

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: DAVID M. BARASCH, CHAIRMAN
Dante Santoni, Jr., Sean Logan, Richard G. Jewell, Anthony C. Moscato, William H. Ryan, Jr., Ahmeenah Young, Members, Fred Strathmeyer, representing Russell Redding, Secretary of Agriculture; Jennifer Langan, representing Joseph Torsella, State Treasurer; Robert P. Coyne, representing Eileen H. McNulty, Secretary of Revenue
MEETING: Wednesday, April 5, 2017, 10:01 a.m.
LOCATION: Strawberry Square
2nd Floor Square Complex
Harrisburg, PA 17101

Reporter: Rhonda K. Thorpe

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A P P E A R A N C E S

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OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE

Chief Counsel

STEPHEN S. COOK, ESQUIRE

Deputy Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

MICHAEL ROLAND, ESQUIRE

Assistant Enforcement Counsel

DUSTIN MILLER, ESQUIRE

Assistant Enforcement Counsel

BENJAMIN FERRELL, ESQUIRE

Assistant Enforcement Counsel

JOHN CROHE, ESQUIRE

Assistant Enforcement Counsel

GLEN STUART, ESQUIRE

Assistant Enforcement Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

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A P P E A R A N C E S (cont'd)

BRYAN P. SCHROEDER, Vice President of Regulatory
Affairs and Compliance Officer
Greenwood Gaming and Entertainment
3331 Street Road
Suite 200
Bensalem, PA 19020

ALSO PRESENT:
GERALD FRETZ, Director of Security, Greenwood Gaming
and Entertainment

I N D E X

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OPENING REMARKS

By Chairperson Barasch

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PRESENTATION

By Mr. O'Toole

6

By Mr. Kile

6 - 10

By Attorney Sherman

10 - 14

By Attorney Cook

14 - 23

By Ms. Hensel

23 - 30

By Attorney Pitre

30 - 31

By Attorney Miller

32 - 37

By Attorney Schroeder

37 - 38

By Mr. Fretz

38 - 39

By Attorney Pitre

40 - 41

By Attorney Ferrell

41 - 42

By Attorney Roland

42 - 43

By Attorney Pitre

44 - 45

By Attorney Crohe

45 - 48

By Attorney Stuart

48 - 50

P R O C E E D I N G S

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CHAIRMAN:

Good morning everyone. I'm David Barasch. Chairman of the Pennsylvania Gaming Control Board.

Before we begin the usual request that people put their electronic devices on silent to not interfere with things.

With us today is Fred; Fred Strathmeyer representing Russel Redding; Secretary of Agriculture, Jen Langan representing Joe Torsella; State Treasurer. And Bob Coyne representing --- is she still the Secretary? Eileen McNulty --- thank you very much.

Quorum of the Board being present I'll call the proceedings to order. First the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

By way of announcements, the Board held an Executive Session yesterday April 4th to conduct quasi-judicial deliberations relating to matters that are going to be before the Board today.

Under New Business, we'll hear from Kevin.

1 MR. O'TOOLE:

2 Good morning, Chairman Barasch. Good
3 morning Members of the Board. I brought with me this
4 morning for the Executive Director's Report Kevin
5 Kile, our Director of Racetrack Operations.

6 Racetrack Operations is a unit within
7 our Bureau of Gaming Operations.

8 Kevin has recently completed and
9 released the 10th Annual Benchmark Report, which
10 measures the statistics involving the impact of Casino
11 Gaming in Pennsylvania and the Horseracing Industry.

12 So I would like to ask Kevin to give a
13 brief summary of the trends that he has identified in
14 this year's Benchmark Report.

15 MR. KILE:

16 Good morning, Mr. Chairman, members of
17 the Board. The Office of Racetrack Gaming recently
18 completed and just released the 10th Annual Benchmark
19 Report, which provides an overview of the benefits
20 slot machine gaming revenue provides for the
21 Horseracing Industry in Pennsylvania. This report
22 also details key indicators within horseracing that
23 outline the current health of the industry.

24 One of the objectives of the Gaming Act
25 is to assist the Horseracing Industry. The avenue

1 utilized by statute to assist this industry was the
2 creation of the Pennsylvania Racehorse Development
3 Fund. Which is funded by a portion of gross revenue
4 generated from slot machine gaming.

5 In 2016, approximately 10 percent of
6 revenue generated from slot machine gaming was
7 earmarked for the Pennsylvania Racehorse Endowment
8 Fund, which amounted to \$245 million. This revenue
9 continues to provide increased purses for horsemen,
10 awards for breeders, and funding for health and
11 pension benefits.

12 As a result, individuals and businesses
13 are continuing to participate in live racing in
14 Pennsylvania. With more than 18,000 horses racing in
15 2016. Making more than 92,000 starts throughout the
16 year.

17 The Racetrack Casinos have also invested
18 more than \$70 million in new and renovated racing
19 facilities over the past ten years. These new
20 facilities such as barns, paddocks, and dormitories
21 has significantly improved the living and working
22 conditions for horsemen and their employees who work
23 at the tracks.

24 Despite these resources, Pennsylvania
25 Horse and Harness Racing continues to face significant

1 challenges in order to remain a viable entertainment
2 option.

3 Live Racing Handle increased by 17
4 percent in Pennsylvania since slot machine gaming
5 commenced in 2006, mainly due to the opening of two
6 new racetrack casino properties. And increased
7 wagering on patrons --- wagering on Pennsylvania races
8 by patrons nationwide.

