

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

\* \* \* \* \*

BEFORE: DAVID M. BARASCH, CHAIRMAN  
Richard G. Jewell, Obra S. Kernodle, IV,  
Sean Logan, Kathy M. Manderino, Merritt C.  
Reitzel, Dante Santoni, Jr., Members, Fred  
Strathmeyer, representing Russell Redding,  
Secretary of Agriculture; Jennifer Langan,  
representing Joseph Torsella, State  
Treasurer; Robert P. Coyne, representing  
Daniel Hassell, Secretary of Revenue

HEARING: Wednesday, December 13, 2017  
10:00 a.m.

LOCATION: Pennsylvania Gaming Control Board  
Strawberry Square Complex  
Second Floor  
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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15 ALSO PRESENT:

16 TONY CARLUCCI, President/General Manager, Mohegan Sun

17 Pocono

18 MICHAEL EPPS, ESQUIRE, Vice President, Mohegan Sun

19 Pocono

20 THOMAS BURKE, Chief Operating Officer, Mohegan Sun

21 Pocono

22 ROBERT RUBENSTEIN, SR., Vice President and General

23 Counsel, Mohegan Sun Pocono

24 MARTIN COMELLA, Chief Compliance Officer, Mohegan Sun

25 Pocono

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DANIEL IHM, Vice President and General Manager,  
Hollywood Casino

DENNIS ASSELTA, Executive Director of Table Games,  
Mount Airy Casino

BRYAN SCHROEDER, Vice President of Regulatory Affairs,  
Parx Casino

JOHN RANERE, Vice President of Operations, Parx Casino

PAUL GRECO, General Manager, Parx Casino

ERIC PEARSON, President and CEO, Valley Forge Casino

JANET MAUGANS, Compliance Manager, Valley Forge Casino

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CHAIRMAN: Good morning. I'm David Baracsh, Chairman of the Pennsylvania Gaming Control Board - excuse me.

Before we begin I'd like to ask everybody to keep cell phones and stuff on silent, like they always do. Thank you. With us today, Fred Strathmeyer, representing Russ Redding, Secretary of Agriculture, Jennifer Langan, Representing Joe Torsella, State Treasurer, Bob Coyne, representing Revenue Secretary, Daniel Hassell. Thank you all for joining us this morning.

Before we begin I'd just like to note that we are once again welcoming our newest - yet newest Board Member, Obra Kernodle is joining us. He was appointed by Governor Wolf on November 28th. Welcome, Obe.

MR. KERNODLE: Thank you.

CHAIRMAN: And for those in the audience you know probably every time you show up we have different people up here. We have to take a series of pictures to keep track of all of this.

Anyway, a quorum being present I call today's proceedings to order. The first order of

1 business, the Pledge of Allegiance.

2 ---

3 (WHEREUPON, PLEDGE OF ALLEGIANCE IS RECITED.)

4 ---

5 CHAIRMAN: Before we begin today we  
6 have presentations of service awards.

7 MR. O'TOOLE: Well, I started that  
8 really nice; didn't I? I stand up and my mic -.

9 ---

10 (WHEREUPON, A PAUSE IN THE RECORD WAS HELD.)

11 ---

12 MR. O'TOOLE: Good morning, Chairman  
13 Barasch. Good morning, Members of the Board.  
14 Welcome, Commissioner Kernodle. We're very anxious to  
15 work with you. Our staff is really excited about  
16 that.

17 MR. KERNODLE: Thank you.

18 MR. O'TOOLE: So, this morning we're  
19 continuing our program of recognizing employees who  
20 have obtained the milestone of ten years of service  
21 with the Gaming Control Board.

22 That level of dedication and loyalty  
23 is invaluable to the Pennsylvania Gaming Control  
24 Board, especially as we continue our mission to  
25 regulate all aspects of gaming that the legislature

1 delegates to us.

2                   So, with Act 42 having been passed in  
3 October of this year, having ten-year service  
4 employees is so important to our success. Having  
5 their institutional knowledge from all the work that  
6 they've done is invaluable to us continuing our level  
7 of success as a regulatory agency. So, without  
8 further ado would the five honorees please stand up?  
9 Thank you.

10                   Our first honoree is Mark Hemack.  
11 Mark was hired on October 1st of 2007 as a Casino  
12 Enforcement Agent for the Mount Airy Casino Facility.  
13 Since 2008 Mark has held the position of Investigator  
14 for the Bureau of Investigations and Enforcement  
15 (BIE). Mark is assigned to our Wilkes-Barre Regional  
16 Office.

17                   Mark, thank you very much for your  
18 work and congratulations.

19                   MR. HEMACK: Thank you.

20                   MR. O'TOOLE: Our next honoree is Nick  
21 Valdano. Nick started the same day that Mark did,  
22 October the 1st of 2007. And Nick was also assigned  
23 as a Casino Enforcement Agent for the Mount Airy  
24 Casino. But since 2010 Nick has held the position of  
25 investigator for the BIE and Nick is also assigned to

1 our Wilkes-Barre Regional Office.

2                   Nick, congratulations and thank you  
3 for your service.

4                   Our next honoree is Christian  
5 Krompaski. Christian was hired on October 15th of  
6 2007 as a Casino Enforcement Agent also assigned to  
7 Mount Airy Casino. From 2009 through 2014 Christian  
8 held the position of investigator for the BIE. Today  
9 Christian is assigned to the Mount Airy Casino as a  
10 Casino Compliance Representative.

11                   Christian, thank you very much for  
12 your service.

13                   Our fourth honoree is Carrie Havasado.  
14 Carrie was hired on the same day as Christian, October  
15 the 15th of 2007 and she was a Casino Enforcement  
16 Agent for the Mount Airy Casino Facility. Since 2008  
17 Carrie has held the position of investigator for the  
18 BIE. And Carrie is also a member of our BIE Unit in  
19 Wilkes-Barre.

20                   Congratulations, Carrie, and thank you for  
21 your service.

22                   Our final honoree today is Elizabeth  
23 Birch. Elizabeth was hired on October 29th of 2007  
24 and her initial position was an Administrative  
25 Assistant. Early on in her career Elizabeth was

1 assigned and was promoted to the position of Program  
2 Analyst to serve within our Office of Compulsive and  
3 Problem Gambling. And Elizabeth's primary  
4 responsibilities - or one of her responsibilities is  
5 to administer our very successful Self Exclusion  
6 Program.

7 Elizabeth, thank you very much for  
8 your work and congratulations. Thanks again.

9 CHAIRMAN: By way of announcements the  
10 Board held an Executive Session yesterday, December  
11 12th, to discuss personnel matters, pending litigation  
12 and to conduct quasi judicial deliberations related to  
13 matters that we will be considering today at today's  
14 meeting.

15 Next we have consideration of the  
16 motion to approve the minutes and transcripts of  
17 October 4th meeting. May I have a motion?

18 MR. JEWELL: Mr. Chairman, I move that  
19 the Board approve the minutes and transcript of the  
20 October 4th, 2017 meeting.

21 MR. KERNODLE: I second that.

22 CHAIRMAN: Thank you. Those in favor?

23 AYES RESPOND

24 CHAIRMAN: No opposed. The motion's  
25 adopted. We can move onto new business.

1                   MR. O'TOOLE: Thank you, Chairman. I  
2 do have some business this morning that I'd like to  
3 present which would - in all of these five situations  
4 I'll be requesting a motion and a vote by the Board.

5                   So, the first two matters that I have  
6 for the Board's consideration relate to the concept of  
7 a Category 4 Casino License.

8                   As you are aware, Act 42 created the  
9 concept of a Category 4 Casino License and provided  
10 for an auction process for the awarding of Category 4  
11 locations for which the winning bidders can submit an  
12 application to establish a Category 4 Casino at the  
13 location.

14                   Act 42 provides up to a total of ten  
15 Category 4 Casino Facilities, each of which could have  
16 between 300 and 750 slots machines and open with 30  
17 table games, with a possibility of expanding to 40  
18 table games after 12 months.

19                   At the beginning of this auction  
20 process only Category 1 and Category 2 Slot Machine  
21 Licensees in Pennsylvania can bid on Category 4  
22 locations. The Act provides for an auction process  
23 which mandates a minimum \$7.5 million bid for a  
24 Category 4 location.

25                   While the auction process is set forth

1 generally in the Act the Act does require that - does  
2 not - does require the Board to adopt procedures to  
3 prevent bid rigging and collusion among bidders and to  
4 establish auction conditions, processes or procedures.

5 Staff has developed a proposed policy  
6 identified as a policy implementing a Category 4  
7 Casino auction process. To fulfill the Act's  
8 requirements - and Staff has presented that policy to  
9 you in advance of this meeting.

10 I will be happy to answer any  
11 questions you may have about that policy. Otherwise I  
12 request a motion to adopt the policy implementing the  
13 Category 4 Casino Auction Process.

14 CHAIRMAN: Are there any questions or  
15 comments from the Board on this policy? Hearing none  
16 may I have a motion?

17 MR. KERNODLE: Mr. Chairman, I motion  
18 - Mr. Chairman, I move that the Board approve the  
19 policy implementing that Category 4 Casino Auction  
20 Process provided to the Board in advance of this  
21 meeting, as described by the Executive Director.

22 MR. LOGAN: Second.

23 CHAIRMAN: All in favor?

24 AYES RESPOND

25 CHAIRMAN: All opposed? The motion's

1 adopted.

2 MR. O'TOOLE: Thank you. Secondly,  
3 the initial auctions to be conducted pursuant to the  
4 Policy will occur approximately every two weeks from  
5 January through May of 2018.

6 Act 42 creates the auction process but  
7 does not call for the Board to take any official  
8 action during the auctions, rather it anticipates the  
9 receipt of bids, the opening of bids and the  
10 identification of the high bidder for Category 4  
11 location.

12 Because no action of the Board is  
13 required at the auctions I suggest that the Board  
14 authorize me as the Executive Director to coordinate  
15 the administrative functions of the auction that would  
16 consist of receiving the bids, opening the bids and  
17 revealing the identity of the high bidder, the amount  
18 of the high bid and that bidder's selected Category 4  
19 location.

20 So, at this time I request a motion to  
21 authorize the Executive Director to coordinate the  
22 administrative function of the Category 4 auction  
23 process as I have described.

24 CHAIRMAN: May I have a motion?

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

1 the Board authorize to the Executive Director and his  
2 staff he selects to undertake the administration  
3 processes related to conducting the Category 4 Casino  
4 auctions authorized by Act 42 of 2017.

5 MS. MANDERINO: Second.

6 CHAIRMAN: All in favor?

7 AYES RESPOND

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

10 MR. O'TOOLE: Thank you.

11 The third matter for the Board also  
12 originates in amendments to the Gaming Act in Act 42.  
13 And it involves the repayment of \$36.1 million which  
14 was advanced by the General Assembly in the original  
15 2004 legislation to fund the startup costs of the  
16 Board as well as the Department of Revenue and the  
17 State Police's Gaming Units.

18 Act 42 required that the repayment  
19 schedule be established by December 1st of 2017 and  
20 provide for the payments to commence on January 1st of  
21 2018 and be completed by June 30th of 2019.

22 In order to meet that timeframe I  
23 issued an Administrative Order dated December 1st,  
24 2017 setting forth the schedule for repayment. That  
25 order has - has been provided to the Board. I'd be

1 happy to answer any questions about the repayment.  
2 The requirement and the amounts that repayment have  
3 been sent to all the casino Licensees, so they know  
4 what their obligation in that matter is.

5 So, at this time I would request a  
6 motion of the Board to ratify the Administrative  
7 Order.

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

10 MS. MANDERINO: Mr. Chairman, I move  
11 that the Board ratify the Executive Director's loan  
12 repayment Administrative Order of December 1st, 2017.

13 MS. REITZEL: Second.

14 CHAIRMAN: All in favor?

15 AYES RESPOND

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

18 MR. O'TOOLE: Next, Mr. Chairman, I  
19 would ask for Board ratification of the Renewal of the  
20 Board's Director and Officers Liability Insurance,  
21 Employment Practices Liability Insurance and Excess  
22 Management Liability Insurance Policies which were  
23 renewed for one year, effective December 5th, 2017.

24 These policies were secured in  
25 consultation with the Department of General Services,

1 Bureau of Risk and Insurance Management and are  
2 authorized by Section 1202 of the Pennsylvania Race  
3 Horse Development and Gaming Act. So, I'm now - I'm  
4 also requesting a motion of the Board to ratify the  
5 renewal of those insurance policies.

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

8 MS. REITZEL: Mr. Chairman, I move  
9 that the Board ratify the renewal of the Board's  
10 insurance coverage which became in effect - effective  
11 June 5th, 2017, as described by the Executive  
12 Director.

13 MR. SANTONI: Second.

14 CHAIRMAN: All in favor?

15 AYES RESPOND

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

18 MR. O'TOOLE: Thank you. Finally  
19 today I would like to note that due to litigation  
20 which has commenced involving the Board it is deemed  
21 appropriate to retain outside counsel for the purpose  
22 of representing the Board in the litigation.

23 The Law Firm of Cohen & Grigsby, P.C.,  
24 has been identified as the firm selected to represent  
25 the Board. So, at this time I am asking the Board for

1 a motion authorizing me to enter into the contract for  
2 the engagement of that firm as described.

3 CHAIRMAN: Any questions or comments  
4 from the Board? Hearing none, may I have a motion?

5 MR. KERNODLE: Mr. Chairman, I move  
6 that the Board approve the engagement of Cohen &  
7 Grigsby, P.C. as described by the Executive Director.

8 MR. LOGAN: Second.

9 CHAIRMAN: All in favor?

10 AYES RESPOND

11 CHAIRMAN: All opposed? The motion's  
12 adopted.

13 MR. O'TOOLE: Thank you. Those are  
14 all my items today.

15 CHAIRMAN: Thank you very much, Kevin.  
16 Claire?

17 MS. YANTIS: Good morning, Chairman  
18 and Board Members. The Office of Human Resources has  
19 one motion for your consideration today, relative to  
20 the hiring of Chad Zimmerman.

21 Mr. Zimmerman has been selected to  
22 fill the position of Assistant Chief Counsel in the  
23 Office of Chief Counsel (OCC). He has completed the  
24 PGCB interview process, background investigation and  
25 drug screening and is recommended for hire by Chief

1 Counsel Doug Sherman.

2 Unless you have any questions I ask  
3 that the Board consider a motion to hire Mr. Zimmerman  
4 as indicated.

5 CHAIRMAN: Thank you. Any questions  
6 or comments from the Board? Hearing none, may I have  
7 a motion?

8 MR. SANTONI: Mr. Chairman, I move  
9 that the Board approve the Applicant as proposed by  
10 the Administrative Director.

11 MR. JEWELL: Second.

12 CHAIRMAN: All in favor?

13 AYES RESPOND

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

16 MS. YANTIS: Thank you.

17 CHAIRMAN: Thank you, Claire.

18 Chief Counsel, Doug Sherman.

19 ATTORNEY SHERMAN: Good morning,  
20 Chairman, Members of the Board. Our first agenda  
21 items relate to a Statement of Policy and Temporary  
22 Regulations.

23 The OCC presents for the Board's  
24 Consideration Statement of Policy 125-207, which will  
25 amend existing chapters on Minibaccarat and

1 Midibaccarat by adding a side wager called Royal Nine  
2 Progressive Wager to those games when played on a  
3 table with a progressive table game system.

4                   The regulation has been - or the  
5 Statement of Policy has been provided to the Board in  
6 advance of this meeting and I would ask for a motion  
7 to approve the Statement of Policy.

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

10                   MR. JEWELL: Mr. Chairman, I move that  
11 the Board adopts Statement of Policy Number 125-207 as  
12 described by the OCC.

13                   MR. KERNODLE: Second.

14                   CHAIRMAN: All in favor?

15 AYES RESPOND

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

18                   ATTORNEY SHERMAN: Next before the  
19 Board are two Temporary Regulations.

20                   Act 42, which among other things  
21 expands the available gambling options in  
22 Pennsylvania, provided the Board with the authority to  
23 adopt Temporary Regulations having the force and  
24 effect of law without first proceeding through the  
25 entire regulatory review process. This is a mechanism

1 established to assist in the prompt implementation of  
2 the Act's provisions.

3                   Once implemented we will subsequently  
4 come back to you through the - with a proposed  
5 regulation addressing these same topics, but then  
6 we'll go through the full regulatory review process.

7                   The first Temporary Regulation is  
8 125-208. This temporary rulemaking adds to the  
9 availability of casino simulcasting of horse and  
10 harness racing meets to the gaming options available  
11 in Category 2, Category 3 and Category 4 casino  
12 facilities. The Temporary Regulation's crafted in  
13 coordination with and with input of the Horse Racing  
14 Commission, which regulates horseracing and simulcast  
15 wagering in the Commonwealth.

16                   And if there are any questions I'd be  
17 happy to answer them. Otherwise I ask for a motion to  
18 approve the temporary regulation.

19                   CHAIRMAN: Questions or comments from  
20 the Board? May I have a motion?

21                   MR. KERNODLE: Mr. Chairman, I move  
22 that the Board adopt Temporary Regulation 125-208 as  
23 described by the OCC.

24                   MR. LOGAN: Second.

25                   CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: Any opposed? The motion's  
3 adopted.

4 ATTORNEY SHERMAN: The second  
5 Temporary Regulation before the Board is 125-209.

6 This temporary rulemaking consists of  
7 the initial interactive gaming regulations required  
8 under Section 13B of the Gaming Act. And it includes  
9 definitions necessary for the implementation of  
10 interactive gaming, as well as licensing provisions  
11 covering interactive gaming certificate holders and  
12 interactive gaming operators.

13 To be clear, this is just the first of  
14 several packages of regulations on the topic of  
15 interactive gaming that will be presented to the Board  
16 as we move over the next several months. We  
17 anticipate that we will be bringing packages at every  
18 meeting building upon this package and expanding until  
19 we get the full offering of all - or the full  
20 regulatory package covering all aspects of interactive  
21 gaming to insure that it's offered in an appropriate  
22 way and protects the public interest.

23 With that explanation I'd be happy to  
24 answer any questions about the rulemaking. Otherwise  
25 I'd ask for a motion to approve it.

1                    CHAIRMAN: Questions or comments from  
2 the Board? May I have a motion?

3                    MR. LOGAN: Mr. Chairman, I move the  
4 Board adopt Temporary Regulation Number 125-209 as  
5 described by the OCC.

6                    MS. MANDERINO: Second.

7                    CHAIRMAN: All in favor?

8 AYES RESPOND

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

11                   ATTORNEY SHERMAN: Next before the  
12 Board we have four Petitions for your consideration.

13                   By agreement of the parties, each of  
14 the Petitions can be decided on the documents filed of  
15 record, which the Board has been provided in advance  
16 of this meeting.

17                   The first Petition before the Board is  
18 that of Stadium Casino, and it's their Petition to  
19 Conduct Table Games and requesting the issuance of the  
20 Club A Table Games Certificate.

21                   Stadium filed this Petition along with  
22 its Category 2 Slot Machine License Application. The  
23 Office of Enforcement Counsel (OEC) did not oppose the  
24 granting of the Petition in the initial proceedings  
25 and continues to not express any opposition to Stadium

1 receiving a Table Games Certificate.

2 Stadium's Petition has requested  
3 authorization to operate 125 table games upon the  
4 opening of its South Philadelphia Casino, which will  
5 consist of 92 banking games and 33 non-banking games.

6 As I indicated, the matter is  
7 presented on the documents but I believe Counsel for  
8 the - both OEC and the party are available if there  
9 are any questions of the Board. Otherwise it's now  
10 ready for the Board's consideration.

11 CHAIRMAN: Well, before we proceed to  
12 a vote, Cyrus, if you could come forward? I just want  
13 to ask you a question on the record, please.

14 Obviously a lot of time has passed  
15 since Stadium was reviewed and all the appeals were  
16 dealt with.

17 ATTORNEY PITRE: Uh-huh (yes.

18 CHAIRMAN: I just want to ask on the  
19 record, do you today have you any opposition or does  
20 your staff have any opposition to the Stadium Group  
21 receiving a Table Certificate at this time?

22 ATTORNEY PITRE: No, there's no  
23 objection. We've done the background investigation  
24 work, the corporate and - the corporate and financial  
25 analysis of the corporations, and Stadium did file

1 their Petition as did all the other Applicants.

2 We considered table games as a part of  
3 the Category 2 process. We analyze that information.

4 We've since followed up and sure that Stadium can do  
5 all of things that they said that they were going to  
6 during the process. So we feel comfortable with them  
7 moving forward and being awarded a Table Game  
8 Certificate at this time.

9 CHAIRMAN: Okay.

10 Are there any other questions? Any  
11 questions for Cyrus? Thanks for that. May I have a  
12 motion?

13 MS. MANDERINO: Mr. Chairman, I move  
14 that the Board grant Stadium Casino, LLC's Petition  
15 for a Table Games Certificate as described by the OCC.

16 MS. REITZEL: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: All opposed? The motion is  
20 adopted.

21 ATTORNEY SHERMAN: The second Petition  
22 before the Board today is GPI Mexicana's Petition  
23 seeking a reduction in the license fee for its Table  
24 Game Manufacturer License. GPI Mexicana manufactures  
25 dice and gambling chips for its parent company, GPI

1 USA.

2                   The Board has renewed GPI Mexicana's  
3 License for three years and as a result the renewal  
4 fee due under the Gaming Act, absent Board Action, is  
5 \$90,000.

6                   GPI Mexicana is requesting that the  
7 Board reduce the renewal fee to \$30,000 averring that  
8 it is the only manufacturer licensed in Pennsylvania  
9 that produces casino chips and casino dice. That it  
10 is a subsidiary of GPI USA and all revenue earned from  
11 the sale of the chips and dice are not recognized by  
12 GPI Mexicana, but by GPI USA, and that GPI USA is also  
13 licensed by the Board as a table game manufacturer and  
14 that GPI USA pays the full \$90,000 fee associated with  
15 its renewal.

16                   Section 1208 of the Act grants the  
17 Board the authority to reduce licensing fees if not  
18 doing so could unreasonably limit the availability of  
19 table games equipment to Pennsylvania casinos. That  
20 could occur in this case, as GPI supplies all of the  
21 chips and dice used in all 12 Pennsylvania casinos.

