exclusion List. In August 2016 Ms. Gill
5 used a false identification card while underage in an
6 attempt to gain to the gaming floor at Mountain Airy
7 Casino. She was subsequently cited by the
8 Pennsylvania State Police and pled guilty. And at
9 this time the (OEC) requests that Alyssa Gill be
10 placed on the Board's Involuntary Exclusion List.

11 CHAIRMAN:

12 Any questions or comments from the
13 Board? May I have a motion?

14 MR. RYAN:

15 Mr. Chairman, I move that the Board
16 approve the addition of Alyssa Gill to the PGCB
17 Involuntary Exclusion List as described by the (OEC).
18 I further move that Ms. Gill may petition for removal
19 from the list anytime after her 22nd Birthday.

20 COMMISSIONER YOUNG:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 All opposed? The motion's adopted.

2 ATTORNEY TEPPER:

3 Next on the Board's agenda is at
4 petition to place Christopher Lamberto on the Board's
5 Involuntary Exclusion List. In July 2016 Christopher
6 Lamberto attempted to use a false identification card
7 while underage to gain access to the gaming floor at
8 Mountain Airy Casino. He was subsequently cited by
9 the Pennsylvania State Police and pled guilty. And at
10 this time the (OEC) requests that the Board add Mr.
11 Lamberto to the Board's Involuntary Exclusion List.

12 ATTORNEY PITRE:

13 I believe Mr. Tepper is a little anxious
14 to get out of here.

15 CHAIRMAN:

16 Yeah, I know. I noticed that but we'll
17 proceed and we'll circle back. This is the Lamberto
18 matter. Any questions or comments from the Board?
19 May I have a motion?

20 MR. FAJT:

21 Mr. Chairman, I move that the Board
22 approve the addition of Christopher Lamberto to the
23 PGCB Involuntary Exclusion List as described by the
24 (OEC). I further move that Mr. Lamberto may petition
25 for removal from the list anytime after his 22nd

1 Birthday.

2 MR. JEWELL:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 AYES RESPOND

7 CHAIRMAN:

8 All opposed? The motion's adopted. Now

9 I believe we skipped over the matter involving Peter
10 Farina?

11 ATTORNEY TEPPER:

12 My apologies.

13 CHAIRMAN:

14 No problem.

15 ATTORNEY TEPPER:

16 In July 2016 ---.

17 CHAIRMAN:

18 You're just trying to see if we're
19 paying attention.

20 ATTORNEY TEPPER:

21 Yeah.

22 CHAIRMAN:

23 And we do.

24 ATTORNEY TEPPER:

25 Peter Farina aided and abetted

1 Christopher Lamberto in an attempt to gain access to
2 the gaming floor at Mountain Airy Casino. Mr. Farina
3 was subsequently cited by the Pennsylvania State
4 Police and pled guilty. And at this time the (OEC)
5 requests that Peter Farina be added to the Involuntary
6 Exclusion List.

7 CHAIRMAN:

8 Questions or comments from the Board?
9 May I have a motion?

10 COMMISSIONER YOUNG:

11 Mr. Chairman, I move that the Board
12 approve the addition of Peter Farina to the PGCB
13 Involuntary Exclusion List as described by the (OEC).
14 I further move that Mr. Farina petition for removal
15 from the list after one year.

16 MR. FAJT:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 All opposed? The motion's adopted.

23 ATTORNEY TEPPER:

24 Next on the Board's agenda is a petition
25 to place Matthew Leonard on the Board's Involuntary

1 Exclusion List. In August 2016 Mr. Leonard attempted
2 to use the false --- or the identification card of
3 another in attempt to gain access to Mountain Airy
4 Casino while he was underage. He was subsequently
5 cited by the Pennsylvania State Police and pled
6 guilty. And at this time the (OEC) requests that the
7 Board add Matthew Leonard to the Board's Involuntary
8 Exclusion List.

9 CHAIRMAN:

10 Questions or comments from the Board?

11 May I have a motion?

12 MR. JEWELL:

13 Chairman, I move that the Board approve
14 the addition of Matthew Leonard to the PGCB
15 Involuntary Exclusion List as described by the (OEC).
16 I further move that Mr. Leonard may petition for
17 removal from the list after one year.

18 MR. MCCALL:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 AYES RESPOND

23 CHAIRMAN:

24 All opposed? The motion's adopted.

25 ATTORNEY TEPPER:

1 The next matter is a petition to place
2 John Rathbone on the Board's Involuntary Exclusion
3 List. In August 2016 Mr. Rathbone aided and abetted
4 Matthew Leonard, who was 20 years old at the time, in
5 an attempt to gain access to the gaming floor at
6 Mountain Airy Casino. Mr. Rathbone was cited by the
7 Pennsylvania Police and subsequently pled guilty. And
8 at this time OEC requests that John Rathbone be placed
9 on the Board's Involuntary Exclusion List.

10 CHAIRMAN:

11 Any questions or comments from the
12 Board? May I have a motion?

13 MR. MCCALL:

14 Mr. Chairman, I move that the Board
15 approve the addition of John Rathbone to the
16 Pennsylvania Gaming Control Board's Involuntary
17 Exclusion List as described by the (OEC). I further
18 move that Mr. Rathbone may petition for removal from
19 the list after one year.

20 MR. MOSCATO:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 All opposed? The motion's adopted.

2 ATTORNEY PITRE:

3 Thank you. That concludes our business.

4 CHAIRMAN:

5 Thank you very much, Cyrus. That
6 concludes today's public session. Our next scheduled
7 meeting will be held on Wednesday, February 1st. The
8 meeting will begin at 10:00 a.m. in this room. Are
9 there any other final questions or comments from the
10 Board or Ex Officio Members at this time? If not, may
11 I have a motion to adjourn?

12 MR. MOSCATO:

13 Mr. Chairman, I am pleased to adjourn
14 this distinguished panel.

15 MR. RYAN:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 All opposed? The motion's adopted.

22 Thank you all.

23 * * * * *

24 MEETING CONCLUDED AT 12:18 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
meeting held before Chairman Barasch was reported by
me on 1/11/2017 and that I, Amy L. Warehime, read this
transcript, and that I attest that this transcript is
a true and accurate record of the proceeding.



Amy L. Warehime

Court Reporter