9 Although this increase has been
10 beneficial, this past year marked the third year since
11 gaming commenced that live racing handle has declined
12 year-over-year.

13 \$681 million was wagered on races held
14 in Pennsylvania this past year. Representing a six
15 percent decrease when compared to the previous year.

16 It's been widely recognized that the
17 biggest challenge facing Horse and Harness Racing is
18 creating a new fan base and increasing of popularity
19 of the improved racing product.

20 As information in this report suggests
21 however, revenue generate from slot machine gaming
22 continues to provide an overall positive impact on
23 racing and continues to benefit Pennsylvania
24 agriculture.

25 The report is available to the public

1 and can be found on the Board's website directly on
2 our homepage.

3 Thank you and I'd be glad to answer any
4 questions that you may have.

5 CHAIRMAN:

6 Are there any questions or comments from
7 the Board this morning?

8 MR. RYAN:

9 I just have one if I can, Mr. Chairman?

10 Kevin, if you have the answer to this
11 question, what percentage of the total purse money
12 being paid or paid in 2016 to race winners was slot
13 revenue?

14 MR. KILE:

15 This past year it was 87 percent. The
16 vast majority of purse revenue is generated from slot
17 machine gaming now.

18 MR. RYAN:

19 Thank you.

20 CHAIRMAN:

21 Thank you very much.

22 MR. STRATHMEYER:

23 Chairman, just comment.

24 So just so that the Gaming Control Board
25 knows, in the past Horseracing Act that was just

1 passed a year ago and was amended --- there was a
2 portion in there that calls for a one percent of the
3 Horse Development Fund to be used for promotion and
4 marketing.

5 Those funds are now designated for that
6 activity to hopefully be in a position to benefit this
7 decline that we've seen. The Department as recently
8 as two weeks ago at the Commission Meeting --- we've
9 hired a Marketing Director now as part of Staff over
10 at AG. And so we are making strides to try to attack
11 this --- this decline head on.

12 And I just felt that it's important to
13 add that to conversation here today.

14 CHAIRMAN:

15 Appreciate that, Fred. Thank you very
16 much. Thank you.

17 Next, Doug Sherman.

18 ATTORNEY SHERMAN:

19 Good morning, Chairman, Members of the
20 Board. Our first agenda item relates to a proposed
21 regulation. And that's Regulation 125-206, which is
22 comprised of several miscellaneous amendments and the
23 transition of a number of Statements of Policy into
24 final promulgated regulations.

25 The rulemaking will provide for

1 surrender with prejudice, will reduce the number of
2 reports operators are required to submit regarding
3 junkets conducted at their facilities, and will amend
4 language in chapter 440(a).5, which addressed the
5 Board's review of Management Agreements.

6 The new language as to Management
7 Agreements will direct that the Board evaluate whether
8 approving a management contract will create an undue
9 concentration of economic activity. Rather than
10 whether it would create a monopoly and this is to make
11 it consistent with the review that we give to licensed
12 facilities.

13 Additionally, Rulemaking 125-206 will
14 begin the transition process of a number of existing
15 Statements of Policy. The Statements of Policy
16 include provisions on criteria used to determine if a
17 Junket Representative is a bonafide employee of a
18 Casino Operator or an employee of a Casino Junket
19 Enterprise.

20 SOPs on a wide area of progressive
21 systems and remote system access, use of electronic
22 credit system for process, credit issued by the
23 facility, and optional wagers in Pai Gow. And
24 optional five to six progressive wagers in Three-Card
25 Poker.

1 There also are a number of amendments
2 for consistency with other provisions of the Act that
3 are set forth throughout that. And there is actually
4 one new side wager that's being added to the Saigon 5
5 Card Game.

6 I'd ask that there be a motion to
7 approve the proposed regulations so it can begin the
8 process of transitioning to a final form.

9 CHAIRMAN:

10 Any questions or comments from the
11 Board?

12 May I have a motion?

13 MR. RYAN:

14 Mr. Chairman, I move that the Board
15 issue an Order to adopt Proposed Regulation 125-206,
16 as described by the Office of Chief Counsel (OCC).

17 MR. SANTONI:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 Opposed?

24 The motion is adopted.

25 ATTORNEY SHERMAN:

1 The Board has one petition before it for
2 consideration. That's the petition of Craig Allen
3 Truskie's request to be removed from the Board's
4 Involuntary Exclusion List.

5 The matter will be decided on the
6 documents filed on record as is uncontested. And as
7 always, the Board has in advance of this meeting been
8 provided with all of the pleadings in the matter.

9 On February 8th, 2012, the Board placed
10 Mr. Truskie on the Board's Involuntary Exclusion List
11 after it was determined that he assisted a 19 year old
12 in gaining access to Rivers Casino.

13 He admitted to the actions at that time
14 and was permanently evicted by the Rivers and
15 subsequently placed on the Involuntary Exclusion List
16 by this Board.

17 It's now been over five years since he
18 was placed on the list and he is requesting to be
19 removed. There is no evidence that he has in any way
20 violated the Order. And there is no objection from
21 OEC. So the matter is appropriate for the Board's
22 consideration.

23 CHAIRMAN:

24 Questions or comments from the Board?

25 May I have a motion?

1 MR. JEWELL:

2 Mr. Chairman, I move that the Board
3 grant Craig Allen Truskie's Petition for Removal from
4 the PGCB Involuntary Exclusion List as described by
5 the OCC.