22                   The Bureau of Licensing Policy  
23 implemented - implementing Section 1208 of the Act  
24 supports a reduction in this case from \$90,000 to  
25 \$30,000. And the OEC has not objected to the request

1 to reduce for GPI Mexicana. And it's that request  
2 that's before the Board and ready for consideration.

3 CHAIRMAN: Any questions or comments  
4 from the Board? May I have a motion?

5 MS. REITZEL: Mr. Chairman, I move  
6 that the Board grant GPI Mexicana's Petition for a  
7 Reduced License Fee for Table Game Manufacturer  
8 License as described by the OCC.

9 MR. SANTONI: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

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

14 ATTORNEY SHERMAN: Sirna & Sons'  
15 Petition for Removal from the Board's Prohibited  
16 Gaming Service Provider List is the next matter on the  
17 agenda.

18 Sirna & Sons is the - in the produce  
19 distribution business. In 2007 the company applied  
20 for and was granted a Gaming Service Provider  
21 Registration. Two years later, after conducting over  
22 \$200,000 in business in a 12-month period with  
23 Pennsylvania casinos, Sirna & Sons applied for a  
24 Gaming Service Provider Certification, which was then  
25 approved by the Board contingent upon paying all

1 outstanding fees and costs, including the payment of a  
2 \$4,000 certification fee and administrative costs.

3 Sirna & Sons did not pay the required  
4 fees and costs, and as a result the Board placed the  
5 company on the Prohibited Gaming Service Provider List  
6 in August of 2011.

7 Sirna & Sons has now requested removal  
8 from that list and the OEC has not objected to the  
9 removal, contingent upon the payment of all  
10 outstanding fees and costs owed to the Board along  
11 with a \$1,500 civil penalty. That matter is now  
12 appropriate for the Board's consideration.

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

15 MR. SANTONI: Mr. Chairman, I move  
16 that the Board grant Sirna & Sons, Inc.'s Petition for  
17 Removal from the Prohibited Gaming Service Provider  
18 List upon payment of its outstanding \$4,000  
19 certification fee and the \$1,500 civil penalty.

20 MR. JEWELL: Second.

21 CHAIRMAN: All in favor?

22 AYES RESPOND

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

25 ATTORNEY SHERMAN: And the final

1 Petition before the Board is a Petition of the OEC to  
2 suspend George Quigley's Non-Gaming Employee  
3 Registration.

4 In June of 2016 Mr. Quigley was issued  
5 a Non-Gaming Registration to work as a valet at the  
6 Meadows Casino. He worked in that position until June  
7 23rd of 2017.

8 The OEC in October of this year filed  
9 the Petition to Revoke the Non-Gaming Registration and  
10 - on the basis that - I'm sorry, to suspend his  
11 registration on the basis that Mr. Quigley had been  
12 charged with two felony theft-related events and one  
13 misdemeanor theft charge. Specifically it was alleged  
14 that on May 22nd, 2017, while on duty as a valet at  
15 the Meadows, he took a wedding band that was left in a  
16 patron's vehicle. Upon investigation it was  
17 discovered that he had then sold it at a cash for gold  
18 business.

19 In November 2017 Mr. Quigley filed an  
20 Answer to OEC's Complaint. He did not contest the  
21 allegations set forth in the Complaint, but sought to  
22 clarify that he was not terminated at the Meadows, but  
23 that he quit, that he did not know that he was  
24 required to notify the Board of the filing of the  
25 criminal charges and that he also updated the status

1 of the pending criminal charges.

2 As Mr. Quigley does not contest OEC's  
3 requested suspension, the matter is now ready for the  
4 Board's consideration. And we suggest appropriate for  
5 granting.

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

8 MR. JEWELL: Mr. Chairman, I move that  
9 the Board grant the OEC's request regarding the  
10 suspension of George Quigley's Non-Gaming Employee  
11 Registration, as described by the OCC.

12 MR. KERNODLE: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

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

17 ATTORNEY SHERMAN: Okay.

18 Next presenting Withdrawals and  
19 Reports and Recommendations is Deputy Chief Counsel,  
20 Steve Cook.

21 ATTORNEY COOK: Good morning. The  
22 Board has received five unopposed Petitions to  
23 withdraw the Applications or Surrender the Credentials  
24 of the following individuals, Robert J. Soper, Macaire  
25 Kimberly Moran, Ji-in Shin, Mary Sullivan and Mitchell

1 Etes. The OEC has no objection to any of these  
2 Petitions. And as a result, if the Board were  
3 inclined to grant these Petitions it would be doing so  
4 without prejudice to each of these persons. These  
5 matters are now ripe for the Board's consideration.

6 CHAIRMAN: Questions - questions or  
7 comments from the Board? May I have a motion?

8 MR. KERNODLE: Mr. Chairman, I move  
9 the Board issue an Order to grant the Withdrawal and  
10 Suspension as described by the OCC.

11 MR. LOGAN: Second.

12 CHAIRMAN: All in favor?

13 AYES RESPOND

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

16 ATTORNEY COOK: Next we have Reports  
17 and Recommendations before the Board. I would note  
18 that the agenda has three Reports and Recommendations  
19 listed, however, the first matter, Tarin Hall-Moore,  
20 Mr. Hall-Moore contacted the Office of Hearings and  
21 Appeals (OHA) this morning and asked that this matter  
22 be delayed until early next year.

23 The basis of OEC's Recommendation for  
24 a Suspension of his credential were some criminal  
25 charges that will be resolved in early January. And

1 he wishes to ask that - or asked that this be delayed  
2 until after the criminal trial. OEC has no objection,  
3 so we'll push it off until that occurs.

4                   Relative to the remaining matters,  
5 there are two Reports and Recommendations coming  
6 before the Board today. In each of these matters the  
7 Board's been provided in advance of the meeting with a  
8 copy of the Report and Recommendation as well as all  
9 the underlying evidence.

10                   Additionally, the two gentlemen that  
11 are involved in the matters have been advised that  
12 their cases would be coming before the Board today.  
13 And if they wish to address the Board they could do so  
14 briefly when the matter is called. As a result, if  
15 either of these persons are present I would ask them  
16 to come forward when the matter is called.

17                   The first Report and Recommendation  
18 pertains to Johnathan Losinno. On April 7th, 2017 the  
19 OEC filed a Petition requesting that Mr. Losinno be  
20 placed on the Board's Involuntary Exclusion List,  
21 alleging that in July of 2016 and September of 2016  
22 while gaming at Parx, Mr. Losinno copped and past  
23 posted wagers on several occasions. As a result of  
24 his conduct the Pennsylvania State Police charged Mr.  
25 Losinno with crimes under the Gaming Act.

1 Mr. Losinno did request a hearing  
2 relative to OEC's request and it was held on August  
3 16th, 2017. The OEC, as well as Mr. Losinno, attended  
4 that hearing and presented evidence. Ultimately, Mr.  
5 Losinno did not contest the underlying allegations and  
6 indicated that he was - the criminal charges were  
7 resolved by placement in a 12-month ARD program and  
8 payment of restitution to Parx.

9 Given Mr. Losinno is not contesting  
10 the underlying bet-capping allegations, the  
11 recommendation of the Hearing Officer is that he, in  
12 fact, be placed on the Exclusion List. And that's the  
13 recommendation before the Board.

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

16 MS. MANDERINO: Mr. Chairman, I move  
17 the Board adopt the Report and Recommendation issued  
18 by the OHA, recommending the placement of Johnathan  
19 Losinno on the PGCB's Involuntary Exclusion List.

20 MS. REITZEL: Second.

21 CHAIRMAN: All in favor?

22 AYES RESPOND

23 CHAIRMAN: Opposed? Motion's adopted.

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

1 Jesse Richardson.

2                   On February 8th, 2017 the OEC filed a  
3 Complaint requesting that Mr. Richardson be placed on  
4 the Board's Exclusion List, alleging that on September  
5 13th, 2016 he was involved in an incident at Parx  
6 where a patron's cell phone and wallet were picked up  
7 by Mr. Richardson and \$450 was allegedly taken from  
8 the wallet before the wallet and phone were turned in  
9 to Parx's Lost and Found Department.

10                   A September 14th incident where Mr.  
11 Richardson, while playing Craps at Parx, moved a \$100  
12 losing wager to a winning position after the roll of  
13 the dice, a September 15th incident at Parx where Mr.  
14 Richardson was observed past posting bets. In  
15 addition to these three incidents, which resulted in  
16 Parx excluding Mr. Richardson from their property, he  
17 was found on property and ultimately charged with  
18 criminal trespass.

19                   Mr. Richardson requested a hearing on  
20 OEC's request to place him on the Exclusion List. The  
21 hearing was held August 22nd. Both OEC and Mr.  
22 Richardson appeared at the hearing. And during his  
23 testimony Mr. Richardson admitted to charges being  
24 filed against him and the fact that he pled guilty to  
25 those charges. However, he argued that he basically

1 never took any property out of the casino, returned  
2 unlawfully capped - or pinched bets or moved bets.  
3 And as a result there was really no harm. Ultimately  
4 the Hearing Officer, however, recommends that given  
5 the underlying conduct he should be placed on the  
6 Exclusion List.

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

9 MS. REITZEL: Mr. Chairman, I move  
10 that the Board adopt and - the Report and  
11 Recommendation issued by the OHA for recommending the  
12 placement of Jesse Richardson on the PGCB's  
13 Involuntary Exclusion List as described by the OCC.

14 MR. SANTONI: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

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

19 ATTORNEY SHERMAN: And that concludes  
20 all matters of the OCC.

21 CHAIRMAN: Susan Hensel, Director of  
22 the Bureau of Licensing.

23 MS. HENSEL: Thank you, Chairman  
24 Barasch and Members of the Board.

25 Before the Board today will be one

1 slot machine manufacturer renewal and 707 Principal  
2 Key Gaming and Non-Gaming applications. In addition,  
3 there will be the consideration of six Gaming Service  
4 Providers.

5 The first matter for your  
6 consideration is the renewal of the Slot Machine  
7 Manufacture License for NRT Technology Corporation.

8 NRT Technology Corporation is a  
9 Canadian company that manufactures, among other items,  
10 ticket redemption kiosks. The BIE has completed its  
11 investigation of this Applicant and the Bureau of  
12 Licensing has provided you with a background  
13 investigation and suitability report.

14 I have provided you with a draft Order  
15 and I'd ask that the Board consider the Order to Renew  
16 the Slot Machine Manufacturer License for NRT  
17 Technology Corporation.

18 CHAIRMAN: Thank you.

19 ATTORNEY PITRE: Enforcement Counsel  
20 has no objection.

21 CHAIRMAN: Thank you, Cyrus.

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

24 MR. SANTONI: Excuse me. Mr.  
25 Chairman, I move - I move that the Board grant the

1 Renewal of NRT Technology Corporation's Slot Machine  
2 Manufacturer License as described by the Bureau of  
3 Licensing.

4 MR. JEWELL: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

7 CHAIRMAN: All opposed? Motion's  
8 adopted.

9 MS. HENSEL: Also for your  
10 consideration is the approval of Principal and Key  
11 Employee Licenses.

12 Prior to the meeting the Bureau of  
13 Licensing provided you with a proposed Order for ten  
14 Principals and seven Key Employee Licenses.

15 I ask that the Board consider the  
16 Order approving these licenses.

17 ATTORNEY PITRE: Enforcement Counsel  
18 has no objection.

19 CHAIRMAN: Questions or comments from  
20 the Board? May I have a motion?

21 MR. JEWELL: Mr. Chairman, I move that  
22 the Board approve the issuance of Principal and Key  
23 Employee Licenses as described by the Bureau of  
24 Licensing.

25 MR. KERNODLE: Second.

1                   CHAIRMAN: All in favor?

2 AYES RESPOND

3                   CHAIRMAN: All opposed? The motion's  
4 adopted.

5                   MS. HENSEL: Next there are Temporary  
6 Principal and Key Employee Licenses.

7                   Prior to this meeting the Bureau of  
8 Licensing provided you with an Order regarding the  
9 issuance of Temporary Licenses for five Principals and  
10 seven Key Employees.

11                   I ask that the Board consider the  
12 Order approving these licenses.

13                   ATTORNEY PITRE: Enforcement Counsel  
14 has no objection.

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

17                   MR. KERNODLE: Mr. Chairman, I move  
18 that the Board approve the issuance of Temporary  
19 Principal and Key Employee Credentials as described by  
20 the Bureau of Licensing.

21                   MR. LOGAN: Second.

22                   CHAIRMAN: All in favor?

23 AYES RESPOND

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

1                   MS. HENSEL: In addition there are  
2 Gaming Permits and Non-gaming Registrations.

3                   Prior to this meeting the Bureau of  
4 Licensing provided you with a list of 471 individuals  
5 to whom the Bureau has granted Temporary or Full  
6 Occupation Permits and 180 individuals to whom the  
7 Bureau has granted Registrations under the authority  
8 delegated to the Bureau of Licensing.

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

11                   ATTORNEY PITRE: Enforcement Counsel  
12 has no objection.

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

15                   MR. LOGAN: Mr. Chairman, I move that  
16 the Board approve the issuance of Gaming Employee  
17 Occupation Permits and Non-Gaming Employee  
18 Registrations as described by the Bureau of Licensing.

19                   MS. MANDERINO: Second.

20                   CHAIRMAN: All in favor?

21 AYES RESPOND

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

24                   MS. HENSEL: Also there are  
25 Recommendations of Denial for four Gaming Employee

1 Applicants.

2 In each case the Applicant was  
3 notified that he or she was recommended for a denial  
4 and failed to request a hearing during the specified  
5 time period.

6 The Bureau of Licensing has provided  
7 you with Orders addressing the Applicants who the OEC  
8 has recommended for denial. I ask that the Board  
9 consider a motion approving the denials.

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

12 CHAIRMAN: Questions or comments from  
13 the Board? May I have a motion?

14 MS. MANDERINO: Mr. Chairman, I move  
15 that the Board deny the Gaming and Non-Gaming Employee  
16 Applications as described by the Bureau of Licensing.

17 MS. REITZEL: Second.

18 CHAIRMAN: All in favor?

19 AYES RESPOND

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

22 MS. HENSEL: Next for your  
23 consideration are Withdrawal Requests for Gaming and  
24 Non-Gaming Employees. In each case the Permit or  
25 Registration is no longer required.

1                   For today's meeting I've provided the  
2 Board with a list of 18 Gaming Employees and five  
3 Non-Gaming Employee withdrawals for approval. I ask  
4 that the Board consider the Orders approving the list  
5 of withdrawals.

6                   ATTORNEY PITRE: Enforcement Counsel  
7 has no objection.

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

10                  MS. REITZEL: Mr. Chairman, I move  
11 that the Board grant the withdrawal of Gaming and  
12 Non-Gaming Employee Applications as described by the  
13 Bureau of Licensing.

14                  MR. SANTONI: Second.

15                  CHAIRMAN: All in favor?

16 AYES RESPOND

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

19                  MS. HENSEL: In addition we have an  
20 Order to Certify the following Gaming Service  
21 Providers, Management, LLC, Intech Construction, LLC  
22 and Orlando Diefenderfer Electrical Contractors, Inc.,  
23 doing business as Diefenderfer Electrical Contractors  
24 and Technology Systems.

25                   I ask that the Board consider the

1 Order approving these Gaming Service Providers for  
2 Certification.

3 ATTORNEY PITRE: Enforcement Counsel  
4 has no objection.

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

7 MR. SANTONI: Mr. Chairman, I move  
8 that the Board grant the Applications for Gaming  
9 Service Provider Certification as described by the  
10 Bureau of Licensing.

11 MR. JEWELL: Second.

12 CHAIRMAN: All in favor?

13 AYES RESSPOND

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

16 MS. HENSEL: Finally, for your  
17 consideration are Gaming Service Provider  
18 Registrations.

19 The Bureau of Licensing provided you  
20 with an Order and an attached list of three registered  
21 Gaming Service Provider Applicants. I ask that the  
22 Board consider the Order registering these Gaming  
23 Service Providers.

24 ATTORNEY PITRE: Enforcement Counsel  
25 has no objection.

1                    CHAIRMAN: Questions or comments from  
2 the Board? May I have a motion?

3                    MR. JEWELL: Mr. Chairman, I move that  
4 the Board grant the Applications for the Gaming  
5 Service Provider Registration as described by the  
6 Bureau of Licensing.

7                    MR. KERNODLE: Second.

8                    CHAIRMAN: All in favor?

9 AYES RESPOND

10                   CHAIRMAN: All opposed? The motion's  
11 adopted.

12                   MS. HENSEL: That concludes the Bureau  
13 of Licensing's matters.

14                   CHAIRMAN: Thank you very much, Susan.

15                   Next up, Office of Enforcement  
16 Counsel. As always, when we begin I'd ask that anyone  
17 addressing the Board please state and spell your name  
18 for the court reporter. And anyone other than  
19 attorneys should be sworn in before speaking here this  
20 morning. Cyrus, you can begin?

21                   ATTORNEY PITRE: The OEC will present  
22 27 matters today for the Board's consideration,  
23 consisting of ten Consent Agreements, four  
24 Revocations, four Suspensions and Non-Involuntary  
25 Exclusions.



1 FOLLOWS:

2

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3

ATTORNEY EPPS: Good morning, Mr.  
4 Chairman and Board. Michael Epps, E-P-P-S, Vice  
5 President of Legal and Compliance at Mohegan Sun.

6

I am an attorney in New Jersey and  
7 Pennsylvania, but my Pennsylvania license is not  
8 active. So, if it were better, I will be sworn.

9

CHAIRMAN: Thank you.

10

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11

MICHAEL EPPS, ESQUIRE,

12

13 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
14 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS  
15 FOLLOWS:

16

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17

ATTORNEY CROHE: All right. Good  
18 morning, Chairman, Members of the Board, John Crohe,  
19 C-R-O-H-E, for the OEC.

20

And the next matter on the agenda for  
21 the Board's consideration is a Consent Agreement  
22 reached between Mohegan Sun Pocono and the OEC  
23 regarding various internal control violations.

24

Regarding Mohegan Sun Pocono's free  
25 slot play internal controls, an investigation by the  
BIE revealed that Mohegan Sun Pocono failed to comply

1 with its approved Comp Matrix, in that at least ten  
2 employee job titles contradicted the position's access  
3 to its casino management system. The name of the  
4 employee who issued free slot play to a patron was  
5 unavailable in the casino management system in more  
6 than 50 percent of the transactions.

7 Casino employees routinely issued free  
8 slot play -.

9 CHAIRMAN: Excuse me. Over what time  
10 period are we talking about here?

11 ATTORNEY CROHE: The time period that  
12 this occurred was between 2009 up through 2017.

13 CHAIRMAN: Thank you. Please proceed.

14 MR. LOGAN: I'm sorry. Up until?

15 ATTORNEY PITRE: 2017.

16 MR. LOGAN: Okay. Thank you.

17 ATTORNEY CROHE: Casino employees  
18 routinely issued free slot play in excess of the  
19 approved Comp Matrix and Mohegan Sun Pocono failed to  
20 ensure that the approved Comp Matrix limit  
21 restrictions were programmed into the casino  
22 management system. Additionally, Mohegan Sun failed  
23 to audit free slot play and failed to ensure a  
24 segregation of duties, which allowed the fraud known  
25 as the Pellegrini Scheme to occur.

1           As the Board is aware, the Pellegrini  
2 Scheme was a conspiracy between two Mohegan Sun  
3 employees, Vice President of Player Development Robert  
4 Pellegrini and Cocktail Server Rochelle Poszeluznyj  
5 and a patron, Mark Heltzel. As a result of the  
6 Pellegrini Scheme the conspirators successfully  
7 committed theft at Mohegan Sun Pocono, resulting in a  
8 loss of at least \$475,000.

9           The Pellegrini Scheme consisted of Ms.  
10 Poszeluznyj obtaining PIN Numbers from patrons so that  
11 she could obtain items on their behalf, such as food  
12 and beverages, then she would provide the PIN Numbers  
13 to Mr. Pellegrini who would create a Player's Club  
14 card with the player's account numbers and would issue  
15 free slot play to that patron's account.

16           Mr. Pellegrini would then give the  
17 fraudulently created Player's Club card along with the  
18 active patron PIN Numbers to Mr. Heltzel, who would  
19 download the free slot play at various slot machines  
20 on the Mohegan Sun Pocono gaming floor and engage in  
21 slot play that resulted in winning at Mohegan Sun  
22 Pocono.

23           As part of its investigation, the BIE  
24 randomly investigated a sample of promotion codes  
25 from 2009, 2010, 2011 and 2012 and found that the

1 promotion codes tested for the calendar year 2009  
2 exceeded the approved Comp Matrix limits and 45.5  
3 percent of the free slot play transactions reviewed.

4 For 2010, exceeded the approved  
5 Comp Matrix limits in 57.14 of the free slot play  
6 transactions reviewed. In 2011, exceeded the  
7 approved Comp Matrix limits in 27.8 of the - percent  
8 of the free slot play transactions reviewed and for  
9 2012 exceeded the approved Comp Matrix limits of  
10 23.1 percent of the free - free slot play  
11 transactions reviewed.

12 BIE also investigated the issuance of  
13 free slot play through the use of error codes which  
14 were created each month for a variety of dollar  
15 amounts for employees to use whenever employees  
16 needed to issue free slot play to a patron for  
17 disputes or other reasons. BIE investigated error  
18 code transactions for randomly selected periods of  
19 time. BIE's investigations revealed that at least  
20 54 percent of the error code transactions that  
21 occurred between January 1st 2013 and April 30th,  
22 2014, exceeded the approved Comp Matrix limits.

23 At least 61.7 percent of the error  
24 code transactions that occurred between May 1st and  
25 - May 1st, 2014 and August 11, 2015 exceeded the

1 approved Comp Matrix limits. And at least 53.5  
2 percent of the error code transactions that occurred  
3 between August 12th, 2015 and August 31st, 2015  
4 exceeded the approved Comp Matrix limits.

5 BIE's investigations clearly revealed  
6 that Mohegan Sun Pocono employees significantly  
7 abused the issuance of free slot play at Mohegan Sun  
8 Pocono to the detriment of the licensed facility.  
9 The BIE investigation also revealed that Mohegan Sun  
10 Pocono's operational accounting department failed to  
11 perform Comp Matrix audits of free slot play and  
12 match play.