6 CHAIRMAN:

7 Is there a second?

8 MR. LOGAN:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 All opposed?

15 The motion is adopted.

16 ATTORNEY SHERMAN:

17 The next report in Reports and
18 Recommendations will be Deputy Chief Counsel Steve
19 Cook.

20 ATTORNEY COOK:

21 Morning.

22 Next before the Board for consideration
23 are four Reports and Recommendations received from the
24 Office of Hearings and Appeals (OHA). These Reports
25 and Recommendations, along with the complete

1 evidentiary record in each matter have been provided
2 to the Board in advance of today's meeting. And
3 additionally in each case, the person that is subject
4 to the Report and Recommendation have been notified
5 that the Board would be taking the matter up today.

6 If any of these persons are present and
7 wish to address the Board briefly, they can come
8 forward when their matter is called.

9 The first Report and Recommendation
10 before the Board pertains to William Malie. Mr. Malie
11 was issued a Non-Gaming Employee Registration in
12 December of 2007 and worked as a food server at the
13 Meadows Racetrack and Casino until he was terminated
14 in May of 2016. On July 8th of 2016, the Office of
15 Enforcement Counsel (OEC) filed a Complaint to revoke
16 Mr. Malie's Non-Gaming Registration.

17 The Complaint alleges that on May 1st,
18 2016 during the course of his workday, Mr. Malie stole
19 \$140 by failing to generate checks for three of his
20 tables. Keeping the cash left by the patrons --- or
21 by a patron and applying discounts to guest checks
22 that he was not authorized to provide.

23 A hearing in this matter was held on
24 November 30th. Both the OEC and Mr. Malie appeared at
25 the hearing offering testimony and documentary

1 evidence. At that hearing, Mr. Malie testified
2 because Sundays were particularly busy days, he would
3 open up checks for buffet purchases in advance so that
4 he would be ready upon a customer's request for a
5 bill.

6 Additionally he testified that he
7 mistakenly applied free buffet coupons to the wrong
8 check. And in a separate transaction, inadvertently
9 rang up the wrong numbers --- or the wrong number of
10 free buffets on a check. He also stated that cash he
11 received from a customer was in fact the tip and was
12 not unlawfully gained.

13 After taking all the evidence into
14 consideration, the Hearing Officer issued a Report and
15 Recommendation recommending that Mr. Malie's Non-
16 Gaming Registration not be denied. And that there was
17 no evidence of theft, but rather just simple failure
18 to follow the policies of the restaurant.

19 And that is the recommendation before
20 the Board, that his registration not be denied.

21 CHAIRMAN:

22 Thank you, Steve.

23 Any questions or comments from the
24 Board?

25 May I have a motion?

1 MR. LOGAN:

2 Mr. Chairman, I move that the Board
3 adopt the Report and Recommendation issued by the OHA
4 and deny Enforcement Counsel's request that William
5 Malie's Non-Gaming Employee Registration be revoked.

6 MR. MOSCATO:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 All opposed?

13 The motion is adopted.

14 ATTORNEY COOK:

15 The next matter to be heard by the Board
16 is the Report and Recommendation pertaining to John
17 Rossi. Mr. Rossi was issued a Gaming Employee
18 Occupation Permit in January of 2016 and worked as a
19 Table Games Dealer at Harrah's Philadelphia.

20 On January 9th, 2017 the OEC filed a
21 request for an Emergency Suspension of Mr. Rossi's
22 Gaming Permit after receiving notice that he'd been
23 arrested and charged with two theft related felony
24 charges, and a gaming offense.

25 Specifically, during December of 2016 on

1 several occasions while performing his duty as Table
2 Games Dealer Mr. Rossi failed to collect losing wagers
3 from patrons, paid players for losing hands, failed to
4 collect surrendered wagers, and allowed players to see
5 his cards during the game.

6 It is alleged that Mr. Rossi's actions
7 cost Harrah's in excess of \$10,000. As a result of
8 these charges, the Executive Director issued an
9 Emergency Suspension as requested by Enforcement
10 Counsel.

11 Subsequently, a hearing on the validity
12 of the Emergency Suspension was held on January 31st
13 pursuant to the Board's regulations. Enforcement
14 Counsel appeared for the hearing offering testimony
15 and evidence in support of the allegations. Mr. Rossi
16 did not attend the hearing.

17 As a result, the Hearing Officer issued
18 a Report and Recommendation recommending the
19 suspension remain in place. And that's the
20 recommendation before the Board.

21 CHAIRMAN:

22 Any questions or comments from the
23 Board?

24 May I have a motion?

25 MR. MOSCATO:

1 Mr. Chairman, I move that the Board
2 adopt the Report and Recommendation issued by the OHA
3 regarding the suspension of John Rossi's Gaming
4 Employee Occupation Permit as described by the OCC.

5 MR. RYAN:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 All opposed?

12 The motion is adopted.

13 ATTORNEY COOK:

14 The next Report and Recommendation
15 before the Board pertains to Jonathan Scott. Mr.
16 Scott was issued a Gaming Employee Permit in May of
17 2012 and worked as a Table Games Dealer at Harrah's
18 Philadelphia. On January 6th, 2017, the OEC filed a
19 request for an Emergency Suspension of Mr. Scott's
20 Gaming Employee Permit after receiving notice that
21 he'd been charged with 20 misdemeanors and 8 felony
22 offenses.

23 Specifically, it was alleged that Mr.
24 Scott was an accomplice in a robbery of BB&T Bank
25 where he detained a bank employee and customer in an

1 office while an accomplice held a firearm to the bank
2 teller and demanded money. As a result of these
3 charges, the Executive Director issued an Emergency
4 Suspension.

5 Pursuant to the Board's regulations, a
6 hearing on the validity of the Emergency Suspension
7 was held. Despite receiving proper notice, Mr. Scott
8 failed to attend and did not ask for a continuance.
9 As a result, the evidence put into the record at that
10 hearing was only by OEC and supported the criminal
11 charges that were filed.

12 Having heard that evidence, the Hearing
13 Officer recommends that suspension remain in place.
14 And that's the recommendation before the Board.

15 CHAIRMAN:

16 Any questions or comments from the
17 Board?

18 May I have a motion?

19 MR. RYAN:

20 Mr. Chairman, I move that the Board
21 adopt the Report and Recommendation issued by the OHA
22 regarding the suspension of Jonathan Scott's Gaming
23 Employee Occupation Permit as described by the OCC.

24 MR. SANTONI:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 All opposed?

6 The motion is adopted.

7 ATTORNEY COOK:

8 The final Report and Recommendation
9 before the Board today is that of William Stewart. In
10 April of 2016, Mr. Stewart submitted a Gaming Employee
11 Permit Application seeking work as a Security Officer
12 at the SugarHouse Casino. On July 27th, the OEC
13 issued a notice recommending that Mr. Stewart's
14 application be denied based on his noncompliant status
15 with the Pennsylvania Department of Revenue.

16 His failure to provide requested tax
17 information to the Board, and his failure to disclose
18 his complete criminal history, which included a 2010
19 felony conviction. With regard to Mr. Stewart's
20 criminal history, he only disclosed one arrest on his
21 application. However, BIE's investigation discovered
22 numerous offenses in his past.

23 Additionally, his 2010 felony conviction
24 was for making statements in an application to possess
25 --- or to carry a firearm. And as a result of that

1 felony conviction, the Gaming Act excludes him from
2 eligibility to receive a Gaming Permit.

3 As a result, the Hearing Officer's
4 recommendation is that the application be denied as
5 ineligible under the Act.

6 CHAIRMAN:

7 Thank you.

8 Questions or comments from the Board?

9 May I have a motion?

10 MR. SANTONI:

11 Mr. Chairman, I move that the Board
12 adopt the Report and Recommendation issued by the OHA
13 regarding William Stewart's Gaming Employee Occupation
14 Permit Application as described by the OCC.

15 CHAIRMAN:

16 Second please?

17 MS. YOUNG:

18 Second.

19 CHAIRMAN:

20 Thank you.

21 All in favor?

22 AYES RESPOND

23 CHAIRMAN:

24 All opposed?

25 The motion is adopted.

1 ATTORNEY SHERMAN:

2 And that concludes the matters of the
3 OCC.

4 CHAIRMAN:

5 Sue Hensel, Director of Bureau of
6 Licensing.

7 MS. HENSEL:

8 Thank you, Chairman Barasch and members
9 of the Board. Before the Board today will be 756
10 Principal, Key, Gaming and Non-Gaming Employee
11 Applicants. In addition, there will be the
12 consideration of 14 Gaming Service Provider
13 Applicants.

14 The first matter for your consideration
15 is the approval of Principal and Key Employee
16 Licenses. Prior to this meeting the Bureau of
17 Licensing provided you with a Proposed Order for two
18 Principal and seven Key Employee Licenses.

19 I ask that the Board consider the Order
20 approving these licenses.

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 MS. YOUNG:

2 Mr. Chairman, I move that the Board
3 approve the issuance of Principal and Key Employee
4 Licenses as described by the Bureau of Licensing.

5 MR. JEWELL:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 All opposed?

12 The motion is adopted.

13 MS. HENSEL:

14 Next there are Temporary Principal and
15 Key Employee Licenses. Prior to this meeting the
16 Bureau of Licensing provided you with an Order
17 regarding the issuance of Temporary Licenses for 2
18 Principal and 19 Key Employees.

19 I ask that the Board consider the Order
20 approving these licenses.

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 MR. JEWELL:

2 Mr. Chairman, I move that the Board
3 approve the issuance of Temporary Principal and Key
4 Employee credentials as described by the Bureau of
5 Licensing.

6 MR. LOGAN:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 All opposed?

13 The motion is adopted.

14 MS. HENSEL:

15 There are also Gaming Permits and Non-
16 Gaming Registrations. Prior to this meeting the
17 Bureau of Licensing provided you with a list of 436
18 individuals to whom the Bureau has granted Temporary
19 or Full Occupation Permits. And 246 individuals to
20 whom the Bureau has granted Registrations under the
21 authority delegated to the Bureau of Licensing.

22 I ask that the Board consider a motion
23 approving the Order.

24 ATTORNEY PITRE:

25 Enforcement Counsel has no objection.

1 CHAIRMAN:

2 Questions or comments from the Board?

3 May I have a motion?

4 MR. LOGAN:

5 Mr. Chairman, I move the Board approve
6 the issuance of Gaming Employee Permits and Non-Gaming
7 Employee Registrations as described by the Bureau of
8 Licensing.

9 MR. MOSCATO:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 AYES RESPOND

14 CHAIRMAN:

15 All opposed?

16 The motion is adopted.

17 MS. HENSEL:

18 Also there are recommendations of denial
19 for three Gaming Employee Applicants. In each case,
20 the applicant failed to request a hearing within the
21 specified time frame. The Bureau of Licensing has
22 provided you with Orders addressing the applicants,
23 who the OEC has recommended for denial.