13 Although daily logs of free slot play  
14 and match play violations were circulated by Mohegan  
15 Sun Pocono departments, the department has failed to  
16 review those logs and Mohegan Sun Pocono officers  
17 and employees failed to report violations of the  
18 authorized levels set forth in the approved Comp  
19 Matrix.

20 Next, regarding Mohegan Sun Pocono  
21 main bank internal controls. BIE's investigation  
22 also revealed that Mohegan Sun Pocono's failure to  
23 follow its approved internal controls resulted in a  
24 long running theft known as the Benczkowski Scheme  
25 which was committed by slot supervisor James

1 Benczkowski. Between May of 2014 and September of  
2 2015, Mr. Benczkowski committed at least 314 thefts  
3 totaling approximately \$26,151.

4 The Benczkowski Scheme consisted of  
5 fraudulent use of paid-in/paid-out forms which are  
6 used to document the transfer of funds into or out  
7 of the cage. Prior to October of 2015, the  
8 paid-in/paid-out form was used as a means to pay  
9 money owed to a patron for bill validator issues or  
10 slot ticket disputes.

11 Mr. Benczkowski would obtain a paid  
12 in/paid out form and carry them on his person. When  
13 a patron would require - was required to be paid out  
14 in cash as a result of a validator issue or a slot  
15 ticket dispute, Mr. Benczkowski would have the  
16 patron sign the paid in/paid out form without  
17 completing the amount owed section.

18 Mr. Benczkowski would then complete  
19 the paid in/paid out form out of the presence of the  
20 patron and fill in an amount greater than the amount  
21 actually owed to the patron. Mr. Benczkowski would  
22 submit the form to the cage, pay the patron the  
23 amount owed and then steal the remaining balance.  
24 Mr. Benczkowski destroyed a significant number of  
25 copies of the paid in/paid out forms to conceal his

1 thefts.

2 A significant number of paid in/paid  
3 out forms were not signed by a cage supervisor prior  
4 to the disbursement of the cash. The Benczkowski  
5 Scheme went undetected until September 23rd, 2015  
6 when a Mohegan Sun Pocono employee witnessed Mr.  
7 Benczkowski hiding cash in his sock in the restroom.

8 BIE's investigation revealed the  
9 following violations of Mohegan Sun Pocono's  
10 approved internal controls. Paid in/paid out forms  
11 were consistently not being completed by the cage,  
12 but rather were being completed by the slots  
13 department. Paid in/paid out forms were  
14 consistently not being signed by a cage supervisor  
15 prior to the issuance of the cash from the cage.  
16 Paid in/paid out forms were not being maintained by  
17 the cage, but instead were being maintained by slot  
18 department personnel and Mohegan Sun Pocono failed  
19 to complete accurate and legible paid in/paid out  
20 forms as Benczkowski destroyed numerous copies and  
21 the destruction went unnoticed by Mohegan Sun  
22 Pocono.

23 Regarding Mohegan Sun Pocono's  
24 internal audit internal controls, BIE's  
25 investigation revealed that audit plans submitted to

1 the Pennsylvania Gaming Control Board for the years  
2 2012 through 2016 were not inclusive of all internal  
3 audits performed on property, in violation of the  
4 Category 1 Licensee Statement of Conditions. At  
5 least six internal audits performed between 2012 to  
6 2016 were not included in the audit plan submitted  
7 to the Board.

8 Four of the audits were not included  
9 in the - that were not included in the audit plan -  
10 annual audit plans were titled process reviews, but  
11 each stated under the section title professional  
12 standards that quote, we conduct this audit in  
13 accordance with the standards for the professional  
14 practice of internal auditing.

15 As a result, Mohegan Sun Pocono  
16 renamed the internal audits as process reviews in  
17 order to not have them subjected to the Board's  
18 review and additionally failed to follow the  
19 recommendations or take appropriate corrective  
20 actions as outlined in detail in the various audits  
21 entitled process reviews.

22 BIE's investigation revealed that  
23 Mohegan Sun Pocono failed to submit the following  
24 audits to the Pennsylvania Gaming Control Board, the  
25 IT Service Level Agreement Review dated March 23rd,

1 2012, the Table Game Point Parameter Review dated  
2 December 21st, 2012, the Free Play Promotion Code  
3 and Point Adjustment Review dated February 11, 2013,  
4 the Guest Recovery Certificate Review dated February  
5 22nd, 2013, the Table Games Chip Inventory Review  
6 dated May 17, 2013, and the Free Play Promotion Code  
7 and Point Adjustment Follow-up Review dated December  
8 18th, 2013.

9                   Lastly, the BIE investigation revealed  
10 that Mohegan Sun Pocono failed to maintain records  
11 related to the IDentiPASS software system.

12 IDentiPASS is the software system that maintains  
13 records of all door open - doors opened by proxy  
14 cards at Mohegan Sun Pocono. Proxy cards are  
15 assigned to individual Mohegan Sun employees and are  
16 programmed to open certain doors that limit access  
17 to restricted areas depending on an employee's job  
18 requirements. IDentiPASS captures the date, time  
19 and proxy card number that opens the doors that  
20 require the utilization of a proxy card to gain  
21 access.

22                   All secured areas, such as the GTech  
23 room, cage, main bank and surveillance, require  
24 swiping a proxy card to be accessed. The  
25 regulations require that records and documents be

1 retained for a minimum of five years. However,  
2 IDentiPASS data was automatically purged by Mohegan  
3 Sun Pocono approximately every six months.

4 The automatic purging of IDentiPASS  
5 data by Mohegan Sun Pocono hampered BIE's  
6 investigations into the - into these issues  
7 contained in this Consent Agreement. As part of  
8 this Consent Agreement, BIE and Mohegan Sun Pocono  
9 have agreed that IDentiPASS data be maintained for  
10 at least one year due to the large volume of  
11 information.

12 The OEC and Mohegan Sun respectfully  
13 request that the Board approve a Consent Agreement  
14 and stipulations of settlement that call for Mohegan  
15 Sun to pay a civil penalty of \$550,000 as well as  
16 \$2,500 for costs incurred by the Board staff in  
17 connection with investigations into this matter.

18 It should be noted that the civil  
19 penalty is reflective of the corrective actions  
20 taken by Mohegan Sun and the implementation of  
21 various remedial measures.

22 CHAIRMAN: Thank you. Any comments  
23 from Downs?

24 ATTORNEY SORIANO: Yes, Mr. Chairman  
25 and members of the Board. If I may note for the

1 Board that while Mr. Carlucci and Mr. Epps are  
2 present here at the table, also present in the room  
3 with me today are Thomas Burke, B-U-R-K-E, Chief  
4 Operating Officer of Mohegan Gaming and  
5 Entertainment; Robert Rubenstein,  
6 R-U-B-E-N-S-T-E-I-N, Senior Vice President and  
7 General Counsel of Mohegan Gaming and Entertainment  
8 and Marc Comella, C-O-M-E-L-L-A, the Vice President  
9 and Chief Compliance Officer for the enterprise.

10 CHAIRMAN: Thank you.

11 ATTORNEY SORIANO: Mr. Chairman, Downs  
12 Racing obviously accepts the Consent Agreement and  
13 the penalties as described by the OEC and accepts  
14 responsibility for these violations. Upon becoming  
15 aware of these issues, the company has conducted a  
16 thorough and complete investigation and is  
17 implementing a comprehensive remediation plan that's  
18 designed to turn the corner on these issues and move  
19 forward and put these issues in the past.

20 That remediation plan is described in  
21 significant detail at pages 19 through 26 of the  
22 Consent Agreement that has been submitted to the  
23 Board. With the Board's permission, I will briefly  
24 summarize some of the key points of that remediation  
25 plan leaving out unnecessary detail at this time.

1                    CHAIRMAN: Please.

2                    ATTORNEY SORIANO: The one part of the  
3 - the critical part of the remediation plan has been  
4 new personnel and personnel changes and the creation  
5 of new positions that will have oversight in the  
6 appropriate places where these failures may have  
7 occurred. Mr. Carlucci, who's with me, is the new  
8 general manager of the property. He's been with the  
9 property for approximately a year. Mr. Carlucci  
10 comes with 30 years of experience in the gaming  
11 industry running a number of properties throughout  
12 the country.

13                    Mr. Epps is in the newly created  
14 position of Vice President, Legal and Compliance at  
15 Mohegan Sun Pocono. Mr. Epps is a former Vice-Chair  
16 of the New Jersey Casino Control Commission and has  
17 significant experience in the gaming industry. Mr.  
18 Comella, who I identified earlier, is in the newly  
19 created position at the corporate level of Vice  
20 President and Chief Compliance Officer for the  
21 entire enterprise. So Mr. Comella has significant  
22 experience in compliance, especially having spent  
23 many years with Bally Gaming.

24                    The new chair - and a compliance  
25 committee has been established at the Board level.

1 That compliance committee has visibility to all  
2 aspects of the organization as to everything  
3 conducted by the organization. That compliance  
4 committee is chaired by Thomas Auriemma,  
5 A-U-R-I-E-M-M-A, as an independent chair of the  
6 committee. Mr. Auriemma is the former director of  
7 the Division of Gaming Enforcement in New Jersey and  
8 has spent significant time with other compliance  
9 committees for other gaming organizations.

10 Mr. Rubenstein, Senior Vice President  
11 and general counsel, has been with the organization  
12 for approximately a year. Previously was corporate  
13 officer of Las Vegas Sands for a number of years.  
14 The property - the Board has a new director of  
15 internal audit, Mr. Martin Rosa, R-O-S-A, who has  
16 many years of experience in the field of internal  
17 audit and has enhanced the internal audit function  
18 at the property in order to have the - corporate-  
19 wide in order to keep a close eye on what's going  
20 on.

21 There's also a new Director of  
22 Corporate Governance. That is a newly created  
23 position at Mohegan Sun Pocono. That is designed to  
24 have oversight over the entire audit function. That  
25 position has been staffed at the property.

1 Similarly at the property, a new Chief Financial  
2 Officer has been hired to have oversight over  
3 operational accounting and the other issues that  
4 have been identified, and a new Vice President of  
5 Human Resources is in the process of being hired.

6           As I stated earlier, the organization  
7 has created an enterprise-wide compliance committee  
8 to monitor issues such as this and to monitor the  
9 implementation of the remediation plan described in  
10 the Consent Agreement. There is also enhanced  
11 reporting lines being put in place from Mohegan Sun  
12 Pocono to Mohegan Gaming and Entertainment so that  
13 like individuals report to each other and can  
14 coordinate and make sure that - that things are  
15 being properly done and regulations are being  
16 properly followed with appropriate oversight.

17           An enterprise-wide code of ethics has  
18 been adopted and is being trained to all employees  
19 of the organization. That code of ethics includes  
20 items like compliance with comp matrices, internal  
21 controls, et cetera and ensuring that everyone is  
22 educated on what their responsibilities are and what  
23 their job requirements are.

24           Similarly coming with that code of  
25 ethics is an enhanced reporting hotline. In the

1 event that an employee becomes aware of any  
2 malfeasance or concerns at the property about  
3 another employee or about a supervisor, those  
4 concerns can be anonymously reported and sent to the  
5 compliance committee and the audit committee for  
6 their investigation so that the employee has no fear  
7 of retaliation.

8           A comprehensive review and upgrade of  
9 internal controls is in progress, specifically  
10 tailored to the issues that have been identified by  
11 the OEC and the BIE, but looking more overall as to  
12 how to make sure that those internal controls  
13 comport with industry best practices. More specific  
14 enhancements are being made and have been made and  
15 continue to be made to policies such as information  
16 technology to address the issues that are being  
17 found in this investigation as well as compliance  
18 with the Comp Matrix.

19           So with both of these remediation  
20 plans and further detail that is set forth in the  
21 Consent Agreement, we believe it's an appropriate  
22 time to turn the page on this, move forward and to  
23 continue the remediation of these issues. I would  
24 submit that Mr. Carlucci and Mr. Epps and other  
25 personnel that are here are part of the solution.

1           They came into these problems and have  
2 been helping repair the problems and they intend to  
3 continue to do so on a going forward basis. Mr.  
4 Carlucci or Mr. Epps, do you have anything to add?

5           ATTORNEY EPPS: Counsel spoke  
6 appropriately. The only thing I'd like to add is  
7 that, you know, we are 100 percent focused on making  
8 sure that this never happens again. I have support  
9 from the corporate office. On property they spend  
10 every day talking about controls. We never want  
11 this to happen again.

12           CHAIRMAN: Nor do we.

13           ATTORNEY EPPS: Exactly.

14           CHAIRMAN: Before we proceed, comments  
15 from the Board members or questions?

16           MR. JEWELL: I'd like to make a  
17 comment. This was actually round one, a couple  
18 minutes dealing with round two. The allegations,  
19 assertions and your consent to agree to them really  
20 represent an egregious breach of integrity to your  
21 own internal operating systems, to the integrity of  
22 the gaming industry and your enterprise, frankly  
23 also across Pennsylvania. What happens here today  
24 will be noted across the state and within the  
25 industry around the nation. And it is something

1 that we have not quite seen the likes of, certainly  
2 not in my time on the Board, and I think it's  
3 appropriate, the representations that you're making  
4 today.

5           You've obviously cleaned house, almost  
6 every aspect of the house. You had to do that, you  
7 needed to do that, you have done that. That is  
8 appropriate remediation. And of course, you will be  
9 on a careful review and watch in the near term and  
10 long term future because this is a very serious  
11 matter.

12           CHAIRMAN: Thank you. I have a couple  
13 of questions. I would second Commissioner Jewell's  
14 comments. But I have a couple questions just to  
15 make sure I understand this. How did BIE/OEC ever  
16 get started on this to even begin to unravel what  
17 has been laid forth here?

18           ATTORNEY PITRE: It started with an  
19 anonymous tip, and from there we put our best  
20 investigators on it. They went in and started  
21 asking questions and it slowly unraveled from there.  
22 I can say that Mr. Carlucci has been part of the  
23 solution. Anything that he saw that didn't stand up  
24 to the light he brought forward to us.

25           CHAIRMAN: Once you got started you

1 told Mr. Carlucci what -?

2 ATTORNEY PITRE: No, we did not tell  
3 Mr. Carlucci anything. Mr. Carlucci came forward to  
4 us and told us some things. But it was a very time  
5 consuming investigation that was in process for  
6 nearly a year, if not more. I've had conference  
7 calls with the Mohegan Tribal Authority in  
8 Connecticut to explain to them how serious these  
9 allegations were. After those conference calls,  
10 they agreed to give complete cooperation. Our  
11 investigators made a few trips to Connecticut to do  
12 a corporate oversight to interview various members  
13 of the audit committee and executives there.

14 As we conducted our investigation and  
15 determined that certain individuals were just not up  
16 to the task, Mohegan, on its own, changed those  
17 individuals out, for lack of a better word, put  
18 individuals in place who were more familiar with the  
19 gaming business. I think the biggest problem that  
20 occurred was that when Mohegan Sun Pocono first  
21 opened, there were people in those positions that  
22 had gaming experience.

23 As the years passed, those people  
24 moved onto other jobs and the people within the  
25 property were promoted to higher positions without

1 any clue as to why the internal controls existed,  
2 what was the purpose of those internal controls and  
3 what purpose they served as a part of the overall  
4 organization. And I think it got lost through the  
5 turnover and more experienced people.

6 But I have to give my - take my hat  
7 off to BIE investigators in Wilkes-Barre and  
8 forensic accountant Marcia Shaffer for doing an  
9 outstanding job in going into the computer systems -  
10 the IT systems, going into - interviewing the  
11 various employees and getting to the bottom of this.  
12 And to John Crohe, because we conducted numerous  
13 sworn interviews of individuals which I sat in on  
14 that just went to the core of how incompetent some  
15 people were in this respect.

16 CHAIRMAN: I have to say there's a  
17 silver lining here. Look, we'd rather never see  
18 this sort of thing ever, but I have to say, and I  
19 think I speak for the Board, what you all did  
20 through the investigation is quite impressive.  
21 Having done a few of these things in another version  
22 of my life, I'm very impressed with the diligence  
23 and detail you all put into on that subject. Of the  
24 various subject matters here that we discussed, how  
25 many of the things did you end up identifying were

1 the result of your own investigation as opposed to  
2 things that maybe Mr. Carlucci had brought forward  
3 to you - to your attention?

4 ATTORNEY PITRE: I think that the  
5 detail, the extreme details of the investigation came  
6 from our own work. The overall oversight - like when  
7 the Pellegrini Scheme occurred one of the things, you  
8 know, that I talked to - when I talked to Kevin  
9 O'Toole, he wanted an investigation done on it. We  
10 all agreed that it - the best - a detailed  
11 investigation that could be done. Mr. Carlucci  
12 provided some oversight to the problems he was seeing  
13 on the property.

14 CHAIRMAN: Were there any brand new  
15 ideas brought to you by Mohegan?

16 ATTORNEY PITRE: Brand new ideas? No.

17 CHAIRMAN: New investigatory -

18 ATTORNEY PITRE: No.

19 CHAIRMAN: - paths.

20 ATTORNEY PITRE: No. No. I think  
21 what - what Mohegan did was cooperate fully and gave  
22 us - and - and brought in outside counsel who had some  
23 experience in gaming to say, hey, look, these are some  
24 serious issues. This is the information we have. And  
25 then their attorneys came forward with more

1 information as their internal investigation unfolded.

2           CHAIRMAN: Got it. I understand. I  
3 just wanted to understand the shape of this thing,  
4 because hopefully we don't have a lot of these in the  
5 future. But it gives us - a lot of people up here a  
6 certain reassurance to know that we actually have the  
7 significant internal investigatory tools here, which  
8 is - I think it's a matter of just making sure the  
9 public have confidence that we're actually properly  
10 regulating this industry. That's why I went down that  
11 rod.

12           Before I yield to anybody else, could  
13 you give me some sense of how you came up with the  
14 notion that \$550,000 was an appropriate number for  
15 this series of allegations?

16           ATTORNEY PITRE: I actually started a  
17 lot higher. I - I was in the millions with this.  
18 It's my belief that they lost millions of dollars  
19 through this free slot play. But after the internal  
20 investigations began and our investigations began and  
21 we started talking, they agreed to do certain things  
22 necessary on the hotline. And based upon that we were  
23 willing - I was willing to come down on the fine.  
24 Okay? So, I started at about \$1.5, \$2 million and  
25 came down based upon the amount of effort and based

1 upon the different committees that they formed and  
2 based upon the individuals they brought in with  
3 experience and the corrective actions that they were  
4 taking along the way while it - while things were  
5 going on.

6 CHAIRMAN: Just so I'm clear on that,  
7 those are comments on the first part of this or is  
8 that comments on both parts of this?

9 ATTORNEY PITRE: That's comments on  
10 both parts.

11 CHAIRMAN: I see.

12 ATTORNEY PITRE: I can - I can tell  
13 you that this consent alone, I was looking for more  
14 than a million dollars off the top. And I told them  
15 that I would recommend to the Board that they can -  
16 their renewal be conditioned and it be only for one  
17 year. Now I can tell you now what I see today is a  
18 completely different operation. And that I stand  
19 behind them 100 percent in what they're doing. I have  
20 no - I'm not second guessing their renewal. I'm not  
21 asking for any conditions in the future on their  
22 renewal. I think they have completely righted this  
23 ship or are in the process of righting this ship.

24 They keep us completely informed of  
25 everything they're doing. They bounce it off us. Do

1 you think this is a good idea? This is what we're  
2 thinking about doing. So, I - I would like to think  
3 it's a new day for this - for this company.

4 CHAIRMAN: I really appreciate you  
5 doing that. And I really want to do that on the  
6 public record for anybody who's inside the industry  
7 and the public to understand what's going on here.  
8 Because I have to say, absent this description of  
9 their significant cooperation and changes, there's no  
10 way in the world I'd be voting in favor of a  
11 settlement at this number. This conduct, whether you  
12 call it gross negligence, I don't know what the phrase  
13 is, is outrageous.

14 And I want everybody, speaking for  
15 myself, and the Board members can speak for  
16 themselves, we better never see this from you or  
17 anybody else in this industry in Pennsylvania, because  
18 we're not going to - and I - I commend you. I trust  
19 Cyrus's recommendations. And I commend you for your  
20 exceptional cooperation in the investigation. But  
21 that's why I wanted to go through that. Because to me  
22 on its face with the - without all this description,  
23 it doesn't really seem like it would be an adequate  
24 penalty. Listening to what you're saying, I  
25 understand.

1                    ATTORNEY PITRE: I agree with you 100  
2 percent. You should have seen me when I first started  
3 looking at this stuff. I was - you know. I wasn't in  
4 a good place myself.

5                    CHAIRMAN: But with that, the  
6 additional information we have, does anyone else up  
7 here have any questions or comments? If not, do we  
8 have a motion?

9                    MR. KERNODLE: Mr. Chairman, I move  
10 the Board approve the Consent Agreement between the  
11 OEC and Downs Racing, L.P. as described by the OEC.

12                    MR. LOGAN: I'll reluctantly second.

13                    CHAIRMAN: Thank you. All in favor?

14 AYES RESPOND

15                    CHAIRMAN: All opposed? Motion is  
16 adopted.

17                    ATTORNEY CROHE: The next matter on  
18 the agenda for the Board's consideration is a Consent  
19 Agreement reached between Mohegan Pocono and the OEC  
20 regarding unlicensed Gaming Service Providers. The  
21 BIE conducted an investigation into Mohegan Sun Pocono  
22 conducting business with unlicensed Gaming Service  
23 Providers. All information presented is reflective of  
24 the information revealed during the time period of the  
25 investigation.

1                   ReferLocal LLC, founded by Kristopher  
2 Jones as part of a discounted Groupon-like offer, was  
3 owned in part by Kristopher Jones, Times Shamrock  
4 Communications, Robert Soper, and Bold Gold Media.  
5 The Board will recall its November 8 meeting - in its  
6 November 8th meeting the Consent Agreement between Mr.  
7 Soper and the OEC was approved regarding Mr. Soper's  
8 failure to properly disclose his ownership in certain  
9 businesses. One of those businesses was ReferLocal,  
10 which conducted business with Mohegan Sun Pocono  
11 between March of 2011 and February of 2017.