24 I ask that the Board consider the Order
25 approving the denials.

1 ATTORNEY PITRE:

2 Enforcement Counsel continues to request
3 denial in each instance.

4 CHAIRMAN:

5 Questions or comments from the Board?

6 May I have a motion?

7 MR. MOSCATO:

8 Mr. Chairman, I move that the Board deny
9 the Gaming Employee Applications as described by the
10 Bureau of Licensing.

11 MR. RYAN:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 AYES RESPOND

16 CHAIRMAN:

17 All opposed?

18 The motion is adopted.

19 MS. HENSEL:

20 Also for your consideration are
21 withdrawal requests for Key and Gaming Employees. In
22 each case, the permit or registration, or license is
23 no longer required. For today's meeting, I have
24 provided the Board with a list of 1 Key, 34 Gaming,
25 and 6 Non-Gaming Employee Withdrawals for approval.

1 I ask that the Board consider the Orders
2 approving the lists of withdrawals.

3 ATTORNEY PITRE:

4 Enforcement Counsel has no objection.

5 CHAIRMAN:

6 Questions or comments from the Board?

7 May I have a motion?

8 MR. RYAN:

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

12 MR. SANTONI:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 All opposed?

19 The motion is adopted.

20 MS. HENSEL:

21 Next we have an Order to certify the
22 following Gaming Service Provider, Comp Trading, LLC
23 doing business as MTM Sales Corp. I ask that the
24 Board consider the Order approving this Gaming Service
25 Provider for certification.

1 ATTORNEY PITRE:

2 Enforcement Counsel has no objection.

3 CHAIRMAN:

4 Questions or comments from the Board?

5 May I have a motion?

6 MR. SANTONI:

7 Mr. Chairman, I move that the Board
8 approve the application for Gaming Service Provider
9 Certification as described by the Bureau of Licensing.

10 MS. YOUNG:

11 Second.

12 CHAIRMAN:

13 Thank you.

14 All in favor?

15 AYES RESPOND

16 CHAIRMAN:

17 All opposed?

18 The motion is adopted.

19 MS. HENSEL:

20 Finally, for your consideration are
21 Gaming Service Provider Registrations. The
22 Bureau of Licensing provided you with an Order and an
23 attached list of 13 Registered Gaming Service Provider
24 applicants. I ask that the Board consider the Order
25 registering these Gaming Service Providers.

1 ATTORNEY PITRE :

2 Enforcement Counsel has no objection.

3 CHAIRMAN :

4 Questions or comments from the Board?

5 May I have a motion?

6 MS. YOUNG :

7 Mr. Chairman, I move that the Board

8 approve the applications for Gaming Service Provider

9 Registration as described by the Bureau of Licensing.

10 MR. JEWELL :

11 Second.

12 CHAIRMAN :

13 All in favor?

14 AYES RESPOND

15 CHAIRMAN :

16 All opposed?

17 The motion is adopted.

18 Thank you, Sue.

19 MS. HENSEL :

20 That concludes the matters of the Bureau

21 of Licensing.

22 CHAIRMAN :

23 OEC.

24 ATTORNEY PITRE :

25 The OEC will present seven matters today

1 for the Board's consideration consisting of one
2 Consent Agreements, two Revocations, and four
3 Involuntary Exclusions.

4 The first matter on the agenda on the
5 OEC's portion of the Board Agenda is --- for the
6 Board's consideration is a Consent Agreement between
7 the OEC and Greenwood Gaming and Entertainment, Inc.
8 doing business as Parx Casino. The matter will be
9 presented by Senior Enforcement Counsel, Dustin
10 Miller.

11 Mr. Schroeder is here. I ask that he
12 enter his appearance and he introduce the individual
13 he has with him. And that if there's any testimony
14 that that individual be sworn to give that testimony.

15 ATTORNEY SCHROEDER:

16 Good morning, Chairman and
17 Commissioners. My name is Bryan Schroder,
18 S-C-H-R-O-E-D-E-R. Vice President of Regulatory
19 Affairs and Chief Compliance Officer for Greenwood
20 Gaming Entertainment. And with me is our Director of
21 Security.

22 Jerry, do you want to introduce
23 yourself?

24 CHAIRMAN:

25 Could you please stand to be sworn just

1 in case?

2

3

GERALD FRETZ,

4

CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND

5

HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS

6

FOLLOWS:

7

8

CHAIRMAN:

9

Thank you

10

ATTORNEY MILLER:

11

Good morning. My name is Dustin Miller.

12

I'm here on behalf of the OEC. This Consent Agreement

13

arises from two incidents of underage gaming that

14

occurred at Parx Casino on March 12, 2016 and April

15

8th, 2016. Both the Pennsylvania Racehorse

16

Development and Gaming Act and the regulations

17

promulgated under the Act prohibited a Slot Machine

18

Licensee from allowing persons under the age of 21 to

19

access the gaming floor and/or engage in gaming in

20

Pennsylvania Casinos.

21

On March 12th, 2016, an individual under

22

the age of 21 entered Parx Casino at 9:06 a.m. The

23

individual was 20 years old at the time of this

24

incident. The individual was able to enter the casino

25

without being asked for identification. The

1 individual remained on the gaming floor of Parx Casino
2 for approximately 1 hour and 36 minutes before it was
3 ascertained that she was under the age of 21.