12                   Mr. Soper introduced ReferLocal and  
13 Mr. Jones to executive level staff at Mohegan Sun  
14 Pocono in or about March of 2011. ReferLocal's  
15 business with Mohegan Sun Pocono consisted of selling  
16 vouchers for Deal of the Day offers on the ReferLocal  
17 website which typically combine free slot play and  
18 discounts at Mohegan Sun Pocono restaurants. Between  
19 May of 2011 and April of 2012, Mr. Soper, in his  
20 capacity as CEO and president of Mohegan Sun Pocono,  
21 and Mr. Jones, in his capacity with ReferLocal,  
22 negotiated revenue percentages between Mohegan Sun  
23 Pocono and ReferLocal and the scope of particular  
24 Mohegan Sun offerings that would make - that would be  
25 made on the ReferLocal website. ReferLocal would make

1 various offers at local businesses to its members.  
2 The members would then purchase an offer from the  
3 ReferLocal website and print a barcoded voucher. The  
4 member would then present the voucher to the business  
5 for redemption.

6 In the case of Mohegan Sun Pocono, the  
7 vouchers were presented to the Mohegan Sun Pocono  
8 Player's Club desk. The Mohegan Sun Pocono's Player's  
9 Club desk employee would then exchange the voucher for  
10 a coupon to the applicable Mohegan Sun Pocono  
11 restaurant and download the appropriate amount of free  
12 slot play to the Player's Club Card. Various Mohegan  
13 Sun Pocono departments and employees worked with  
14 representatives of ReferLocal to develop the Mohegan  
15 Sun Pocono onsite interface that Mohegan Sun Pocono  
16 could have developed - could - so that Mohegan Sun  
17 Pocono could have the ability to scan ReferLocal  
18 voucher barcodes that patrons would print at home from  
19 the ReferLocal website.

20 This interface allowed ReferLocal to  
21 track the vouchers that had been redeemed by Mohegan  
22 Sun Pocono. ReferLocal representatives would also  
23 participate in regular monthly and quarterly meetings  
24 as well as special project meetings at Mohegan Sun  
25 Pocono. Furthermore, ReferLocal representatives would

1 work onsite at Mohegan Sun Pocono to troubleshoot  
2 problems with the program, to train Mohegan Sun Pocono  
3 employees on the voucher redemption process, and to  
4 provide customer support and technical service.

5           Additionally, Mohegan Sun Pocono  
6 utilized an accounting method for ReferLocal that they  
7 did not utilize for any other company with which they  
8 conducted business. The accounting method relied on  
9 ReferLocal tracking all redeemed vouchers and  
10 distributing all revenue owed to Mohegan Sun Pocono as  
11 a result of this business arrangement. This allowed  
12 Mohegan Sun Pocono to escape reporting any  
13 disbursements to the Pennsylvania Gaming Control Board  
14 and for the business arrangement to go undetected.

15           Mohegan Sun Pocono also failed to  
16 audit the disbursements it received from ReferLocal.  
17 It simply relied on the word of the company.  
18 Additionally, despite actively doing business together  
19 for a period of approximately six years, ReferLocal  
20 and Mohegan Sun Pocono did not have a contract or any  
21 form of written agreement detailing the business  
22 arrangement. The BIE investigation revealed that  
23 Mohegan Sun Pocono received between 40 percent and 60  
24 percent of the gross purchase price collected by  
25 ReferLocal for Deal of the Day offers. Mohegan Sun

1 Pocono also received 10 percent to 12 percent of net  
2 revenue through the referral program when Mohegan Sun  
3 Pocono referred customer purchased a Mohegan Sun  
4 Pocono outlet offer - purchased a Mohegan Sun Pocono  
5 outlet offer.

6                   Mohegan Sun Pocono received 30 percent  
7 of the sales less three percent administrative fee for  
8 the VIP program offered by ReferLocal. As a result of  
9 the business relationship and arrangement, ReferLocal  
10 made payments to the Mohegan Sun Pocono totaling  
11 \$5,450,899. Despite doing significant business with  
12 Mohegan Sun Pocono, ReferLocal did not submit an  
13 application to the Board until April of 2017.  
14 ReferLocal began winding down as a business in January  
15 of 2017 after its relationship with Mohegan Sun Pocono  
16 was terminated. At no time during the business  
17 relationship was ReferLocal authorized by the Board to  
18 do business with Mohegan Sun Pocono, nor were any of  
19 its owners qualified or its employees or owners  
20 licensed to engage in regulated business activity with  
21 Mohegan Sun. At no time during the business  
22 relationship were the employees of ReferLocal  
23 authorized by the Board to access the gaming floor or  
24 information technology systems at Mohegan Sun Pocono.

25                   Despite not meeting the licensing

1 requirements of the Board, ReferLocal and Mohegan Sun  
2 Pocono conducted a significant amount of business.  
3 And ReferLocal employees regularly conducted  
4 activities at or with Mohegan Sun Pocono and its  
5 employees that required individual licensure and  
6 authorization.

7           The next unlicensed Gaming Service  
8 Provider with which Mohegan Sun Pocono conducted  
9 business is CB POC, LLC. CB POC was initially owned  
10 by Lloyd Sugarman who was previously approved as a  
11 qualifier through the Certified Gaming Service  
12 Provider, JR MSPD, LLC, which operated the Johnny  
13 Rockets restaurant at Mohegan Sun Pocono. In October  
14 of 2011 CB POC began operating Betty and Joe's Coffee  
15 Shop and Wok8 restaurant within Mohegan Sun Pocono's  
16 licensed facility as a result of an assignment of  
17 ownership. However, CB POC, LLC was not licensed as a  
18 Gaming Service Provider by the Board. Mohegan Sun  
19 Pocono conducted business with CB POC without them  
20 being licensed as a Gaming Service Provider. CB POC  
21 did not file the proper Gaming Service Provider  
22 applications until March of 2016 and was not  
23 authorized to do business with Mohegan Sun Pocono  
24 until May of 2016.

25           Additionally, it was revealed that

1 Lloyd Sugarman was not the sole owner of CB POC at all  
2 times of operation within Mohegan Sun Pocono. CB POC  
3 owner Chris Ainley was not authorized as a qualifier  
4 until May of 2016. Former over - Former owner Robert  
5 Azinian subsequently sold his ownership in CB POC and  
6 requested to withdraw his qualifier application in  
7 July 2017. However, he was not authorized as a  
8 qualifier until May of 2016. And CB POC owner  
9 Jonathan Ainley was not authorized as a qualifier  
10 until May of 2017.

11                   Between 2011 and 2017, Mohegan Sun  
12 Pocono made disbursements to CB POC in a total amount  
13 of \$3,049,000. This amount includes \$1,008,000 worth  
14 of disbursements that Mohegan Sun Pocono failed to  
15 submit to the Board's Bureau of Licensing. As a  
16 result - or as of February 27, 2017, Mohegan Sun  
17 Pocono effectively terminated the lease agreement with  
18 CB POC due to an alleged breach of lease agreements  
19 for Betty and Joe's and Wok8 by CB POC. The OEC and  
20 Mohegan Sun Pocono respectfully request that the Board  
21 approve this Consent Agreement, Stipulations of  
22 Settlement, that Mohegan Sun Pocono pay a civil  
23 penalty of \$375,000 for violations related to its  
24 business arrangement with ReferLocal and \$75,000 for  
25 violations related to its business arrangement with CB

1 POC, LLC for a total of \$450,000 as well as \$5,000 for  
2 costs incurred by the Board's staff in connections  
3 with investigations into this matter.

4 CHAIRMAN: Thank you. Further  
5 comments?

6 ATTORNEY SORIANO: Yes. Briefly, Mr.  
7 Chairman. If I may, as with the prior Consent  
8 Agreement we accept the conclusions of the OEC and  
9 would ask that the Consent Agreement be approved. The  
10 company again takes responsibility for this issue. I  
11 would incorporate my comments earlier as to the  
12 remediation plan with - that we outlined earlier  
13 inasmuch as that plan was drafted with both the  
14 previous Consent Agreement and with the - these  
15 matters in mind. And we believe it adequately  
16 addresses all the plans. I would highlight two - or  
17 two brief facts additionally regarding this.

18 I would note that these matters were  
19 self-reported by the property to the BIE and the OEC.  
20 The CB POC issue that the tenant - Mr. Epps can  
21 correct me if I'm wrong, but proceedings have been  
22 resolved with respect to that matter and the tenant is  
23 no longer at the property. The matter has been  
24 resolved.

25 There have been enhancements made as

1 part of the remediation plan to contract controls to  
2 ensure that a ReferLocal type of arrangement cannot  
3 occur and slip through ever again. And that is  
4 subject not only to enhanced policies, but to enhanced  
5 oversight by both the Director of Corporate Governance  
6 position that's been newly created at the property,  
7 and by Mr. Epps's position, both of which are charged  
8 with responsibility for monitoring that in the future  
9 and ensuring that no such issues ever arise.

10 I would also note that - as I believe  
11 I mentioned earlier a new Chief Financial Officer is -  
12 is being retained at the property. And given that a  
13 number of these issues took place within the  
14 accounting oversight in department - the appropriately  
15 qualified Chief Financial Officer candidate has over  
16 20 years of experience in the gaming industry, we  
17 believe will go a long way to ensure that this does  
18 not occur again. Mr. Carlucci, Mr. Epps, anything to  
19 add?

20 ATTORNEY EPPS: If I could just - on  
21 this piece - and to the prior item also, even though  
22 you've passed it already, I can just say to you,  
23 report to you and represent to you that having sat  
24 where you sit these issues did give me pause coming in  
25 when I was approached to take on the opportunity. But

1 I was given the assurance of the parent company and  
2 Mr. Carlucci and the support of our outside counsel  
3 that we have taken the steps to mitigate and we have  
4 the controls in place to - to mitigate those  
5 situations and prevent those from occurring in the  
6 future.

7                   So I do share your concern and I  
8 understand where your concern comes from by having  
9 been a regulator and sitting where you sat. I can  
10 assure you that I have my regulator hat on even  
11 working on this side of the table. And I will do the  
12 best that I can do to make sure that these things  
13 never come before you again from this company.

14                   CHAIRMAN: I appreciate the comment.  
15 Any further comments from the Board on this?

16                   MR. JEWELL: Mr. Chairman? No. Thank  
17 you for the colloquy between yourself and our Chief  
18 Enforcement Counsel, I found it very enlightening.  
19 Just to comment on magnitude here, this Board has  
20 essentially been working since around 2005 on the  
21 regulatory process. The law Title Four was passed in  
22 2004. In all those years the two fines that we are  
23 talking about today that have been consented to are by  
24 far the largest in the history of the oversight of  
25 this Commission and, in fact, are number one and

1 number two by far of any assessed. Pennsylvania, of  
2 the 30 states that have a gaming - casino gaming as we  
3 know is - I'm talking about magnitude here - is the  
4 second largest as far as the amount that comes in of  
5 any state in the union. So, these are - these are  
6 large numbers. Thanks for the edification service and  
7 discussion that has occurred. And I would renew the  
8 comments I made earlier and stand by them. Thank you.

9 CHAIRMAN: Thank you. Any other  
10 comments from the Board? May I have a motion?

11 MR. LOGAN: Mr. Chairman, I move the  
12 board to approve the Consent Agreement between the OEC  
13 and Downs Racing, LP as described by the OEC.

14 MS. MANDERINO: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed? Motion is  
18 adopted. I want to thank you all for your presence  
19 and your frankness today. And hopefully I won't see  
20 you again.

21 ATTORNEY SORIANO: Thank you, Mr.  
22 Chairman.

23 CHAIRMAN: Not for a long time.

24 ATTORNEY SORIANO: Thank you, Mr.  
25 Chairman and Commissioners. We appreciate the

1 Commission's consideration and the assistance provided  
2 by the OEC.

3 CHAIRMAN: Thank you.

4 ATTORNEY PITRE: Next matter on the  
5 agenda for the Board's consideration is a Consent  
6 Agreement between the OEC and Category 2 Licensee  
7 Mount Airy #1, LLC doing business as Mount Airy Casino  
8 Resort. The Consent Agreement will be presented by  
9 assistant Enforcement Counsel David Tepper.  
10 Representatives who work for Mount Airy are present.  
11 And at this time I'd ask that anyone who is not an  
12 attorney to stand up and be sworn and that each  
13 individual introduce themselves for the record.

14 MR. ASSELTA: Dennis Asselta,  
15 A-S-S-E-L-T-A. Executive Director of Table Games.

16 ---

17 DENNIS ASSELTA,  
18 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
19 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS  
20 FOLLOWS:

21 ---

22 ATTORNEY TEPPER: Good morning,  
23 Chairman Barasch, members of the Board. David Tepper,  
24 T-E-P-P-E-R, with the OEC. This proposed Consent  
25 Agreement involves a table games violation at Mount

1 Airy Casino. On August 12, 2017 a Table Games Dealer  
2 spun a roulette wheel in the same direction as a ball  
3 for 13 spins without a no spin being called in  
4 violation of the Board's regulations and Mount Airy's  
5 internal controls. Prior to this incident, a  
6 compliance conference was held in March 2016 and a  
7 warning letter was sent to Mount Airy in September  
8 2016 regarding similar incidents.

9           At this time the OEC requests that the  
10 Board approve this Consent Agreement between the  
11 parties. The terms of the settlement include that  
12 within five days of the Board's Order approving the  
13 Consent Agreement, Mount Airy shall pay a civil  
14 penalty of \$10,000 for the alleged violations. And  
15 also within five days of the Board's Order approving  
16 this Consent Agreement, Mount Airy pay a civil penalty  
17 of \$2,500 for costs incurred by OEC, BIE and related  
18 staff in connection with this matter.

19           And if you have any questions we'd be  
20 happy to answer them at this time.

21           CHAIRMAN: Any comments at this time?

22           ATTORNEY SKLAR: Good morning, Mr.  
23 Chairman, members of the Board. Michael Sklar,  
24 S-K-L-A-R, on behalf of Mount Airy. We concur in the  
25 recitation of facts as described by the OEC and are

1 available for any questions.

2 CHAIRMAN: Thank you. Are there any  
3 questions or comment for the Board?

4 MR. LOGAN: Yeah. So, it was 13  
5 times, 30 minutes that this was going on?

6 ATTORNEY SKLAR: Yes. Approximately.

7 MR. LOGAN: How did the game  
8 supervisor not notice this? I'm told it was a patron  
9 that brought this to your attention.

10 MR. ASSELTA: Yes. The gaming  
11 supervisor had four games to watch, which is no  
12 excuse. They should've noticed it, but they did not.  
13 Human error once again is undefeated.

14 MR. LOGAN: Do you have a requirement  
15 that in that 30 minutes that they're watching - or 30  
16 minutes seems like it's a long time.

17 MR. ASSELTA: Two minutes is a long  
18 time. You know, our policies and procedures require  
19 them to watch each game in their section. That's not  
20 always the case unfortunately.

21 MR. LOGAN: What happened to the  
22 gaming supervisor?

23 MR. ASSELTA: He didn't notice it.

24 MR. LOGAN: Disciplined?

25 MR. ASSELTA: Yes.

1                   MR. LOGAN:   What type?

2                   MR. ASSELTA:   Written warning.   The  
3 supervisor and the dealer.

4                   MR. LOGAN:   So, this is your third  
5 table games violation in 18?

6                   MR. ASSELTA:   Okay.

7                   MR. LOGAN:   You don't know that?

8                   MR. ASSELTA:   Yes.

9                   MR. LOGAN:   Then it would be yes, not  
10 okay.

11                                 February '16, November '16 and now  
12 What - what's happening?   It seems that in 18 months  
13 three table games violations, seems like a breakdown  
14 somewhere.

15                   MR. ASSELTA:   I don't think it's a  
16 breakdown.   With the volume of business we do -.

17                   MR. LOGAN:   You don't think it's a  
18 breakdown?

19                   MR. ASSELTA:   You're always going to  
20 have human error.   I mean, you can have internal  
21 control -

22                   MR. LOGAN:   How are you fixing this?

23                   MR. ASSELTA:   - policies, procedures.

24                   MR. LOGAN:   How are you fixing this?

25                   MR. ASSELTA:   We reinforce this daily

1 with pre-shift meetings, you know, we constantly  
2 retrain staff and work in those areas. But you know,  
3 some point along the way you're always going to have  
4 the human error factor.

5 MR. LOGAN: Michael, I'll let you go  
6 because he's not helping the case here. I was iffy  
7 before we started. So, Michael, I would ask you to  
8 tell me why you've had three table game violations in  
9 18 months and how you're going to fix it.

10 ATTORNEY SKLAR: The - I - I was a  
11 little puzzled by - by this particular incidence. The  
12 second time with the roulette wheel, the third  
13 incident that you mentioned wasn't specific to the  
14 roulette. But -.

15 MR. LOGAN: No, I agree. I'm sorry.  
16 Let me clear - yeah, the first one was a non-value -  
17 unimproved non-value roulette chip.

18 ATTORNEY SKLAR: Right.

19 MR. LOGAN: And then the other one was  
20 a damaged eight of spades placed in the deck was used  
21 for, you know, about an hour or so. But nonetheless  
22 they were table games violations.

23 ATTORNEY SKLAR: Correct. So, with -  
24 with this specifically, I - I asked Dennis and John  
25 Celetsu, the general manager, how could there not be

1 some technology that's out there that would prevent  
2 the roulette wheel from - from spinning the wheel in  
3 the same direction - the ball in the same direction as  
4 the wheel. And apparently it doesn't exist. Because  
5 - and again, it's not an excuse. The - the table game  
6 personnel are advised, they clearly know what the  
7 rules are. It's just one of these things where I  
8 don't know what goes through people's mind. They're  
9 just not paying attention. And that - that's why, you  
10 know, I asked the question about the technology. They  
11 have inquired with the table game manufacturer to see  
12 is it anywhere? You know, is there any kind of  
13 supplement that, you know, that a third party has that  
14 could be added to the roulette wheels to prevent this.  
15 And I - I don't know - I don't think there is  
16 anything currently.

17 MR. ASSELTA: No, not with the - you  
18 know, electronic table game, yes, obviously it can  
19 only go one way. But with a manual game, you know,  
20 the regulations are always that the ball must go in  
21 the opposite direction of the wheel. When I worked in  
22 New Jersey, you know, we had customers, you know, have  
23 a million dollar credit lines that at their request we  
24 would spin the wheel in the opposite direction and the  
25 ball, you know, obviously would go the other way. We

1 have not done that type of business at Mount Airy.  
2 So, you know, it's always consistent in the way it's  
3 supposed to go.

4 ATTORNEY SKLAR: There is - and I can  
5 assure you at the highest level of Mount Airy, the  
6 owners, the audit committee, that we understand. And  
7 it's not an excuse just to say well it's human error  
8 and we tell our employees what you're supposed to do  
9 and oh, you know, just - that's the way it goes.  
10 That's not acceptable. And it's certainly gets, you  
11 know, everyone's attention when we have to come here.  
12 We have to pay fines, you know, and we're - it is  
13 somewhat of a struggle though to - you tell people,  
14 you know, every day this is the rules. This is what  
15 you're supposed to do. And you still have violations  
16 and they don't follow the rules.

17 You have something that's a challenge  
18 that we face every day, you know. It's the same  
19 thing. Security guards with underage - everyone knows  
20 what they're supposed to do. Okay? It is frustrating  
21 from the company's level. And I don't know what else  
22 in this instance, you know - we - we've looked at  
23 technology, the reinforcement with table game  
24 personnel, pre-shift meetings. Like I said, everyone  
25 is - it's crystal clear. It's not a difficult item.

1 And the dealers are trained. They know what they're  
2 supposed to do. And it just wasn't followed here  
3 unfortunately.

4 MS. MANDERINO: Thank you. I want to  
5 pick up on the last point that you made, because as  
6 one of the newer members what went through my mind is  
7 what is the level of training both with regard to the  
8 frequency on a regular basis as well as when there is  
9 a serious breach? What - what is the protocol at  
10 Mount Airy with regard to training or retraining or  
11 requirements if there is an infraction?

12 MR. ASSELTA: We have an approved  
13 curriculum for, you know, various table games. And so  
14 in the event that we're holding a roulette school, we  
15 go through - through the instruction with one of our  
16 instructors for the amount of hours needed. And then  
17 we put people on the gaming table with what's called a  
18 shadow where they'll actually have another dealer  
19 working with them until they're, you know, comfortable  
20 with the game.

21 Whenever something like this occurs,  
22 we then go through a retraining process with the  
23 entire staff that has roulette, which is probably 80  
24 percent of our staff.

25 MS. MANDERINO: So, when Mr. Logan

1 asked what happened as a result and you said a  
2 warning. Do I take from what you're saying now that  
3 there was both a warning to the individual employee  
4 and a retraining of roulette spinners, dealers? I  
5 don't know the term.

6 MR. ASSELTA: Dealers. Yes. That's  
7 correct.

8 ATTORNEY SKLAR: And it's a part of -  
9 at most casinos it's the progressive discipline  
10 policy. So, the - you have a written warning. And  
11 then if these individuals have subsequent - or are  
12 involved in a subsequent violation it'll escalate  
13 including up to termination.

14 MS. MANDERINO: But a retraining  
15 happens at a - at a - at each instance of a - of a  
16 violation of the rules and regulations?

17 MR. ASSELTA: Not only a violation. I  
18 mean we - we try to have ongoing training. We don't  
19 wait for an accident to happen and then say what could  
20 we have done differently. We're progressive that way.  
21 We try to remain consistent on our training.  
22 Unfortunately when something like this happens it puts  
23 a spotlight on it.

24 CHAIRMAN: I have a couple questions.  
25 Cyrus, help me out here. I've been doing this for

1 over two years. In terms of violations where we have  
2 had Consent Decrees and such matters for gaming  
3 violations, I off the top of my head, can't think of  
4 any casinos that have been in front of us three times  
5 in 18 months.

6 ATTORNEY PITRE: For table games  
7 violations?

8 CHAIRMAN: In 18 months.

9 ATTORNEY PITRE: I can -.

10 CHAIRMAN: Three different Consent  
11 Decrees in 18 months.

12 ATTORNEY PITRE: Well, that's probably  
13 because they get spaced out a certain way. I can tell  
14 you that we have some casinos that have had table  
15 games. You just haven't - those Consent Agreements  
16 are probably just sitting and waiting to come to you  
17 where we've had consistently table game violations  
18 more egregious than this one.