4 The individual placed two wagers at a
5 Roulette Table while on the gaming floor and did not
6 consume any alcoholic beverages. The underage
7 individual was detected by a Table Games Dealer at a
8 Roulette Table after she was asked for identification,
9 which revealed her to be underage. Although the Table
10 Games Dealer immediately reported the presence of the
11 underage individual to her Supervisor, the Supervisor
12 did not immediately report the presence of the
13 underage individual to the Security or Surveillance
14 Department.

15 A second Supervisor reported the
16 presence of the underage individual after
17 approximately six minutes elapsed from the time of
18 discovery at which gave the individual time to leave
19 the casino. Pennsylvania State Police and the Bureau
20 of Casino Compliance were notified of the incident at
21 that time.

22 However, due to the passage of time, the
23 underage individual was not positively identified and
24 was not criminally charged by Pennsylvania State
25 Police for this incident. Surveillance review of the

1 incident shows that the underage individual had face-
2 to-face contact with eight employees of the casino
3 while on the gaming floor.

4 With regard to the April 8th, 2016
5 incident. An individual under the age of 21 entered
6 Parx Casino at 7:58 a.m. in that instance. The
7 individual was 20 years of age at the time of this
8 incident. The individual was able to enter the Casino
9 with an associate without being asked for
10 identification by the security officer stationed at
11 the west entrance to the casino.

12 The individual remained on the gaming
13 floor at Parx Casino for approximately 1 hour and 4
14 minutes before it was ascertained that she was under
15 the age of 21. The individual played 27 different
16 slot machines while on the gaming floor. And she did
17 not consume any alcoholic beverages.

18 The underage individual was detected
19 when her associate was taken into custody by
20 Pennsylvania State Police for possession of a
21 controlled substance. And the associate told
22 Pennsylvania State Police about the presence of the
23 underage individual.

24 However when her associate was taken
25 into custody, the underage individual quickly exited

1 the casino. The associate also told Pennsylvania
2 State Police that the underage individual had entered
3 Parx Casino previously on the same day. Surveillance
4 footage confirmed that the underage individual had
5 previously entered Parx Casino at 3:34 a.m.

6 Although the individual was stopped and
7 asked for identification when she entered the casino
8 another Security Officer interceded on her behalf and
9 granted her entrance onto the gaming floor. The
10 underage individual proceeded onto the gaming floor
11 where she remained for the next three hours playing
12 slot machines.

13 Subsequent investigation revealed that
14 the underage individual had unsuccessfully attempted
15 to enter the casino a third time in-between her first
16 and second forays onto the gaming floor at Parx.
17 During both instances that the underage individual was
18 granted access to the gaming floor, she had no face-
19 to-face contact with any other employees of Parx
20 except for the Security Officers when she entered that
21 casino.

22 The underage individual did not consume
23 any alcoholic beverage in either instance. The
24 underage individual did use an onsite ATM machine and
25 a ticket redemption machine while at Parx. The

1 underage individual was positively identified in this
2 matter, and was cited by mail by Pennsylvania State
3 Police with a criminal violation of the Gaming Act for
4 underage gaming.

5 On February 24th, 2017 the parties
6 entered into a Consent Agreement to settle these
7 outstanding compliance matters. If approved, this
8 Consent Agreement will be the fourth penalty assessed
9 against Parx for violating the Act and Board
10 Regulations pertaining to underage gaming since its
11 last renewal. And ninth overall penalty for underage
12 gaming violations.

13 The terms of the Agreement include a
14 provision that Parx Casino shall reinforce existing
15 policies, provide training, guidance, and
16 reinforcement to employees to minimize the opportunity
17 for similar incidents of this nature to occur in the
18 future. And also, Greenwood Gaming and Entertainment,
19 Inc. shall pay a total fine of \$25,000.

20 Greenwood Gaming and Entertainment, Inc.
21 shall also pay a fee of \$2,500 for costs incurred by
22 the OEC, Bureau of Investigation and Enforcement
23 (BIE), and other related staff, which is consistent
24 with the Board's billing policy. But the finding cost
25 shall be due within five days of the Board's approval

1 of this Consent Agreement.

2 As Cyrus stated earlier, Counsel for
3 Greenwood Gaming Entertainment, Inc. are here today
4 along with a witness. And would be happy to answer
5 any questions. Thank you.

6 CHAIRMAN:

7 Are there any comments from Greenwood at
8 this point?

9 ATTORNEY SCHROEDER:

10 Good morning Chairman and Commissioners.
11 As I've said before --- as Tom Bonner said before,
12 Parx strives for regulatory compliance at 100 percent.
13 Sometimes we fall short, and these two instances we
14 did fall short.

15 I would like to give a quick comment and
16 some of the specifics of the incident Director Fretz
17 can speak to. First, after these last two incidents
18 occurred, approximately three week's apart last year,
19 Director Fretz and his staff met with our executive
20 management and reviewed the design and layout of our
21 casino. I was here last meeting discussing our design
22 layout of the casino.

23 Looking at the valet entrance and valet
24 exit of our building, Director Fretz recommended
25 planters be installed to create a choke point or

1 funnel system. So we installed four planters in both
2 entrances to funnel people into a set place for ID
3 checks.

4 In addition, we installed identification
5 scanners at each of the entrances. Both Valet pickup
6 and drop-off, as-well-as our West entrance; our
7 secondary entrance. Finally, Director Fretz issued
8 progressive discipline to all the officers involved
9 ranging from a 2-day suspension to a 4-day suspension
10 without pay.