19 CHAIRMAN: I'm trying to get down to a  
20 detail here, which is these events - these events are  
21 spaced out over 18 months.

22 ATTORNEY PITRE: Right. And we've had  
23 - we have had - and we have casinos with table game  
24 violations that - that come before you. And, I mean,  
25 I - I don't have the details of those right now but we

1 have had some that consistently have - occur and we  
2 try to deal with.

3                   For - for instance, we might be  
4 working on a Consent Agreement and have it all ironed  
5 out and ready to go and then another one happens. So,  
6 rather than sending that to the Board with that one  
7 hanging out there we'll move it back, add it to the  
8 Consent Agreement and renegotiate it. So, we do have  
9 those. A lot of times -.

10                   CHAIRMAN: I haven't seen one.

11                   ATTORNEY PITRE: Yeah. Well, you  
12 will -.

13                   CHAIRMAN: In two years I haven't seen  
14 - I haven't seen a pattern.

15                   ATTORNEY PITRE: No. You've - what  
16 you've seen in a Consent Agreement that contains  
17 multiple violations that happen within a certain  
18 period of time. So, we consolidated those. These  
19 were spaced out enough where when one occurred we had  
20 already wrapped up a Consent Agreement. It was  
21 presented to the Board and then another one occurred  
22 right after. Okay? And so it's just a matter of  
23 timing.

24                   MR. LOGAN: Can I follow up on that?

25                   CHAIRMAN: Please.

1                   MR. LOGAN: So, Cyrus, you're saying -  
2 I don't want to put words in your mouth, there are  
3 Consent Agreements in the queue to come to us.

4                   ATTORNEY PITRE: Right.

5                   MR. LOGAN: Okay.

6                   Is it appropriate to ask is there any  
7 Consent Agreements for table games violations in the  
8 queue for Mount Airy?

9                   ATTORNEY PITRE: No, that's it.

10                  CHAIRMAN: Okay.

11                  MR. LOGAN: Yes. Thank you, Mr.  
12 Chairman.

13                  CHAIRMAN: It's a totally unfair  
14 question, not - I'm going to ask you, which I listened  
15 to the original colloquy and I was not pleased by what  
16 I was hearing. And I understand that humans make  
17 errors. Do you have some notion of what an acceptable  
18 or normal rate of human error is?

19                  MR. ASSELTA: I do not.

20                  CHAIRMAN: So, then how as a - as a  
21 person who's a manager do you measure how well you're  
22 doing if you don't have any baseline to measure  
23 against?

24                  MR. ASSELTA: Well, we should never  
25 have a tolerance for breaking a gaming regulation, and

1 that's never been our intent. As far as what's  
2 acceptable? Hard to say.

3 CHAIRMAN: Well, I guess what I'm  
4 saying is you've been in the industry for a long time.  
5 And I assume you've seen croupiers and people make  
6 mistakes over the years. But you must have some  
7 notion of what's kind of a noise in the system, not  
8 that you're not going to try to fix it, versus when  
9 things are getting out of whack and are getting too  
10 high and make you have to think about whether you  
11 should be reviewing your supervisory behaviors and  
12 your supervisory staff, your training, and all the  
13 rest. You must have some notion of when things are  
14 getting bad.

15 MR. ASSELTA: I wouldn't say they were  
16 at the bad level.

17 CHAIRMAN: No, I didn't ask you that.

18

19 MR. ASSELTA: Yeah. Yeah.

20 CHAIRMAN: You must have some notion  
21 of what constitutes serious trouble versus less  
22 trouble. You can use whatever words you want.

23 ATTORNEY SKLAR: I can tell you from -  
24 from my perspective and the recommendations that I  
25 would be making to Mount Airy executives. If there

1 was in the near future another violation of the  
2 roulette game such as this, my recommendation would be  
3 that there has to be a message sent of - someone needs  
4 to be terminated. And unfortunately that - I don't  
5 know how else to send a message. A part of that would  
6 be a retraining. But at some point I don't know how  
7 you deliver a message of the seriousness that people  
8 can't have lapses. They have to be more vigilant.  
9 And I think unfortunately when someone is terminated  
10 that is what sends a message.

11 I don't know - I don't know how else  
12 to - to answer your question. At this point it's  
13 happened a couple times now. There's - there  
14 shouldn't be any more tolerance. People should be -  
15 people should be very aware.

16 CHAIRMAN: Yeah. The question is who.  
17 You know, my concern as I'm sitting up here is okay,  
18 so, the result is we have three violations and there's  
19 some sort of progressive discipline against whoever  
20 was responsible for the error. But if there's a  
21 pattern here it seems to me someone a little higher up  
22 in the organization ought to be having to face some  
23 responsibility for what's wrong with your training,  
24 what's wrong with your supervision, if this is a  
25 pattern. That's what I was trying to understand

1 what's - I don't want to say acceptable, but trouble  
2 is you fire one person, somebody says it wasn't me and  
3 I don't make mistakes. But the question is what is -  
4 what's wrong with the training, what's wrong with the  
5 supervision that allows these things to happen at a  
6 relative frequency. And if there is something wrong  
7 it's not - I don't think the firing employee is  
8 necessarily the solution. I maybe do. But I -  
9 somebody's dropped the ball other than the person  
10 who's dropping the ball the wrong on the roulette  
11 table.

12 ATTORNEY SKLAR: I think that as I  
13 mentioned to - to Commissioner Logan, I think you have  
14 to sort of segment this. The - there's been a couple  
15 violations. This is the first fine for the roulette  
16 incident. The last incident with - with cards, with  
17 having a duplicate card, that's obviously - I think it  
18 was black jack. That's - that's all within the table  
19 games department, I understand.

20 CHAIRMAN: Yes.

21 ATTORNEY SKLAR: But the - the level  
22 of training that goes on, it's - these things aren't -  
23 it's not like there's some lapse in the training,  
24 people don't know what they're supposed to do. I  
25 mean, with the cards, having - having the right, you

1 know, number of cards and no duplications, no missing  
2 cards, running it through a shuffler. It's not - it's  
3 not rocket science and they have automatic shufflers.  
4 It's just someone, for whatever reason, they just  
5 aren't paying attention.

6 Same thing with the roulette. I don't  
7 think it's a - I don't think it's a breakdown that  
8 somehow the level of training that's occurring at  
9 Mount Airy, there's a breakdown there.

10 CHAIRMAN: Training or supervision? I  
11 don't - I don't know. You guys are in the industry.  
12 I'm just the regulator.

13 ATTORNEY SKLAR: But I think that's  
14 the issue is in terms of the supervision it's  
15 unfortunately someone's not paying attention, doing  
16 their job. I - that's why I said I don't - I do think  
17 it gets people's attention. You're right. Someone  
18 could say someone gets terminated, oh, that wasn't me.  
19 I would never do something like that. But it's going  
20 to get people's attention.

21 CHAIRMAN: The question is whether the  
22 organization's attention is being gotten, the  
23 supervisors - and if they're not properly - if you're  
24 saying - I'm not going to pursue this much further.  
25 You're saying the training is as good as you can do it

1 or whatever, I accept that. But there's supervisors  
2 who are overseeing all this stuff and it keeps on  
3 happening. At what point is there something wrong  
4 with the way you're training your supervisors or the  
5 way you're selecting your supervisors?

6 ATTORNEY SKLAR: But make no mistake,  
7 when I talk about the discipline, I'm not just talking  
8 about this specific dealer who's doing it. I'm  
9 talking about the supervisor. I'm talking going up  
10 the chain but somehow that there - I agree with you.  
11 There is a breakdown. The message isn't getting  
12 communicated clearly enough, strongly enough. I agree  
13 that the discipline that I'm talking about is not just  
14 the dealer spinning the wheel. It's going to escalate  
15 above to a supervisor - table games supervisor if  
16 necessary.

17 CHAIRMAN: Okay.

18 MR. LOGAN: So, we got your attention.  
19 Is that what you're telling me?

20 MR. ASSELTA: I -.

21 MR. LOGAN: The answer seemed a tad  
22 obtuse to me. So, are you telling me that we got your  
23 attention? This is the third table games violation in  
24 - in 18 months and we're just concerned about that.

25 ATTORNEY SKLAR: You absolutely have

1 my attention. Are you sure you - you have the  
2 ownership's attention about this? I assure you that.

3 CHAIRMAN: May I have a motion?

4 MS. MANDERINO: Mr. Chairman, I move  
5 the Board approve the Consent Agreement between the  
6 OEC and Mount Airy, LLC as described by the OEC.

7 CHAIRMAN: Is there a second?

8 MS. REITZEL: Reluctantly, yes,  
9 second.

10 CHAIRMAN: Well, the Board - before I  
11 call the vote just - the Chair's going to vote no on  
12 this. I'm not pleased by what I saw here today. I'm  
13 not pleased by the colloquy that I've heard here. And  
14 this is the third violation. I'm going to vote no and  
15 the rest of you go ahead and call the question.

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN: Chair votes no. The  
19 motion's passed. The motion's adopted.

20 ATTORNEY SKLAR: Thank you.

21 ATTORNEY PITRE: The next three  
22 matters on the agenda for the Board's consideration  
23 are Consent Agreements between OEC and Category 1  
24 Licensee Mountainview Thoroughbred Racing Association  
25 doing business as Hollywood Casino at Penn National

1 Race Course.

2 CHAIRMAN: I bet they're pleased to  
3 come next.

4 ATTORNEY PITRE: The first of the  
5 three Consent Agreements will be presented by  
6 Assistant Enforcement Counsel David Tepper,  
7 representatives for Hollywood Casino are present. And  
8 at this time I would request that those individuals  
9 introduce themselves for the record. And anyone here  
10 not as an attorney - here not as an attorney please  
11 stand and be sworn.

12 ATTORNEY HVIZDA: Good morning. Alex  
13 Hvizda. Compliance manager.

14 MR. IHM: Mr. Chairman, Board, Dan  
15 Ihm, I-H-M, general manager Hollywood Casino, Penn  
16 National.

17 ---

18 (WITNESSES SWORN EN MASSE)

19 ---

20 ATTORNEY TEPPER: Good morning again.  
21 This proposed Consent Agreement involves an incident  
22 where Mountainview Thoroughbred Racing Association,  
23 who does business as Hollywood Casino, failed to  
24 protect their assets. On March 26, 2016 after cashing  
25 out \$4,000 worth of chips at the cage, a patron asked

1 the cage cashier to break ten of the \$100 bills into  
2 an equivalent amount of \$20 bills. The cage cashier  
3 provided the patron with \$10,000 worth of \$20 bills  
4 instead of \$1,000 worth of \$20 bills. This  
5 transaction was supervised and approved by a cage  
6 supervisor. This conduct violated the Act's  
7 requirement that Mount Airy - or sorry.

8 CHAIRMAN: Excuse me. We need to take  
9 a five-minute break and I'll pick up right where we  
10 are.

11 ---

12 (WHEREUPON, A SHORT BREAK WAS TAKEN IN THE  
13 PROCEEDINGS.)

14 ---

15 CHAIRMAN: Mr. Tepper, if you could  
16 start over again, please.

17 MR. TEPPER: Sure thing. This  
18 proposed Consent Agreement involves an incident with  
19 Hollywood Casino at Penn National Race Course where  
20 they failed to protect their assets. On March 26,  
21 2016 after cashing out \$4,000 worth of chips at the  
22 cage a patron asked the cage cashier to break ten of  
23 the \$100 bills into an equivalent amount of \$20 bills.  
24 The cage cashier provided the patron with \$10,000  
25 worth of \$20 bills instead of the \$1,000 worth of \$20

1 bills. This transaction was supervised and approved  
2 by a cage supervisor. This constituted a violation of  
3 the Act's requirement that Hollywood safeguard their  
4 assets as well as Hollywood Casino's internal  
5 controls.

6 At this time the OEC requests that the  
7 Board approve this Consent Agreement between the  
8 parties. The terms of the settlement include that  
9 within five days of the Board's Order approving the  
10 Consent Agreement Hollywood pay a civil penalty of  
11 \$5,000 for the alleged violations described. Also  
12 within five days of the Board's Order approving this  
13 Consent Agreement, Hollywood shall pay \$2,500 for the  
14 cost incurred by OEC, BIE and other related Board  
15 staff in connection with this matter. And if you have  
16 any questions at this time we'd be happy to answer  
17 them.

18 CHAIRMAN: Do you have any comments?

19 ATTORNEY HVIKZDA: Yes. Good morning  
20 to the Board members. My name's Alex Hvizda. I'm  
21 compliance manager. I first want to start by  
22 introducing our new general manager, Dan Ihm, to the  
23 whole Board. He started October 1st, thereabouts.

24 CHAIRMAN: Excuse me. Are you  
25 counsel?

1                   ATTORNEY HVIZDA: Yes.

2                   CHAIRMAN: Okay. I just wanted to  
3 make sure. Yeah.

4                   MR. LOGAN: He sounds like one.  
5 Doesn't he?

6                   CHAIRMAN: I just want to make sure  
7 the proper people had been sworn in or not sworn in.  
8 Are we all squared away with that?

9                   MR. KERNODLE: Yeah.

10                  CHAIRMAN: Okay.

11                  ATTORNEY HVIZDA: So, Dan wasn't here  
12 when any of this happened, but - baptism by fire. So,  
13 I want to introduce you to him. With regard to this  
14 particular incident this was a big error. I want to  
15 make clear that there was no money that was due to the  
16 Commonwealth that was involved with this. This is  
17 entirely our money that was lost. As soon as we found  
18 out about it we worked with our onsite PGCB  
19 representatives, our onsite PSP representatives. We  
20 have demanded the money back from the individual. He  
21 has not provided it. Then we worked with PSP to have  
22 charges pressed against him. Those charges are still  
23 pending through the - the court system. But we're  
24 hopeful that we'll have court ordered restitution  
25 through that.

1           The individual who was involved, the  
2 cashier, was terminated immediately. And the  
3 supervisor was put on a final written warning.

4           CHAIRMAN: Okay. Thank you.

5           Any questions or comments from the  
6 Board? Hearing none do we have a motion?

7           MS. REITZEL: Mr. Chairman, I move  
8 that the Board approve the Consent Agreement between  
9 the OEC and Mountainview Thoroughbred Racing  
10 Associations as described by the OEC.

11          MR. SANTONI: Second.

12          CHAIRMAN: All in favor?

13 AYES RESPOND

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

16          ATTORNEY PITRE: The second and third  
17 Hollywood Casino Consent Agreements will be presented  
18 by Assistant Enforcement Counsel, Tamara Haken.

19          ATTORNEY HAKEN: Good morning  
20 Chairman, members of the Board. Tamara Haken,  
21 H-A-K-E-N, with the OEC. This proposed Consent  
22 Agreement involves an underage violation at Hollywood  
23 Casino. On July 26, 2017 at approximately 12:30 a.m.  
24 Hollywood Casino self-reported an underage violation  
25 to the Bureau of Casino Compliance. Hollywood Casino

1 advised that an underage individual entered Hollywood  
2 through the valet entrance at approximately 11:21 p.m.  
3 on July 25, 2017.

4                   The underage individual presented  
5 identification from Puerto Rico and a Hollywood Casino  
6 security officer visually inspected it. The security  
7 officer had trouble reading the identification and the  
8 scanner did not appear to successfully scan the  
9 identification. The security officer asked the  
10 underage individual and her companions where the date  
11 of birth was located on the identification and it was  
12 pointed out to the security officer. The security  
13 officer allowed the underage individual onto the  
14 casino floor as a result of not reading the date of  
15 birth correctly, claiming subsequently that she did  
16 not put on her reading glasses when she was inspecting  
17 the identification.

18                   The underage individual was on the  
19 casino floor for approximately one hour playing  
20 intermittently at various slot machines for 20 minutes  
21 of that time. Her age was discovered to be 20 years  
22 old when she went to the cage cashier in an attempt to  
23 obtain a Player's Card. The underage individual was  
24 issued an eviction and Hollywood issued a final  
25 written warning to the security officer who allowed

1 the individual onto the casino floor.

2 At this time, the OEC requests that  
3 the Board approve this Consent Agreement between the  
4 parties. The terms of the settlement include that  
5 within five days of the Board's Order approving this  
6 Consent Agreement, Hollywood Casino shall pay a civil  
7 penalty of \$10,000 and \$2,500 for the costs incurred  
8 by OEC, BIE and other related staff in connection with  
9 this matter.

10 CHAIRMAN: Any further comments?

11 ATTORNEY Hvizda: I just wanted to  
12 note obviously this was - was a huge error. The  
13 security officer was put on a final written warning  
14 and has since been terminated. I did want to note -.

15 CHAIRMAN: Did you say has since been  
16 terminated?

17 ATTORNEY Hvizda: Been terminated.  
18 Yeah. For unrelated reasons.

19 CHAIRMAN: Okay.

20 ATTORNEY Hvizda: And what we did was  
21 our ID system at the time that this occurred did not  
22 allow certain types of licenses to be scanned such as  
23 a Puerto Rican driver's license or a passport. I  
24 believe it was the first week of November we upgraded  
25 all of our ID systems to the VeriDoc system at a cost

1 of about \$35,000 which will allow these types of IDs  
2 to be scanned. We also continue to offer our security  
3 department an incentive to work together to ensure  
4 that we have no underage violations. It's our \$100  
5 for 100 days. So, every 100 days that we go without  
6 an underage violation the entire security department  
7 gets \$100. And I'm happy to say that we just paid  
8 that out.

9 CHAIRMAN: You give \$100 each I hope.

10 ATTORNEY HVIZDA: \$100 each. Yes.

11 CHAIRMAN: Not much credit for a  
12 hundred bucks the other way.

13 ATTORNEY HVIZDA: We just paid that  
14 out in November. But we just paid that out in  
15 November. So, we continue to - to work towards that  
16 goal.

17 CHAIRMAN: Thank you. Are there any  
18 questions or comments from the Board? Hearing none,  
19 may I have a motion?

20 MR. SANTONI: Mr. Chairman, I move  
21 that the Board approve the Consent Agreement between  
22 the OEC and Mountainview Thoroughbred Racing  
23 Association as described by the OEC.

24 MR. JEWELL: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

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

4 ATTORNEY HAKEN: This next proposed  
5 Consent Agreement involves an intoxicated patron  
6 incident at Hollywood Casino. On August 4th, 2016 a  
7 female patron at Hollywood Casino was served ten light  
8 beers over five hours and 43 minutes by six different  
9 servers at multiple locations throughout the casino.  
10 At least six of the beers were served as the female  
11 patron gamed.

12 At 10:56 p.m. the patron left the  
13 roulette table at which she had been standing,  
14 unlatched the rope blocking off the pit, leaving it  
15 dangling for the floor person to reattach, entered the  
16 pit, contacted a trash can, walked to the end of the  
17 pit, and then to the H Lounge. No floor person who  
18 observed her leave the roulette table through the pit  
19 intervened or contacted anyone to intervene to assess  
20 her to determine if she needed to be removed from the  
21 gaming floor.

22 At 11:04 p.m. she ordered a beer at the  
23 H Lounge, but the bartender refused to serve her and  
24 properly contacted a beverage supervisor. The  
25 beverage supervisor was unable to locate the female

1 patron and contacted the security shift manager who  
2 subsequently contacted the security supervisor.  
3 However, no one was able to locate the female patron.  
4 Subsequent review revealed that the female patron left  
5 the lounge and entered a restroom where she remained  
6 for nine minutes and then immediately left the casino  
7 thereafter. She sat in her car for eight minutes  
8 before leaving the property, hitting the curb during  
9 her unobserved exit.

10                   There is no record that surveillance,  
11 Pennsylvania State Police, or the Bureau of Casino  
12 Compliance were - notified during the live search of  
13 the female patron. At this time the OEC request that  
14 the Board approve this Consent Agreement between the  
15 parties. The terms of the settlement include that  
16 within five days of the Board's Order approving this  
17 Consent Agreement, Hollywood Casino shall pay a civil  
18 penalty of \$75,000 and \$2,500 for the costs incurred  
19 by OEC, BIE and other related staff in connection to  
20 this matter.

21                   If you have any questions we'd be  
22 happy to address them at this time.

23                   CHAIRMAN: Comments?

24                   MR. IHM: Yes, Mr. Chairman, Board.  
25 First of all, I just wanted to say on behalf of

1 Hollywood Casino we do accept the outcome of the  
2 Consent Agreement. And as - as Alex said this is -  
3 I've been here at the property for two months now. I  
4 started October 1st. So, I'm - I'm a little bit  
5 unfortunate that this is my first opportunity to meet  
6 the Board and - under these circumstances, so my  
7 apologies for that.

8           As Alex also said, I was not here  
9 during the time of the incident. However, I have in  
10 the last two months had an opportunity to review all  
11 of our policies, procedures, the technology as Alex  
12 discussed as it relates to the responsible gaming as  
13 well as alcohol service. And I'm very pleased that  
14 there is a deep commitment here at the property. And  
15 the commitment is within all departments as well as  
16 outside of the corporate office. So, there's  
17 definitely a commitment that's - as it relates to  
18 responsible gaming and alcohol awareness. I wanted to  
19 let you know as well that that commitment will  
20 continue. But obviously there's always a focus -  
21 we're always looking at new opportunities, new  
22 technologies to improve. And I'll leave it with any  
23 questions you may have.

24           CHAIRMAN: Anybody else have any  
25 questions? Because I do, but I'll wait.

1                   MR. LOGAN: I do. But I'll defer to  
2 you.

3                   CHAIRMAN: By all means, go ahead.

4                   MR. LOGAN: Enforcement Counsel, I  
5 think - I don't want to put words in your mouth. You  
6 said no law enforcement was called during the live  
7 search? Is that what you said?

8                   ATTORNEY HAKEN: Correct. Yes.

9                   MR. LOGAN: So, what period of time -  
10 tell me about a live search. I don't understand that  
11 term.

12                   ATTORNEY PITRE: Okay.

13                   So, while they're looking for the  
14 individual, because the individual left the floor and  
15 went into the bathroom, they're looking for the  
16 individual.

17                   MR. LOGAN: Got you.

18                   ATTORNEY PITRE: My - my assessment of  
19 the matter was that they should've contacted  
20 surveillance immediately.