11 Finally, I'll let Jerry speak to the
12 individual incidents. Do you want to do that?

13 MR. FRETZ:

14 Good morning, Mr. Chairman and other
15 members of the Board. The first instance in March was
16 a result of a solo Security Officer being on the post
17 until 11:00 a.m. This happened I believe at ---
18 around 9:00 a.m. in the morning.

19 There was an individual who was
20 hollering in the --- to the left of the Security
21 Officer. It turned out to be jubilation. That
22 individual had won a jackpot, but you can clearly see
23 in the video that the Security Officer was drawn to
24 the person that was hollering. And at that very
25 moment when he walked to his left to determine where

1 the noise was coming from this underage 20 year old
2 female gained access to the floor.

3 He was suspended, but you know, it was
4 human error in that it could possibly happen again.
5 The whole job of a security officer is to protect the
6 public. And that's what he was doing at that time.
7 He believed that there was some type of a disturbance.

8 As far as the second incident went. I
9 fully believe that that female utilized a counterfeit
10 driver's license in the past. And the Security
11 Officers actually recognized her. But they violated
12 the SOP in that anyone who leaves and returns with
13 five minutes or two minutes is to be checked again.
14 They did not do that.

15 The one Security Officer overrode the
16 other Security Officer and said that he knew who she
17 was for whatever reason and allowed access. All three
18 of those individuals were suspended and given
19 progressive discipline. That's all I have.

20 CHAIRMAN:

21 Thank you.

22 Are there questions or comments from the
23 Board?

24 In that case, I'll take a motion please.

25 MR. JEWELL:

1 Mr. Chairman, I move that the Board
2 reject the Consent Agreement between the OEC and
3 Greenwood Gaming and Entertainment as described by the
4 OEC.

5 MR. LOGAN:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 All opposed?

12 The motion is adopted.

13 Thank you very much.

14 ATTORNEY PITRE:

15 The next two matters on the agenda
16 consist of enforcement actions in which the OEC has
17 filed complaints seeking the revocation of one Gaming
18 Permit and one Gaming Service Provider Certification
19 issued by the Board. Each complaint has been filed
20 with the Board's OHA and properly served upon the
21 person's named in each complaint.

22 The person named in each complaint
23 failed to respond within 30 days, as required by Board
24 regulation. As a result, the OEC filed a Request for
25 Default Judgment and properly served the same upon

1 each named person. Therefore, the facts in each
2 complaint are deemed admitted.

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

8 ATTORNEY FERRELL:

9 Good morning Chairman, Members of the
10 Board. Benjamin Ferrell, F-E-R-R-E-L-L.

11 The next matter for your consideration
12 is the complaint for revocation of Dashaun Crisden's
13 Gaming Employee Permit. From October 24th, 2016 to
14 November 24th, 2016, Mr. Crisden stole \$1,280 from
15 Valley Forge during 44 separate transactions in which
16 casino patrons purchased casino access passes.

17 During these transactions Mr. Crisden
18 would keep the cash given to him by the patrons and
19 not place it in the cash register. On November 30th,
20 2016, PSP arrested and charged Mr. Crisden with 44
21 counts of unlawful taking and 44 counts of receiving
22 stolen property. Those charges remain pending.

23 At this time OEC requests the Board
24 issue an Order revoking Mr. Crisden's Gaming Employee
25 Permit.

1 CHAIRMAN:

2 Questions or comments from the Board?

3 May I have a motion?

4 MR. LOGAN:

5 Mr. Chairman, I move the Board approve
6 the revocation of Deshaun Crisden's Gaming Employee
7 Occupation Permit as described by the OEC.

8 MR. MOSCATO:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 All opposed?

15 The motion is adopted.

16 ATTORNEY ROLAND:

17 Good morning Mr. Chairman, members of
18 the Board. Michael Roland, R-O-L-A-N-D, with the OEC.

19 The next matter is a request to revoke
20 the Gaming Service Provider Certification of Roma
21 Concrete, Inc. and its sole qualifier William J.
22 Difabio.

23 In July of 2015, Mr. Difabio was charged
24 with criminal use of a communication facility. The
25 manufacture, delivery, or possession with intent to

1 manufacture or deliver a controlled substance. And
2 both criminal attempt and criminal solicitation of the
3 same.

4 All of the charged offenses were
5 classified as felonies. Mr. Difabio ultimately
6 entered into a negotiated guilty plea to the
7 manufacture, delivery, or possession with intent to
8 manufacture or deliver a controlled substance, a
9 felony, and all the other charges were withdrawn.

10 The matter is now before the Board to
11 consider the revocation of the Gaming Service Provider
12 Certification of Roma Concrete, Inc. and its sole
13 qualifier William J. Difabio.

14 CHAIRMAN:

15 Questions or comments from the Board?

16 May I have a motion?

17 MR. MOSCATO:

18 Mr. Chairman, I move that the Board
19 approve the revocation of Roma Concrete's Gaming
20 Service Provider Certification as described by the
21 OEC.

22 MR. RYAN:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 All opposed?

4 The motion is adopted.

5 ATTORNEY PITRE:

6 The remaining four matters on the Agenda
7 consist of Enforcement actions in which the OEC has
8 filed petitions seeking the Involuntary Exclusion of
9 individuals whose presence in a licensed facility are
10 inimical to the interests of the Commonwealth and/or
11 licensed gaming therein.