21                   MR. LOGAN: Okay.

22                   ATTORNEY PITRE: They should've  
23 contacted PSP immediately. They should've contacted  
24 Bureau of Casino Compliance immediately to aid in that  
25 live search. Surveillance would've been the first

1 level of contact and everyone else thereafter.

2 MR. LOGAN: When that patron pulled  
3 the rope down and utilized the trashcan - I mean  
4 should somebody have called somebody at that point or  
5 should somebody have approached her?

6 ATTORNEY HAKEN: So, they - when -  
7 that was the first point where someone should have  
8 noticed that she was appearing intoxicated in the pit.  
9 She entered the pit and there were employees that  
10 observed that and - and reattached the - the chain  
11 after she walked through. And at that time it's the  
12 protocol to let someone know that she may need to be  
13 assessed for a possible intoxication so that she can  
14 be stopped from continuing to game. And that did not  
15 occur. And then immediately after that she entered  
16 the lounge, requested a beer, which she was not  
17 served. And at that point, that was the second point  
18 of contact that would require some notification to the  
19 proper entities that did not occur.

20 MR. LOGAN: And when she went to the  
21 parking lot, did anybody notice that? I mean, I think  
22 you said she was in her car for nine minutes, eight  
23 minutes? Something like that.

24 ATTORNEY HAKEN: She was unobserved  
25 since - at the point when she entered the restroom she

1 was no longer observed until there was review  
2 subsequently to the incident.

3 MR. LOGAN: Okay.

4 Then she hit the curb.

5 ATTORNEY HAKEN: Right.

6 MR. LOGAN: And then what happened?  
7 What happens after she hits the curb? Did anything  
8 happen after? Did she just go home?

9 MR. IHM: No. There was things that  
10 happened afterwards. If I could - yeah. If I could -  
11 could I touch also on a few things before -

12 MR. LOGAN: Absolutely. Please.

13 MR. IHM: - I completely answer that as  
14 well?

15 So, Cyrus is absolutely 100 percent  
16 accurate. All of those things normally would occur  
17 that you would notify surveillance first. You would  
18 notify PA State Police, Bureau of Casino Compliance.  
19 Everybody should be notified. However, at this time  
20 the patron was not deemed - or was not assessed to be  
21 deemed intoxicated. So, once you assess a situation  
22 somebody comes over and assesses the - the patron as  
23 being deemed intoxicated, then surveillance and all  
24 those people are notified. But until that point,  
25 nobody knew that she was even intoxicated.

1           The person in the pit that actually  
2 identified her going into the pit, his assessment  
3 obviously didn't - didn't have communication. But he  
4 did not see any signs of intoxication according to his  
5 statement. So, that's kind of why those people were  
6 not notified. When she went into the restroom, she  
7 was in the restroom for nine minutes. Obviously we  
8 only know that for after the fact after we went back  
9 and reviewed footage.

10           So, there was an accident, a very  
11 unfortunate tragic accident, to answer your question,  
12 that happened afterwards. It happened I believe, and  
13 Alex has more information on this. I believe it  
14 happened approximately two hours after she left the  
15 property. The accident occurred about 20 minutes  
16 outside of the casino premises. So, there's a large  
17 span of time between when she left and when the  
18 accident occurred that we don't - obviously we don't  
19 know what happened during that time. We don't know -  
20 she could've done many things. We don't know. She  
21 could've parked on the side of the road. She couldn't  
22 went to a bar. She could've done a lot of different  
23 things. But there is that two-hour period.

24           MR. LOGAN: So, in this - in this  
25 process and the breakdowns, tell me about disciplinary

1 actions of the employees that didn't notice - notify  
2 somebody, didn't call law enforcement, person in the  
3 pit that saw her come in. Can you take me through, is  
4 it one, five, ten people? What's the disciplinary  
5 action?

6 MR. IHM: Well - well the - there was  
7 no disciplinary action in this case.

8 MR. LOGAN: Of anybody?

9 MR. IHM: Of anybody.

10 MR. LOGAN: You couldn't find anybody  
11 that -?

12 MR. IHM: We - we reviewed video  
13 surveillance and footage and according to our -.

14 MR. LOGAN: So, the person that -  
15 you're telling me there was a person that actually saw  
16 her take the rope down in the pit area?

17 MR. IHM: That's correct. Yes.

18 MR. LOGAN: Okay. And that -.

19 MR. IHM: That happens all - that does  
20 happen unfortunately. People do that. It doesn't  
21 mean that they're intoxicated or they're not.

22 MR. LOGAN: Not suggesting that  
23 they're intoxicated or not intoxicated. But that  
24 seems like that's a big no-no. To take the rope down  
25 and go into the pit area. That's not a violation of

1 any internal policy that you have or any policy that  
2 we have, Cyrus?

3 ATTORNEY PITRE: So, they're entering  
4 a restricted area around the table.

5 MR. LOGAN: So, you couldn't - you  
6 write a warning? You couldn't - I mean, a person was  
7 killed.

8 MR. IHM: Right.

9 MR. LOGAN: I mean, you know, \$75,000  
10 to me seems like a good deal for you.

11 MR. IHM: It is -.

12 MR. LOGAN: But not for the family  
13 that has to mourn the person that was killed. But  
14 I've said - so through this whole process you couldn't  
15 find anybody to discipline? Nobody caught your  
16 attention that said damn, that just - this person,  
17 that person, and that person should've done something  
18 different and maybe the outcome would've been  
19 different.

20 ATTORNEY HVIZDA: So, we reviewed the  
21 surveillance video, which of course obviously is just  
22 the video. It's not going to provide you with the  
23 audio or be able to see any interactions. Then we  
24 looked at the employees who did have interactions with  
25 her according to the - according to the video. And we

1 - we asked them what they recalled, to the extent that  
2 they did recall anything, about the interaction with  
3 her. And they were uniform in that they were not  
4 interpreting - until the bartender who refused to  
5 serve her, which was a minute after this - this  
6 incident with walking through the pit. They were  
7 uniform that they did not interpret her behavior as  
8 being possibly intoxicated.

9 MR. LOGAN: How old was she?

10 ATTORNEY HVIZDA: How old was the  
11 patron?

12 ATTORNEY HAKEN: Fifty-four (54), I  
13 believe.

14 MR. LOGAN: Okay.

15 ATTORNEY HAKEN: In her mid 50s.

16 ATTORNEY PITRE: I can tell you that  
17 when we assessed this, removing the emotion was the  
18 hardest part.

19 MR. LOGAN: Sure.

20 ATTORNEY PITRE: And we assessed it  
21 based upon the actions at the casino and the  
22 regulatory violations at the casino. And based upon  
23 similar incidents that occurred in other casinos and  
24 how they were handled.

25 MR. LOGAN: Okay.

1                    ATTORNEY PITRE: So that's what  
2 reflected.

3                    MR. LOGAN: Sure. I appreciate that.  
4 I do.

5                    ATTORNEY PITRE: I agree it's - okay.  
6 It was a very - to separate yourself from the  
7 outcome was somewhat difficult.

8                    MR. LOGAN: I would feel a little bit  
9 better if somebody was disciplined. That's all, Mr.  
10 Chairman.

11                   MR. JEWELL: I have a couple of  
12 questions. I want to make sure I understand this.  
13 At the very least, we had a bartender, a  
14 professional very much so with alcohol and deals  
15 with patrons all time and refused to serve so there  
16 is a concern. We see - we only see in the video  
17 that when she pulled out she hit a curb. I  
18 understand that. But there's some, in my judgment,  
19 indicia here that needs to be assessed if you can  
20 find her, and in finding her you need to get all  
21 hands on deck. Everybody notified and all hands on  
22 deck. She got away from you, and essentially, my  
23 words, not yours, but my conclusion, once she got  
24 away from you within the orbit of time she got away  
25 from you, she was involved in, as I understand it, a

1 head-on collision in which a death occurred. And  
2 that's a - a troubling sequence, yes - the emotion  
3 occurs here, but a troubling sequence that - but for  
4 starting out perhaps, and there's no conclusive  
5 proof here, you didn't have the opportunity to do  
6 what was best to be done and intervened in a timely  
7 fashion. And - but for the lack of intervention, it  
8 was - that ultimate outcome could have been  
9 prevented. And that's troubling.

10 MR. IHM: The whole circumstance is  
11 troubling. I mean, it's a tragedy and - if that's  
12 anything I could take back obviously I would.  
13 Again, I think there's very valid points - again,  
14 you know I was not here at the time or made these  
15 assessments. But what we do is our best job of  
16 reviewing video and making sure that policies and  
17 procedures as much as we can we're following -  
18 following those guidelines and that's why we have  
19 those guidelines. And it's - again, there's a lot  
20 of things that could have happened during a time  
21 period that it's hard to - that just could've  
22 happened during the time period outside of the two  
23 hours being gone as well as that there was other  
24 circumstances that happened too.

25 I believe there was a water bottle

1 that she was carrying with her that she was sipping  
2 on. We don't believe that probably there was water  
3 because based on the number of drinks served over  
4 the extended period of time, it just didn't seem  
5 logical that - that that would be the case. So we  
6 have since put in restrictions as it relates to  
7 people bringing in - carrying in outside beverage,  
8 even if it's water, just because it's better to be  
9 safe than sorry. You don't want to risk it. We  
10 have free water on the casino floor, there's really  
11 no need that someone needs to bring water in.

12 CHAIRMAN: Are there any -?

13 MR. SANTONI: I have a question.

14 Cyrus, do we have the authority to prevent someone  
15 from driving away from a casino if they're  
16 intoxicated or if they're deemed intoxicated - or  
17 does the casino have the authority to prevent  
18 someone from leaving the casino if they're drunk?

19 ATTORNEY PITRE: The casino has the  
20 authority to retain them until State Police can be  
21 contacted or local police can be contacted and - and  
22 show up on the scene. What normally happens in a  
23 situation like this is, once a person is deemed  
24 intoxicated, they're removed from the game, they're  
25 removed from the floor. They contact State Police.

1 They contact surveillance. They contact BCC. A  
2 safe ride is then provided, whether that be through  
3 someone who they - someone else they came with, came  
4 to the casino with, or whether it be them getting a  
5 cab or an Uber or whatever for that person, to  
6 provide safe transportation for that person off the  
7 property to a location - to their home.

8 So I think the shortcoming here was  
9 that surveillance was not contacted quick enough, or  
10 contacted in order for them to help in that live  
11 search for that individual before that individual  
12 drove off the property.

13 MR. SANTONI: Thank you. Thank you,  
14 Mr. Chairman.

15 CHAIRMAN: I guess that's where I was  
16 heading.

17 You had somebody was doing their job,  
18 who refused to serve this individual and then she  
19 slipped through the cracks. In the aftermath of this,  
20 was there some corrective directions or anything  
21 given? I'm sure by now you have. But I mean, she  
22 left the property and got into a car. I'm sure we all  
23 wish somebody had taken a look at her blood alcohol  
24 situation a couple minutes before she walked out the  
25 door.

1                   ATTORNEY HVIZDA: Sure.

2                   CHAIRMAN: So what are your systems  
3 now to make sure - what is the proper procedure? What  
4 procedure do you have when a bartender says, I'm not  
5 serving this person?

6                   ATTORNEY HVIZDA: Sure -.

7                   CHAIRMAN: Even if - I want to make it  
8 clear, many times I'm sure they've refused to serve  
9 people and people just say okay and walk away.

10                   What do we do about this?

11                   ATTORNEY HVIZDA: Sure.

12                   CHAIRMAN: Could be many people being  
13 turned down, not just in your casino, in many casinos.  
14 They go to get a drink and the bartender says, I don't  
15 think so. What's the process?

16                   You have more than one bar. Maybe  
17 they to the next part of the bar and get it from  
18 somebody else.

19                   ATTORNEY HVIZDA: Right.

20                   CHAIRMAN: What's the process here?

21                   Go ahead.

22                   ATTORNEY HVIZDA: And you're right.  
23 That is the challenge. They can go to multiple  
24 locations throughout any venue. So I can tell you -  
25 so this was about 16 months ago when this occurred.

1 We did form, at that time, a review committee of  
2 executives, at that time our general manger, myself,  
3 the food and beverage VP, and surveillance.

4                   And we took a hard look at this and  
5 said we've got to do something. The thing that was  
6 the most prominent is exactly what Cyrus said, which  
7 is if you can't find the person, then you've got to  
8 contact surveillance, even if all your description is  
9 - you know, a woman in her 50s. You don't have a  
10 better description of her, which could be, you know,  
11 hundreds of people on the floor at any one given time.

12                   And so the procedure remains the same,  
13 if the frontline person suspects that someone is  
14 displaying signs of intoxication, they report them to  
15 their supervisor, to the security supervisor. The  
16 authorized person makes the assessment.

17                   Where the change was here is that if  
18 that authorized person can't find the person to make  
19 the assessment, they should contact surveillance  
20 immediately to help locate the person if we can. So  
21 it's essentially what - the change we made was what  
22 Cyrus had identified.

23                   MR. IHM: So Mr. Chairman, you made a  
24 very valid point. Since there are so many locations  
25 across the gaming floor, including sitting at a slot

1 machine -.

2 CHAIRMAN: We lawyers would call this  
3 forum shopping.

4 MR. IHM: Yeah.

5 CHAIRMAN: If one bartender won't  
6 serve you, you go find another bartender who will.

7 MR. IHM: So it's imperative that when  
8 a bartender or a cocktail server or anybody deems  
9 somebody they believe may be intoxicated or has had  
10 too much, that we don't just - they don't just say  
11 okay and then walk away. Right?

12 So it's our responsibility to make  
13 sure that we notify security so they can come do an  
14 assessment.

15 And what Alex said is that process  
16 happens and it happens all the time. The additional  
17 pieces - the person walks away, we notify security.  
18 Security comes and finds them. But in this case, we  
19 did not find the person. So that's where surveillance  
20 needs to be notified. That's where, you know - that's  
21 where we fell short is notifying.

22 Now, our policy was never that way.  
23 So as far as the team members, they did what they were  
24 supposed to do according to the policy. We just  
25 missed a step that we should've taken an extra

1 precaution and we should've notified surveillance  
2 during that time.

3 CHAIRMAN: Is there a uniform policy,  
4 Cyrus, that we expect our casinos to have in this  
5 area?

6 ATTORNEY PITRE: It's laid out in  
7 their internal controls and so, in this regard, we  
8 pretty much leave it up to the casinos to run their  
9 business, as long as it seems adequate.

10 I think because security did not get  
11 there in time, for whatever reason or - and the lady  
12 walked away, and given the number of people on the  
13 floor, I guess they expected the security to be there  
14 onsite to assess the person.

15 So it's one of those things that  
16 hindsight is 20/20 and in looking at it, you can see  
17 that surveillance should've been contacted immediately  
18 once security could not locate the individual. So  
19 those are some things that we're looking at in our  
20 assessments of the other casinos.

21 CHAIRMAN: This situation that  
22 breakdown occurred and the woman left the property and  
23 within a few hours was in a horrible accident which  
24 resulted in a death, certainly - I shouldn't say  
25 certainly. You must've had other situations where

1 something like this happened and the person left and  
2 there was no subsequent fatal accident that would  
3 cause you to suddenly say what the heck happened.

4 I mean, I presume you've had other  
5 times where somebody refuses a drink and then the  
6 person disappears and no one ever finds out what  
7 happened to them.

8 ATTORNEY HVIZDA: I can tell you that  
9 once they are deemed intoxicated, we shut them off, we  
10 get them off the gaming floor and make sure that they  
11 have a safe ride home. And as Cyrus was explaining, a  
12 safe ride home means either you have a designated  
13 driver, you take a cab or you take an Uber. And if  
14 they refuse to do those things, then we tell them we  
15 have onsite PSP just downstairs and they're going to  
16 pop you for a DUI, and we'll call the onsite PSP who  
17 will try to talk to them. And if they still refuse,  
18 then they get - and they get behind the wheel, then  
19 PSP gets them for a DUI.

20 Our surveillance department will also  
21 call that person off property once they have their  
22 safe ride home. And then they will look to see in  
23 their random controls that surveillance - say the guy  
24 says okay, I'm going to take a cab home, he goes down  
25 to the gas station at the end of the street and then

1 starts to walk back up to try to get in his car. Then  
2 they will also contact PSP in that situation, and PSP  
3 will intervene.

4 CHAIRMAN: Are there other questions  
5 or comments up here?

6 May I have a motion?

7 MR. JEWELL: Mr. Chairman, I move that  
8 the Board approve the Consent Agreement between the  
9 OEC and Mountainview Thoroughbred Racing Association  
10 as described with the OEC.

11 MR. KERNODLE: Second.

12 CHAIRMAN: All in favor?

13 AYES RESPOND

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

16 ATTORNEY PITRE: The next two matters  
17 on the agenda for the Board's consideration are  
18 Consent Agreements between the OEC and Category 1  
19 Licensee Greenwood Gaming and Entertainment, Inc.  
20 doing business as Parx Casino.

21 The first of the two Consent  
22 Agreements will be presented by Senior Enforcement  
23 Counsel Dustin Miller. Representatives for Parx are  
24 present. And at this time, I request that those  
25 individuals introduce themselves.



1 licensed by the Board from working without a license  
2 and also prohibits a licensed entity from employing an  
3 individual in a position that requires a license and  
4 does not have a license.

5                   On April 1st, 2016 the Non-Gaming  
6 Registration of an EVS Attendant at Parx Casino  
7 expired. No renewal application had been filed for  
8 the employee's Non-Gaming Registration. Nonetheless,  
9 the EVS Attendant continued to work at Parx Casino  
10 through April 24th, 2016.

11                   Although the EVS Attendant did not  
12 work at Parx Casino after April 24th, 2016, she  
13 remained employed at Parx Casino until May 23rd, 2016  
14 when she was terminated.

15                   On April 5th, 2017 the Renewal  
16 Application for the Gaming Employee Occupation Permit  
17 of a Table Games Dealer at Parx Casino was denied by  
18 the Board. On that same date, the Board's Bureau of  
19 Licensing notified Parx Casino that the employee's  
20 Gaming Employee Permit Renewal Application had been  
21 denied by the Board and that the individual was  
22 prohibited from working in any position at Parx Casino  
23 that required a License, Permit or Registration.

24                   Despite the notification from  
25 Licensing, the Table Games Dealer continued to work at

1 Parx Casino as a Dealer for an additional 17 days  
2 following the denial of his Renewal Application. The  
3 Dealer was terminated on May 1st, 2017 and Parx Casino  
4 self-reported the violation. Eventually that Table  
5 Games Dealer was granted reconsideration by the Board  
6 and is once again licensed.

7                   On October 27th - on October 20th,  
8 2017 the parties entered into a Consent Agreement to  
9 settle these outstanding compliance matters. If  
10 approved, this Consent Agreement will be the first  
11 penalty assessed against Parx Casino for violating the  
12 Act regarding employment of unlicensed individuals.  
13 The terms of the Agreement include a provision that  
14 Parx Casino shall reinforce existing policies and  
15 provide training, guidance and reinforcement to  
16 employees to minimize the opportunity for similar  
17 incidents of this nature to occur in the future.

18                   And also, Greenwood Gaming and  
19 Entertainment, Inc. shall pay a total fine of \$10,000.  
20 Greenwood Gaming and Entertainment, Inc. shall also  
21 pay a \$2,500 fee for costs incurred by the OEC, the  
22 BIE, and other related staff which is consistent with  
23 the Board's billing policy.

24                   Both the fine and costs shall be due  
25 within five days of the Board's approval of this

1 Consent Agreement. Counsel for Greenwood Gaming and  
2 Entertainment is in attendance today, along with some  
3 staff to answer any questions that you may have.

4 Thank you.

5 CHAIRMAN: Do you have any comments?

6 ATTORNEY BONNER: Yes, Mr. Chairman.

7 I'll be very brief.

8 Obviously Parx Casino takes this  
9 violation very seriously, but in particular, I take  
10 personal responsibility for this, because employee  
11 licensing falls under my purview.

12 For the last ten years, the legal  
13 department's paralegal has handled all initial license  
14 applications for Key Licensees and all G-2 Gaming and  
15 Non-Gaming License Renewals. She processes  
16 approximately 600 License Renewals per year.

17 In these two incidents, one being a  
18 missed line on an Excel spreadsheet and the other one  
19 being a misplaced folder, results in these two  
20 violations. In evaluating the process we created two  
21 remedial steps to hopefully address the situation  
22 recurring.

23 First, all License Renewal  
24 Applications must be submitted 60 days before their  
25 expiration date. If an employee fails to file their

1 application by that 60-day deadline, our paralegal and  
2 the Human Resources Department remove that individual  
3 from the schedule and they're not put back on the  
4 schedule until they complete their application.

5                   Second, all License Denials or  
6 Suspensions from the Pennsylvania Gaming Control Board  
7 are processed through our paralegal, as well as Human  
8 Resources. And both departments are responsible for  
9 ensuring that the relevant department that the  
10 employee works for knows to remove them from the  
11 schedule immediately. So there are two sets of eyes  
12 and there's double-checking of that process.

13                   I'm available to answer any questions  
14 that you have.

15                   CHAIRMAN: Thank you.

16                   Questions or comments from the Board?

17                   Hearing none, may I have a motion?

18                   MR. KERNODLE: Mr. Chairman, I move  
19 that the Board approve the Consent Agreement between  
20 OEC and Greenwood Gaming and Entertainment, Inc. as  
21 described by the OEC.

22                   MR. LOGAN: Second.

23                   CHAIRMAN: All in favor?

24 AYES RESPOND

25                   CHAIRMAN: All opposed? The motion's

1 adopted.

2 ATTORNEY PITRE: The second Parx  
3 Consent Agreement will be presented by Assistant  
4 Enforcement Counsel Ashley Gabrielle.

5 ATTORNEY GABRIELLE: Good afternoon,  
6 Mr. Chairman and members of the Board. Ashley  
7 Gabrielle, G-A-B-R-I-E-L-L-E, with OEC.

8 Next on the Agenda for the Board's  
9 consideration is a Consent Agreement between the OEC  
10 and Greenwood Gaming and Entertainment, Inc. doing  
11 business as Parx Casino.