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

20 Therefore, all facts in each petition
21 are deemed admitted. All filed documents have been
22 provided to the Board and the matters are presently
23 ripe for Board consideration.

24 In each instance if the Board orders the
25 proposed Exclusion, each individual's photo, personal

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

3 ATTORNEY CROHE:

4 Good morning Chairman, Members of the
5 Board. John Crohe, C-R-O-H-E for the OEC.

6 The next matter for the Board's
7 consideration is the OEC's request to place Mark
8 Cerminaro on the Board's Excluded Person's List. On
9 August 5th, 2016, Mr. Cerminaro threatened staff at
10 Mohegan Sun Pocono by claiming he brought a bomb into
11 the casino.

12 And on February 15th, 2017, pleaded
13 guilty to disorderly conduct. The OEC now requests
14 that Mark Cerminaro be placed on the Board's Excluded
15 Person's List.

16 CHAIRMAN:

17 Questions or comments from the Board?

18 May I have a motion?

19 MR. RYAN:

20 Mr. Chairman, I move that the Board
21 approve the addition of Mark Cerminaro to the PGCB
22 Involuntary Exclusion List as described by the OEC.

23 MR. SANTONI:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 All opposed?

5 The motion is adopted.

6 ATTORNEY CROHE:

7 The next matter for the Board's
8 consideration is the OEC's request to place Melvin
9 Meyers on the Board's Excluded Person's List.

10 On August 30th, 2016, Mr. Meyers
11 assaulted a Dealer at Mohegan Sun Pocono. And on
12 January 31st, he pleaded guilty to harassment. The
13 OEC now requests that Melvin Meyers be placed on the
14 Board's Excluded Person's List.

15 CHAIRMAN:

16 Questions or comments from the Board?

17 May I have a motion?

18 MR. SANTONI:

19 Mr. Chairman, I move that the Board
20 approve the addition of Melvin Meyers to the PGCB
21 Involuntary Exclusion List as described by the OEC.

22 MS. YOUNG:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 All opposed?

4 The motion is adopted.

5 ATTORNEY CROHE:

6 The next matter for the Board's
7 consideration is the OEC's request to place Wendell
8 Moise on the Board's Excluded Person's List.

9 On October 21st, 2016, Mr. Moise
10 illegally past posted or pinched 11 bets while gaming
11 at Mohegan Sun Pocono. The OEC now requests that
12 Wendell Moise be placed on the Excluded Person's List.

13 CHAIRMAN:

14 Questions or comments from the Board?

15 May I have a motion?

16 MS. YOUNG:

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

20 MR. JEWELL:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 All opposed?

2 The motion is adopted.

3 ATTORNEY STUART:

4 Thank you. Glen Stuart for the OEC.

5 S-T-U-A-R-T.

6 Next for the Board's consideration is
7 the placement of Ernest Reid, a/k/a Raymond Williams,
8 a/k/a Regi Williams on the Board's Exclusion List.

9 In January of 2016, Mr. Reid was caught
10 past posting a wager at Harrah's Philadelphia. As a
11 result, Mr. Reid was charged with four counts of
12 knowingly by trick or fraud to win or reduce a wager,
13 four counts of unlawful to take claim with intent to
14 defraud, and one count of theft by deception/false
15 impression.

16 According to court records, on January
17 30th, 2017, Mr. Reid was found guilty of these charges
18 and was subsequently sentenced to two years of
19 probation. He's required to pay \$300 in restitution
20 to Harrah's. And he is required to stay away from all
21 Casinos in Pennsylvania.

22 Along with these charges, Mr. Reid was
23 also charged with five counts of forgery, unauthorized
24 act in writing, due to his past posting --- or due to
25 his passing of five counterfeit \$100 bills at Harrah's

1 between October 2015 and December of 2105.

2 According to court records, on January
3 30th, 2017, Mr. Reid was found guilty of these charges
4 and was subsequently sentenced to 36 days to 18 months
5 in prison. He must serve three years of probation,
6 pay \$500 of restitution to Harrah's, and have no
7 direct or indirect contact with all casinos. As such,
8 the OEC respectfully requests the Board place Ernest
9 Reid, a/k/a Raymond Williams, a/k/a Regi Williams on
10 the Board's Exclusion List.

11 CHAIRMAN:

12 Any questions or comments from the
13 Board?

14 May I have a motion?

15 MR. JEWELL:

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

19 MR. LOGAN:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 AYES RESPOND

24 CHAIRMAN:

25 All opposed?

1 The motion is adopted.

2 ATTORNEY STUART:

3 Thank you.

4 ATTORNEY PITRE:

5 That concludes our business.

6 CHAIRMAN:

7 Thank you very much. That concludes the
8 business for today's meeting. Our next scheduled
9 public session will be held on Wednesday April 26th.
10 That meeting will begin at 10:00 a.m. in this room.

11 Are there any final comments or
12 questions or other pieces of wisdom for the Board?

13 Hearing none, may I have a motion to
14 adjourn?

15 MR. LOGAN:

16 So moved.

17 MR. MOSCATO:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

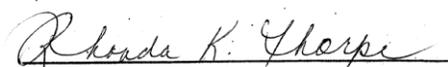
23 All opposed?

24 The motion is adopted.

25 * * MEETING CONCLUDED AT 10:48 A.M. * *

CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before Chairman Barasch was reported by me on 04/05/2017 and that I, Rhonda K. Thorpe, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.



Court Reporter

Rhonda K. Thorpe