12 On April 8th and 9th, 2017, over a  
13 period of 9 hours and 55 minutes, a patron of Parx  
14 Casino was served 24 alcoholic beverages while on the  
15 property. Notably, over a period of two hours, five  
16 minutes the patron was served six alcoholic beverages  
17 by one beverage server while engaged in play at a  
18 table game. And over a period of 1 hour, 59 minutes  
19 the patron was served 9 alcoholic beverages by one  
20 beverage server while engaged in play at a table game.

21 Approximately 42 minutes after service  
22 of the last alcoholic beverage to the patron, security  
23 personnel approached the patron, determined that he  
24 was showing signs of intoxication at that time,  
25 removed him from play and assisted him in securing

1 transportation off property.

2           The terms of the Consent Agreement  
3 include that Greenwood Gaming is to pay a civil  
4 penalty in the amount of \$25,000 to the Board within  
5 five days of the Board's Order approving the Consent  
6 Agreement, \$2,500 to the Board within five days of the  
7 Board's Order approving the Consent Agreement for the  
8 costs incurred by OEC, BIE and other staff in  
9 connection with this matter and reinforce its existing  
10 policies and provide training, guidance and  
11 reinforcement to its employees, in order to minimize  
12 the opportunity for similar incidents to occur in the  
13 future.

14           At this time, the OEC will entertain  
15 any questions and request that the Board consider a  
16 motion to approve the Consent Agreement as described.

17           CHAIRMAN: Comments from -?

18           ATTORNEY BONNER: Mr. Chairman, I'll  
19 lead off on this one.

20           In my capacity as General Counsel for  
21 Greenwood Gaming, I have responsibility for legal,  
22 regulatory, compliance and risk management functions  
23 of the gaming and racing operation.

24           This matter before you now,  
25 unfortunately, implicates those four areas of my

1 responsibility. In every one of them, we had some  
2 incident occur that should not have occurred.

3           Mr. Schroeder will handle the  
4 presentation for you, but we're here to acknowledge  
5 that this is a situation that cannot be defended.  
6 There's no excuse that you could have for this. And  
7 any comments that you may hear from us are intended  
8 only to answer your questions and explain the  
9 situation, in an attempt to answer your questions.  
10 There is no attempt to provide an excuse for or any  
11 kind of a defense for what occurred.

12           And with that, I'll let Mr. Schroeder  
13 give you some of the background and some of the  
14 actions we have taken as a result of the situation.

15           CHAIRMAN: Thank you.

16           MR. SCHROEDER: Thank you.

17           Thank you, Mr. Chairman, members of  
18 the Board.

19           To echo Mr. Bonner's statement, the  
20 service of 24 alcoholic beverages in a single visit to  
21 our casino is simply unacceptable. Parx Casino takes  
22 this incident very seriously. We have with us our  
23 General Counsel, our General Manager, our Vice  
24 President of Operations.

25           Before discussing the compliance

1 breakdowns in this incident and our remedial measures  
2 going forward, I would like to provide some background  
3 to the procedures and policies in place to ensure  
4 responsible beverage service at our facility.

5           First, Parx Casino has an alcohol  
6 awareness policy that stresses responsible beverage  
7 service by establishing a two-drink per hour guideline  
8 for our servers. In that policy, it stresses the  
9 ultimate regulatory requirement, whether that patron  
10 is displaying signs of intoxication.

11           The alcohol awareness policy is  
12 reinforced by our mandatory RAMP training, which is an  
13 intense, State-certified training program that has a  
14 two-year recertification process. In addition to our  
15 RAMP training, Parx conducts a separate annual  
16 responsible alcohol service training session,  
17 conducted by outside legal counsel. It's scheduled  
18 before the holiday season, to reiterate to the staff  
19 the need for responsible beverage service.

20           Besides highlighting the importance of  
21 responsible service, these sessions provide an  
22 opportunity for our servers to openly discuss any  
23 issues with an independent third party. While these  
24 training procedures are vital, Parx recognizes that  
25 the enforcement of its procedures is paramount to

1 responsible beverage service.

2 To that end, Parx has a comprehensive  
3 drink review program with our surveillance department.

4 This review program combines the policies of  
5 responsible beverage service,  
6 casino-wide enforcement and retraining of service  
7 staff. Any time Parx security personnel identifies an  
8 intoxicated patron, surveillance is contacted and  
9 conducts a comprehensive review of all video for that  
10 patron's time in the casino, to identify the time of  
11 entry, the time each beverage was served, who served  
12 the beverage and any final interactions between that  
13 patron, our employees, Pennsylvania Gaming Control  
14 Board Staff, or Pennsylvania State Police.

15 We have found this review program to  
16 be an invaluable education tool for our beverage  
17 servers, to continue to reinforce responsible service.

18 Despite our procedures, despite our  
19 training, and despite our review program, we clearly  
20 failed to employ responsible beverage service  
21 techniques in this incident.

22 There were multiple regulatory  
23 breakdowns on our end. First, the beverage server  
24 served nine drinks to the patron in two hours. This  
25 is wholly against our alcohol awareness policy, our

1 training. It shows a lack of understanding of those  
2 policies by the beverage server.

3           Second, this beverage server should've  
4 been terminated but only received a written warning,  
5 due to a failure by our Human Resource department to  
6 communicate effectively with the Legal Department. We  
7 have a progressive discipline policy at Parx Casino.  
8 And the Legal Department repeatedly advises our Human  
9 Resource Department to apply it effectively, uniformly  
10 across the board. In this situation, Human Resources  
11 did that in evaluating the situation and believed a  
12 written warning was appropriate for this server.

13           Had Human Resources consulted with  
14 Legal, our advice would have been employment  
15 termination was appropriate in these circumstances.

16           To address these two breakdowns, Parx  
17 has implemented two remedial measures. First, the  
18 Vice President of Operations has directed all servers  
19 to interact with each patron who's served an alcoholic  
20 beverage for a minimum of 15 to 30 seconds to better  
21 assess that patron's current state. This additional  
22 customer interaction is designed for our servers to  
23 reiterate the need to see if that patron's showing any  
24 signs of intoxication.

25           Second, we want to ensure that

1 appropriate discipline is issued going forward. As a  
2 result, we've established a new procedure where Human  
3 Resources will review every discipline issue following  
4 from a beverage service incident with the Legal  
5 Department. We can provide guidance and comment on  
6 management's recommended discipline.

7 We'd be glad to answer any questions  
8 you have on this incident now.

9 CHAIRMAN: Questions?

10 MS. MANDERINO: Yes, thank you.

11 I have a few questions about facts  
12 that aren't in the materials that I received.

13 During that ten-hour period, was the  
14 person playing at more than one different table, so  
15 that they were moving from table to table?

16 MR. SCHROEDER: No. They were at the  
17 same table, I believe. Except for three drinks being  
18 served at the bar. He walked to the bar.

19 MS. MANDERINO: So they were at the  
20 same table, playing the same game?

21 ATTORNEY GABRIELLE: That's correct.

22 MS. MANDERINO: What was the - I don't  
23 even know the right way to say it.

24 What was the bet limit of the table?  
25 What was the size of the table's stake that the person

1 was sitting at?

2 ATTORNEY GABRIELLE: I don't have that  
3 information.

4 MR. SCHROEDER: It was not at our high  
5 limit room, so it was a regular table game.

6 MS. MANDERINO: It was not the high  
7 roller?

8 MR. SCHROEDER: No. I don't know, to  
9 answer your specific question, what the table minimums  
10 and maximums were at the time.

11 MS. MANDERINO: And over the course of  
12 that time, other than the beverage servers, how many  
13 other people changed hands, whether it would've been  
14 the dealer at that same table, the supervisor at that  
15 same table, the pit boss or whoever else - I don't  
16 know if the pit boss and the supervisor - I need a  
17 little help - are the same. I'm just trying to figure  
18 out who else had eyes on the activities of that person  
19 and that table.

20 MR. SCHROEDER: I don't believe I have  
21 the exact information for you, in terms of a ten-hour  
22 time period, roughly how many dealers and supervisors.

23 MR. RANERE: My background is in table  
24 games, so I can probably answer that best. Over the  
25 course of ten hours, you would've gone through, at a

1 minimum, two shifts, which would require at least four  
2 different dealers, two different supervisors, two pit  
3 bosses. And probably another supervisor, a third  
4 supervisor. You have a lead supervisors going through  
5 there, also. So probably eight to ten different  
6 employees would've been involved in the situation.

7 MS. MANDERINO: So the responsibility  
8 for understanding and knowing a facility's, or in this  
9 case, your facility's alcohol - responsible alcohol  
10 management policies don't fall just on the cocktail  
11 beverage server, but on all of those folks?

12 MR. SCHROEDER: They're all aware of  
13 it, yes.

14 MS. MANDERINO: They're all aware of  
15 it.

16 ATTORNEY BONNER: They're all trained.

17 MR. SCHROEDER: They're all trained -.

18 ATTORNEY BONNER: They're all trained  
19 in it.

20 MS. MANDERINO: And was there any  
21 thought after the fact that there were any of those  
22 other employees who were on hands enough that should  
23 have seen an observation, other than the cocktail  
24 servers, about the amount of alcohol that somebody  
25 sitting in the same spot or at the same table for ten

1 hours would have had?

2 ATTORNEY BONNER: In dealing with a -  
3 table games it's dealer first. I mean, we emphasize  
4 that our first priority is asset protection of the  
5 game. I know we had an earlier case here dealing - we  
6 want them to focus on dealing the game and the wagers.

7 So if it does escalate, even though  
8 they're trained in it, we'd be looking at the  
9 supervisory level, as you were pointing out. And  
10 their job is to also check the dealers, check how they  
11 deal the game. There's also other areas that they're  
12 looking at in terms of ratings, money laundering and  
13 alcohol service.

14 So in this case, they're aware of it  
15 and they don't track the number of drinks that person  
16 is having. They're looking for visible signs of  
17 intoxication. So there's no tracking done by them,  
18 but they are trained and are made aware that they need  
19 to look for visible signs of intoxication.

20 CHAIRMAN: Are there other questions?

21 I have one, from your question.

22 When you went back and, after the  
23 fact, did a review, do you know how much money this  
24 woman gambled at that table over nine hours?

25 MR. SCHROEDER: No.

1                   ATTORNEY BONNER: No, I do not, no.

2                   MR. SCHROEDER: It was a male. Not  
3 that that's all that important, Chairman. But we  
4 don't -.

5                   MS. REITZEL: That was the last one -.

6                   CHAIRMAN: I've got female on my mind  
7 at the moment.

8                   ATTORNEY BONNER: I understand. The  
9 amount gambled really doesn't play into this in terms  
10 of our review. Our review, as Mr. Schroeder said, is  
11 to identify the servers giving the service and to use  
12 that as a training device after the fact. So we don't  
13 have that information.

14                   CHAIRMAN: Well I would certainly hope  
15 that would be your focus. Earlier on you were raising  
16 a question that was closely related, which is you want  
17 to keep your patron happy and they're doing a lot of -  
18 they're spending a lot of money at your table. You  
19 have to worry about conflicting - potentially  
20 conflicting incentives here.

21                   MR. SCHROEDER: It's a constant  
22 tension, Mr. Chairman, of which we're very aware and  
23 is one of the reasons we train up through the chain to  
24 make sure we're making the right decisions concerning  
25 beverage service.

1                   MR. RANERE: And if I could just add,  
2 we truly do take responsible alcohol service extremely  
3 seriously. Since this incident, we've also  
4 implemented, during our pre-shifts of every shift,  
5 every day of the week, the importance of responsible  
6 alcohol service, as well as - as Bryan mentioned that  
7 brief interaction to not just fly by and what do you  
8 need, drop a drink and move on to the next customer,  
9 but actually stop, look at the customer's face, look  
10 at their eyes, look at their mannerisms, smell their  
11 breath if it appears that maybe someone else served  
12 them too much, to make sure you're making the right  
13 decisions.

14                   MR. SCHROEDER: And to reiterate on  
15 that, if someone is on medication, it may be one drink  
16 that results in their showing the visible signs.  
17 That's why, when John suggested that as a remedial  
18 measure, it made sense from that perspective.

19                   CHAIRMAN: Are there any other  
20 questions?

21                   MR. LOGAN: Yes. Are they  
22 complimentary drinks or are they paid?

23                   MR. SCHROEDER: These were  
24 complimentary drinks, Commissioner, at the table when  
25 the gentleman was actively gaming. Yes.

1                    ATTORNEY GABRIELLE: This is your  
2 second offense in a year. This is the second time  
3 this occurred in a year. Didn't you have an incident  
4 in June of 2016 regarding this? Cyrus?

5                    ATTORNEY PITRE: Yes.

6                    MR. SCHROEDER: Were we here in June?

7                    ATTORNEY GABRIELLE: For 15 drinks?

8 I mean - let's hope we don't see you again.

9                    MR. GRECO: Understood. As Mr.  
10 Schroeder indicated, this was a breakdown on many  
11 levels. Systems are in place. It broke down and - at  
12 both the operations level and the discipline level.  
13 And we've taken steps to hopefully minimize the  
14 likelihood that this happens in the future.

15                    This is an item, by the way, Mr.  
16 Chairman and Commissioners, we meet - the Compliance  
17 Committee of our Board of Directors meets monthly with  
18 operations and legal staff. And alcoholic beverage  
19 service is a standing item on the agenda. So at the  
20 board level these issues are being reviewed on a  
21 monthly basis. So there is -

22                    CHAIRMAN: I'm glad -.

23                    MR. GRECO: - high attention to it  
24 which keeps us focused on it.

25                    CHAIRMAN: I'm glad that you were here

1 today because I presume you sat through what preceded  
2 you.

3 MR. GRECO: We did, Mr. Chairman.

4 CHAIRMAN: I don't know what else to  
5 say. You sure don't want to - we would be completely  
6 derelict in our duties up here if we weren't taking  
7 this - to say extremely seriously is an  
8 understatement.

9 It's not enough to know - thank  
10 goodness this person was stopped and it's and - well,  
11 it's two issues, one, the person was incapacitated and  
12 might not have been using good judgment - this is  
13 gaming. But beyond that, he could have gotten in a  
14 car and Lord knows what might've happened. I think  
15 you're going to see greater and greater attention  
16 coming from this Board on these issues. We have an  
17 obligation to protect public safety, both to people in  
18 your casinos and the people on the roads and byways  
19 that are around your casino.

20 May I have a motion?

21 MR. LOGAN: Mr. Chairman, reluctantly,  
22 - and Cyrus, this is the third time I've heard that  
23 word today in terms of these Consent Agreements - we  
24 would move that the Board approve the Consent  
25 Agreement between the OEC and Greenwood Gaming and

1 Entertainment, Inc. as described by the OEC.

2 MS. MANDERINO: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

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

7 ATTORNEY BONNER: Thank you, Mr.  
8 Chairman. Thank you, Commissioners.

9 ATTORNEY PITRE: The next two matters  
10 on the Agenda for the Board's consideration are  
11 Consent Agreements between the OEC and Category 3  
12 Licensee Valley Forge Convention Center Partners, LP,  
13 doing business as Valley Forge Casino Resort.

14 The Consent Agreements will be  
15 presented by Assistant Enforcement Counsel Benjamin  
16 Ferrell. Representatives for Valley Forge are  
17 present. And at this time, I would request that those  
18 individuals introduce themselves for the record and  
19 that anyone who is not an attorney, please stand and  
20 be sworn.

21 ATTORNEY FABIUS: Good afternoon,  
22 Commissioners. Michael Fabius from the law firm  
23 Ballard Spahr representing Valley Forge Convention  
24 Center Partners.

25 I'll allow the witnesses to introduce

1 themselves and be sworn in.

2 MR. PEARSON: Eric Pearson, I'm  
3 President and CEO of Valley Forge Casino Resort,  
4 E-R-I-C, P-E-A-R-S-O-N.

5 MS. MAUGANS: I'm Janet Maugans,  
6 M-A-U-G-A-N-S, Compliance Manager at Valley Forge  
7 Casino Resort.

8 ATTORNEY FABIOUS: For the  
9 stenographer's record, I should have spelled my last  
10 name, F-A-B-I-U-S.

11 ---

12 WITNESSES SWORN EN MASSE

13 ---

14 ATTORNEY FERRELL: Good morning,  
15 Chairman, members of the Board. Benjamin Ferrell,  
16 F-E-R-R-E-L-L, Assistant Enforcement Counsel for the  
17 OEC.

18 This matter involves a violation of  
19 the Act, Regulations and Valley Forge's approved  
20 internal controls regarding an underage individual.

21 On April 7th, 2017 an underage patron,  
22 aged 19, entered Valley Forge Casino Resort and  
23 received both a casino access pass and Player's Club  
24 Card after showing a Player Services Representative a  
25 fraudulent Connecticut driver's license. The patron

1 then proceeded to the gaming floor's entrance and  
2 showed the fraudulent driver's license to the posted  
3 security officer.

4                   The security officer scanned the  
5 driver's license, which displayed three red X's out of  
6 a possible seven, which indicated a problem with the  
7 driver's license. The security officer notified his  
8 supervisors, who conducted further tests on the  
9 driver's license and took the license to the  
10 Pennsylvania State Police Gaming - Police's Gaming  
11 Enforcement Office.

12                   The supervisors knocked on the door of  
13 the office and waited approximately two minutes  
14 without receiving a response. They then returned the  
15 driver's license to the patron, who then entered the  
16 gaming floor.

17                   Once on the gaming floor, the patron  
18 gamed for approximately 1 hour and 36 minutes,  
19 consumed three alcoholic beverages and cashed out at  
20 the casino's cashier cage for \$150. The patron was on  
21 the gaming floor for approximately 2 hours and 54  
22 minutes.

23                   The patron then left the gaming floor,  
24 where he was stopped by another security officer. The  
25 security officer checked the driver's license and

1 noticed that the lamination on the driver's license  
2 had come apart. The security officer escorted the  
3 patron to PSP, who was there and then charged the  
4 patron with underage gaming. And he was permanently  
5 evicted from Valley Forge.

6 Under the terms of the Consent  
7 Agreement, Valley Forge has agreed to pay a civil  
8 penalty of \$12,000 as well as a \$2,500 administrative  
9 costs incurred by the Agency.

10 CHAIRMAN: Questions - or any comment  
11 from Valley Forge?

12 ATTORNEY FABIOUS: On behalf of Valley  
13 Forge, briefly, understanding you've had a few of  
14 these. We concur in the recitation of the OEC's  
15 facts.

16 Before we take any questions, please  
17 allow me to just briefly outline the lines of defense  
18 that we have for detecting fraudulent identification.

19 Valley Forge's first line of defense  
20 against fraudulent ID is a high-tech ID scanner that  
21 runs several tests to detect a possible fraudulent  
22 identification. In this case, the fraudulent ID  
23 passed four of the tests. But the scanner flagged the  
24 identification for further review based on the  
25 infrared beam and micro-print detection tests.

1           Our procedures there as a second line  
2 of defense, call a supervisor or manager to further  
3 authenticate identification. In the interest of  
4 being, you know, hyper-conservative, the manufacturer  
5 of the ID scanners designs it to be hyper-sensitive,  
6 so there is a false-positive rate, but the manager and  
7 supervisors in this instance, one of each responded.

8           They each rescanned the device and  
9 then together performed four more manual tests. They  
10 cross-checked the identification against the official  
11 ID checking guide. And it's the same ID checking  
12 guide the Pennsylvania State Police uses. They use an  
13 ultraviolet light to conform - to make sure that the  
14 ultraviolet images on the identification conform to  
15 the ID. They bent the ID to confirm it did not crease  
16 and they used a jeweler's loop to confirm that the ID  
17 was not printed on an inkjet.

18           Now, in addition to the manual test,  
19 tests on the identification, the security department  
20 is trained to perform observational tests of the  
21 person presenting the ID. Typically a minor  
22 presenting an ID will show some indication of  
23 nervousness or apprehension, particularly when they  
24 are advised explicitly that the identification is  
25 being taken to Pennsylvania State Police and if they

1 confirm that it is a fraudulent ID, you will be  
2 arrested.

3                   Finally, you know, Valley Forge takes  
4 advantage of the Pennsylvania State Police Office on  
5 property to actually run the ID - this was a  
6 Connecticut driver's license - and ask Pennsylvania  
7 State Police to run the ID against Connecticut DMV  
8 database to confirm whether or not it's a real ID from  
9 Connecticut.

10                   On the second entry, that check  
11 confirmed it was a fraudulent identification. And the  
12 kid was obviously removed from the floor.

13                   While we do not offer any of this as  
14 an excuse, we wanted to outline how important this is  
15 to us because we know how important it is to the  
16 Board. We hate that we are here on this issue, or any  
17 issue, in front of the Commission. Prior to this  
18 incident, we were - security department was quite  
19 proud that they had a streak of 407 days without an  
20 underage accessing the gaming floor and this incident  
21 broke that streak.

22                   And with that, we'll take any  
23 questions the Board has.

24                   CHAIRMAN: Are there questions or  
25 comments from the Board?

1                   MR. LOGAN: Just a comment. This is -  
2 and this is very difficult with technology, and I  
3 don't envy the position you're in but this is the  
4 sixth in four years. Just recognize that.

5                   CHAIRMAN: Hearing no further comments  
6 or questions, can I have a motion?

7                   MS. MANDERINO: Yes, Mr. Chairman. I  
8 move the Board approve the Consent Agreement between  
9 the OEC and Valley Forge Convention Center Partners,  
10 L.P. as described by the OEC.

11                   MS. REITZEL: Second.

12                   CHAIRMAN: All in favor?

13 AYES RESPOND

14                   CHAIRMAN: All opposed?

15 The motion's adopted.

16                   ATTORNEY FERRELL: The next matter  
17 involves a violation of the Act, Regulations and  
18 Valley Forge's approved internal controls regarding  
19 records retention and casino access at Valley Forge,  
20 as well as a failure to cooperate with the BIE.

21                   The BIE conducted various  
22 investigations in the procedures governing casino  
23 access at Valley Forge. The investigations focused on  
24 home shows held at Valley Forge in 2013, 2014 and 2016  
25 as well as mixed martial events held at Valley Forge

1 in 2014 and 2015.

2                   Regarding the home shows in September  
3 of 2013, January of 2014 and September of 2016, Valley  
4 Forge hosted home shows at its facility. All of the  
5 home shows were free to attend and open to the public.  
6 Attendees of the home shows were able to redeem a  
7 voucher from the event at the Valley services desk to  
8 receive a casino access pass.

9                   Valley Forge entered these events into  
10 its database which verified the number of vouchers -  
11 the casino access cards which can then be issued to  
12 attendees of each event. During the September of 2013  
13 home show, Valley Forge established a booth on the  
14 convention floor in which it distributed vouchers to  
15 patrons that could be redeemed for casino access  
16 cards.

17                   During the January 2014 and the  
18 September 2016 home shows, the home show organizer  
19 distributed the vouchers. BIE's investigation found  
20 that Valley Forge failed to maintain adequate records  
21 regarding these events which may have led to  
22 violations of the Act, the Board's Regulations and  
23 Valley Forge's internal controls related to the  
24 Category 3 access restrictions in place at the time of  
25 these events.

1 Further, BIE's investigation found  
2 that a mixed martial arts event held at Valley Forge  
3 in June of 2015 did not fully comply with the Act, the  
4 Board's Regulations and Valley Forge's internal  
5 controls related to the Category 3 casino access  
6 restrictions.

7 BIE's investigation determined that  
8 Valley Forge failed to keep adequate records of the  
9 event and could not determine if individuals who  
10 received the casino access pass tied to the event  
11 actually attended the event or paid consideration of  
12 more than \$10 for their ticket to the event.

13 During its investigation on June 8th,  
14 2016, BIE investigators contacted Valley Forge's  
15 Marketing Department staff and requested documents and  
16 correspondence related to its investigation. On June  
17 8th, 2016 Valley Forge's then Chief Marketing Officer,  
18 Jennifer Galley notified Valley Forge's current  
19 chairwoman of its Board of Directors, Barbara Evans,  
20 at BIE's request.

21 On June 8th, 2016 Ms. Evans responded  
22 and informed Ms. Galley that no information was to be  
23 given to BIE until she spoke with Valley Forge's  
24 counsel. Subsequently, Valley Forge forwarded 1,806  
25 documents to BIE. On July 5th, 2016 Ms. Galley

1 informed Ms. Evans that BIE requested additional  
2 documentation from Valley Forge. Ms. Evans responded  
3 and informed Ms. Galley that BIE investigators would  
4 have to sign in and would now have access to all of  
5 Valley Forge's offices.

6           Although BIE's request was not delayed  
7 and access was not limited, these actions were  
8 nonetheless inconsistent with the duty to cooperate  
9 stated under the Act. Consequently, Valley Forge  
10 violated the Act and the Board's regulations related  
11 to the requirement that all Licensees fully cooperate  
12 with BIE investigations.

13           Under the terms of the Consent  
14 Agreement, Valley Forge has paid to - agreed to pay a  
15 civil penalty of \$20,000 as well as the \$2,500  
16 administrative costs incurred by the agency.

17           CHAIRMAN: Comments from Valley Forge?

18           ATTORNEY FABIOUS: Sure, briefly.

19 Michael Fabius again for Valley Forge. On behalf of  
20 Valley Forge, I want to start by - Valley Forge  
21 concurs with the recitation of the facts by OEC. We  
22 also acknowledge that this is our third access related  
23 Consent in a lifetime of the property. In this  
24 instance in the - with respect to the boxing event the  
25 property tried to employ a - an alternative

1 contracting structure to help the event be more  
2 successful from a business perspective.

3           As a result of that structure - that  
4 new structure, procedures were not put in place to  
5 extend the access requirements to the promoter who was  
6 effectively selling - you know, selling tickets on  
7 consignment effectively as our agent and therefore  
8 there were not measures in place to discern whether or  
9 not the people were - you know, using those tickets  
10 had paid for them out of pocket or had been given a  
11 comp by the promoter. We don't have reason to believe  
12 that they were comp, but we acknowledge that the  
13 procedural gap was inadequate and that - and take  
14 responsibility for that.

15           With respect to the home show  
16 vouchers, you know, we've worked with - in light of  
17 the review with BIE - we worked with OEC and BIE to  
18 address each of the issues with the distribution of  
19 vouchers by third parties at the - at events like the  
20 home show. We developed a - remedial measures for  
21 each of them. They - we think they may be - they are  
22 now moot.

23           In light of the recent legislation, we  
24 are thankful that the legislature will allow  
25 facilities like Valley Forge to opt out of the access

1 requirements with payment of a fee and we can report,  
2 if it hasn't been reported, that Valley Forge has paid  
3 that fee and the access requirements are no longer  
4 enforced at Valley Forge.

5 I can say definitively in a way - and  
6 I'm not sure that I can ever definitively say - Valley  
7 Forge will never be in front of you - I can give that  
8 to you with absolute assurance.

9 CHAIRMAN: And he said it with a  
10 straight face.

11 ATTORNEY FABIUS: With that, I also  
12 just want to thank the professionalism of OEC and BIE.  
13 These access requirements are not always  
14 straightforward, they're unique both from the  
15 perspective of a casino and from the perspective of a  
16 resort.

17 They have always been - particularly  
18 because Valley Forge has been hit hard, and  
19 appropriately so, on access related issues before the  
20 - as long as I've been working, you know, working at  
21 Valley Forge in response to those, it's been front and  
22 center in every decision that they've made. How - how  
23 does this impact access? And, you know, it's been an  
24 important part of the culture of compliance. With  
25 that, I'll take any questions.

1                    CHAIRMAN: Any questions from the  
2 Board?

3                    MR. LOGAN: I have one, Mr. Chairman.  
4 So how many - and you may or may not be able to answer  
5 this. How many events has the convention center had  
6 that the casino has a booth?

7                    ATTORNEY FABIUS: When you - when you  
8 ask about the booth you're talking about certain - the  
9 booth -?

10                   MR. LOGAN: The casino being there to  
11 promote the casino.

12                   ATTORNEY FABIUS: It will - it will  
13 not happen going forward because that access component  
14 is no longer a part of our internal controls.

15                   MR. LOGAN: Okay.

16                   ATTORNEY FABIUS: The access  
17 historically - it depends on the nature of the event,  
18 whether or not there is a booth that is either  
19 operated by Valley Forge employees, by the host of the  
20 event or if there is use of another mechanism to issue  
21 the - you know, validate and distribute it. I don't  
22 know if we have the data -.

23                   MR. PEARSON: I don't know the exact -  
24 it's a very small percentage. Most of the events that  
25 happen in the event center are private functions or,

1 you know, has a very specific attendee - to it that's  
2 predetermined at the time. The home show is an  
3 example of something that is open to the general  
4 public, but the vast majority of our - I don't have  
5 the exact number but the vast majority are not or were  
6 not in that style.

7 ATTORNEY FABIUS: To your question,  
8 when we were working with - on the remedial measures  
9 for the voucher controls that are now moot. We looked  
10 at these types of events in different buckets, whether  
11 there is - and particularly the hardest bucket is this  
12 home show event where there is an open to the public -

13 MR. LOGAN: Sure.

14 ATTORNEY FABIUS: - no invite list.  
15 It's just having measures in place so that, again,  
16 there's a degree of control over the voucher  
17 distribution.

18 MR. LOGAN: Okay.

19 Thanks. That's it, Mr. Chairman.  
20 Thank you.

21 CHAIRMAN: Any other questions or  
22 comments from the Board? May I have a motion?

23 MS. REITZEL: Mr. Chairman, I move  
24 that the Board approve the Consent Agreement between  
25 OEC and Valley Forge as described by the OEC.

1                   MR. SANTONI: Second.

2                   CHAIRMAN: All in favor?

3 AYES RESPOND

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

6                   ATTORNEY FABIUS: Thank you very much.

7                   ATTORNEY FERRELL: Thank you.

8                   ATTORNEY PITRE: The next eight  
9 matters on the agenda consist of enforcement actions  
10 in which the OEC has filed complaints seeking the  
11 suspension of two Gaming Employee Occupation Permits  
12 and two Non-Gaming Registrations as well as the  
13 revocation of three Gaming Employee Occupation Permits  
14 and one Non-Gaming Registration which were issued -  
15 all issued by the Board.

16                   Each complaint has been filed with  
17 Board's OHA and properly served upon the person named  
18 in each complaint. The person named in each complaint  
19 failed to respond within 30 days as required by Board  
20 regulation. As a result, the OEC filed a request for  
21 Default Judgement and properly served the same upon  
22 each named individual.

23                   Therefore, the facts in each complaint  
24 are deemed admitted. All filed documents have been  
25 provided to the Board and the matters are presently

1 ripe for the Board's consideration. In each instance,  
2 we will provide a brief summary of the facts and  
3 request the appropriate Board action.

4 ATTORNEY FERRELL: The next matter for  
5 your consideration is a complaint to revoke Dennis  
6 Horner's Gaming Employee Occupation Permit. On July  
7 1st, 2017 while on a shift as a dealer at Valley Forge  
8 Mr. Horner played and paid dealer tip bets in  
9 violation of the Board's regulations pertaining to the  
10 acceptance of gratuities by dealers and prohibiting  
11 casino employees from placing wagers at the casino by  
12 which they are employed.

13 At this time, OEC requests that the  
14 Board issue an order revoking Mr. Horner's Gaming  
15 Employee Occupation Permit.

16 CHAIRMAN: Questions or comments from  
17 the Board? May I have a motion?

18 MR. SANTONI: Mr. Chairman, I move  
19 that the Board approve the revocation of Dennis  
20 Horner's Gaming Employee Occupation Permit as  
21 described by the OEC.

22 MR. JEWELL: Second.

23 CHAIRMAN: All in favor?

24 AYES RESPOND

25 CHAIRMAN: All opposed? The motion is

1 adopted.

2 ATTORNEY GABRIELLE: Ashley Gabrielle,  
3 OEC. I will address the next two matters. Next on  
4 the agenda for the Board's consideration is a  
5 complaint for the suspension of the Gaming Employee  
6 Permit issued to Edgardo Bonilla. Mr. Bonilla has  
7 been arrested three times in the last year for drug  
8 and alcohol related offenses.

9 On December 7th, 2016, he was arrested  
10 and charged with possession of a controlled substance  
11 by a person not registered and manufacture or  
12 possession, et cetera of a controlled substance. On  
13 April 19th, 2017 he was arrested and charged with  
14 driving under the influence, or DUI, at the high rate  
15 of alcohol. And on May 19th, 2017, he was arrested  
16 and charged with DUI at the highest rate of alcohol  
17 and DUI, general impairment, incapable of driving  
18 safely. The charges are pending.

19 At this time, OEC requests that the  
20 Board suspend the Gaming Employee Permit issued to  
21 Edgardo Bonilla.

22 CHAIRMAN: Questions or comments from  
23 the Board? Motion, please?

24 MR. JEWELL: Mr. Chairman, I move that  
25 the Board approve the suspension of Edgardo Bonilla's

1 Gaming License Occupation Permit - and I should say  
2 Gaming Employee Occupation Permit as described by the  
3 OEC.

4 MR. KERNODLE: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

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

9 ATTORNEY GABRIELLE: Next on the  
10 agenda for the Board's consideration is a complaint  
11 for the suspension of a Non-Gaming Employee  
12 Registration issued to Miles Davis.

13 On June 29th, 2017 police searched Mr.  
14 Davis's residence after receiving a tip about drug  
15 activity occurring there and found approximately four  
16 pounds of marijuana, a digital scale, plastic bags  
17 used for marijuana, cash, two 28-round extended  
18 magazines and a stolen handgun with a loaded magazine.

19 As a result, Mr. Davis was arrested  
20 and charged with manufacture, delivery or possession  
21 with intent to manufacture or deliver, which is a  
22 felony offense, possession of a controlled substance  
23 by a person not registered and receiving stolen  
24 property, which was also a felony offense. Mr.  
25 Davis's criminal matter is pending and Mr. Davis

1 previously pled guilty to a drug related offense on  
2 January 23rd, 2017.

3 At this time, the OEC requests that  
4 the Board suspend the Non-Gaming Employee Registration  
5 issued to Miles Davis.

6 CHAIRMAN: Thank you. Questions or  
7 comments from the Board? May I have a motion?

8 MR. KERNODLE: Mr. Chairman, I move  
9 that the Board approve the suspension of Miles Davis's  
10 Non-Gaming Employee Registration as described by the  
11 OEC.

12 MR. LOGAN: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

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

17 ATTORNEY HAKEN: Good afternoon,  
18 again. Tamara Haken, H-A-K-E-N, with the OEC. The  
19 next matter on the agenda for the Board's  
20 consideration is the suspension of the Gaming Employee  
21 Occupation Permit issued to Sean Anderson.

22 On September 2nd, 2016 Mr. Anderson  
23 was approved by the Board for his Gaming Employee  
24 Occupation Permit with a special condition that he  
25 must provide proof of continued payment toward his

1 outstanding child support balance of \$10,960 within  
2 six months of licensure. Mr. Anderson did not comply  
3 with the special condition, nor did he respond to  
4 inquiries made via phone and letter.

5 As a result, OEC requests that the  
6 Gaming Employee Occupation Permit issued to Mr.  
7 Anderson be suspended.

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

10 MR. LOGAN: Mr. Chairman, I move that  
11 the Board approve the suspension of Sean Anderson's  
12 Gaming Employee Occupation Permit as described by the  
13 OEC.

14 MS. MANDERINO: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed? The motion is  
18 adopted.

19 ATTORNEY HAKEN: The next matter on  
20 the agenda for the Board's consideration is the  
21 revocation of the Gaming Employee Occupation Permit  
22 issued to Joseph Duttine.

23 On May 6th, 2017 Mr. Duttine was  
24 observed removing chips from the rake and placing them  
25 in his tote box when the chips should have been placed

1 in the table's rack. Review of surveillance footage  
2 showed this occurred four times on May 6th and twice  
3 on May 1st. The total value of the stolen chips was  
4 \$30. When questioned regarding his actions, Mr.  
5 Duttine admitted to what he had done.

6 As a result, the OEC requests that the  
7 Gaming Employee Occupation Permit issued to Mr.  
8 Duttine be revoked.

9 CHAIRMAN: Questions or comments from  
10 the Board? May I have a motion?

11 MS. MANDERINO: Mr. Chairman, I move  
12 that the Board approve the revocation of Joseph  
13 Duttine's Gaming Employee Occupational Permit as  
14 described by the OEC.

15 MS. REITZEL: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

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

20 ATTORNEY HAKEN: The next matter on  
21 the agenda for the Board's consideration is the  
22 suspension of the Non-Gaming Employee Registration  
23 issued to Lorenzo Joseph Smith.

24 On July 3rd, 2017 Mr. Smith was  
25 charged with one felony three count of fleeing or

1 attempting to elude an officer, eight related  
2 misdemeanor counts and 14 related summary counts. All  
3 of the charges remain pending in the Lebanon County  
4 Court of Common Pleas.

5 As a result, OEC requests that the  
6 Non-Gaming Employee Registration issued to Lorenzo  
7 Smith be suspended.

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

10 MS. REITZEL: I move that the Board  
11 approve the suspension of Lorenzo Joseph Smith's  
12 Non-Gaming Employee Registration as described by the  
13 OEC.

14 MR. SANTONI: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

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

19 ATTORNEY ARMSTRONG: James Armstrong  
20 with the OEC, A-R-M-S-T-R-O-N-G. Next on the agenda  
21 for the Board's consideration is a complaint to revoke  
22 Terrell Larkin's Gaming Employee Permit for stealing a  
23 co-worker's cellphone at SugarHouse Casino while  
24 employed there as a security officer. Mr. Larkin was  
25 terminated from SugarHouse. He is not presently

1 employed within the Pennsylvania Gaming Industry.

2 Accordingly, the OEC requests the  
3 Board revoke Mr. Larkin's Gaming Employee Permit.

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

6 MR. SANTONI: Mr. Chairman, I move  
7 that the Board approve the revocation of Terrell  
8 Larkin's Gaming Employee Occupation Permit as  
9 described by the OEC.

10 MR. JEWELL: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

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

15 ATTORNEY ARMSTRONG: Thank you. Next  
16 on the agenda for the Board's consideration is a  
17 complaint to revoke Audrey Ryland's Non-Gaming  
18 Employee Registration for stealing from SugarHouse  
19 Casino while employed there as a cashier. Ms. Ryland  
20 was terminated by SugarHouse and is not currently  
21 employed in Pennsylvania's gaming industry.

22 Accordingly, the OEC requests that the  
23 Board revoke Ms. Ryland's Non-Gaming Employee  
24 Registration.

25 CHAIRMAN: Questions or comments from

1 the Board? May I have a motion?

2 MR. JEWELL: Mr. Chairman, I move that  
3 the Board approve the revocation of Audrey Ryland's  
4 Non-Gaming Employee Registration as described by the  
5 OEC.

6 MR. KERNODLE: Second.

7 CHAIRMAN: All in favor?

8 AYES RESPOND

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

11 ATTORNEY PITRE: The remaining matters  
12 on the agenda consist of enforcement actions in which  
13 the OEC has filed petitions seeking the involuntary  
14 exclusion of individuals whose presence in a licensed  
15 facility are inimical to the interests of the  
16 Commonwealth and/or licensed gaming therein.

17 In each instance, the petition for  
18 exclusion has been filed with the Board's OHA and  
19 properly served upon the individual named in the  
20 petition. The individual named in the petition failed  
21 to respond within 30 days which is required by Board  
22 regulation.

23 As a result, the OEC filed a Request  
24 for Default Judgement in each instance and properly  
25 served the same upon each named individual.

1 Therefore, all facts in each petition are deemed  
2 admitted. All filed documents have been provided to  
3 the Board and the matters are presently ripe for the  
4 Board's consideration. In each instance, if the Board  
5 orders the proposed exclusion, each individual's  
6 photo, personal identifiers and a summary of the  
7 inimical conduct will be placed on the Board's public  
8 website.

9                   The next matter on the agenda involves  
10 a Mr. Joseph Skladzien. He contacted the OHA this  
11 morning and requested that he be heard. As a result,  
12 a hearing will be scheduled in that matter. So I'd  
13 ask that the Board not take that matter up today.

14                   CHAIRMAN: Thank you.

15                   ATTORNEY PITRE: And we'd move on to  
16 Mr. Naheem Koran Bey.

17                   ATTORNEY ARMSTRONG: Commissioners,  
18 next on the agenda for the Board's consideration is a  
19 request to place Naheem Bey on the Exclusion List as a  
20 result of his arrest for robbery. Mr. Bey allegedly  
21 robbed a patron from SugarHouse casino at knifepoint  
22 in the parking lot of the casino. The charges remain  
23 pending and he is currently scheduled for trial on  
24 February 5th, 2018.

25                   Accordingly, the OEC requests the

1 Board place Mr. Bey on the Board's Involuntary  
2 Exclusion List.

3 CHAIRMAN: Questions or comments from  
4 the Board? May I have a motion?

5 MR. LOGAN: Mr. Chairman, I move that  
6 the Board approve the addition of Naheem Koran Bey to  
7 the PGCB Involuntary Exclusion List as described by  
8 the OEC.

9 MS. MANDERINO: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

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

14 ATTORNEY ARMSTRONG: Thank you. Next  
15 on the agenda for the Board's consideration is the  
16 request to place Tanille Barham on the Exclusion List  
17 as a result of Ms. Barham leaving her four children,  
18 ages one to nine years old, unattended in her vehicle  
19 in the parking lot at SugarHouse Casino while she was  
20 in the casino for approximately one hour participating  
21 in gaming activities.

22 Accordingly, OEC requests the Board  
23 place Ms. Barham on the Board's Involuntary Exclusion  
24 List.

25 CHAIRMAN: Questions or comments from

1 the Board? May I have a motion?

2 MS. MANDERINO: Mr. Chairman, I move  
3 the Board approve the addition of Tanille Barham to  
4 the PGCB Involuntary Exclusion List as described by  
5 the OEC.

6 MS. REITZEL: Second.

7 CHAIRMAN: All in favor?

8 AYES RESPOND

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

11 ATTORNEY ARMSTRONG: Thank you. Next  
12 on the agenda for the Board's consideration is the  
13 request to place Joshua Bland on the Exclusion List as  
14 a result of Mr. Bland leaving his four children, ages  
15 one to nine years old, unattended in his vehicle in  
16 the parking lot of SugarHouse Casino while he was in  
17 the casino for approximately one hour participating in  
18 gaming activities.

19 Accordingly, OEC requests that the  
20 Board place Mr. Bland on the Board's Involuntary  
21 Exclusion List.

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

24 MS. REITZEL: Mr. Chairman, I move  
25 that the Board approve the addition of Joshua Bland to

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

3 MR. SANTONI: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

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

8 ATTORNEY ARMSTRONG: Thank you.

9 ATTORNEY GABRIELLE: Ashley Gabrielle,  
10 OEC. I will address the next two matters. Next on  
11 the agenda for the Board's consideration is a petition  
12 for the placement of Jesus Bazan on the Exclusion  
13 List.

14 On August 3rd, 2016 Mr. Bazan stole a  
15 vehicle from the Parx Casino parking lot but was not  
16 apprehended. On March 27th, 2017 Mr. Bazan pulled the  
17 door handles of patrons' cars while in the Parx Casino  
18 parking lot until he was able to open the doors to two  
19 vehicles, removed a bag that was inside one of the  
20 vehicles and exited the property with it.

21 As a result, Mr. Bazan was arrested  
22 and charged with theft by unlawful taking movable  
23 property, receiving stolen property, unauthorized use  
24 of motor - or other vehicles, theft from a motor  
25 vehicle, conspiracy to commit theft from a motor

1 vehicle and institutional vandalism. The charges are  
2 still pending.

3 At this time, the OEC requests the  
4 Board place Jesus Bazan on the Exclusion List.

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

7 MR. SANTONI: Mr. Chairman, I move  
8 that the Board approve the addition of Jesus Bazan to  
9 the PGCB Involuntary Exclusion List as described by  
10 the OEC.

11 MR. JEWELL: Second.

12 CHAIRMAN: All in favor?

13 AYES RESPOND

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

16 ATTORNEY GABRIELLE: Next on the  
17 agenda for the Board's consideration is a petition for  
18 the placement of Vincent Lawrence on the Exclusion  
19 List.

20 On or around November 22nd, 2016 Mr.  
21 Lawrence pinched a \$150 wager while playing Blackjack  
22 at Harrah's Philadelphia. On May 8th, 2017 Mr.  
23 Lawrence pled guilty to one count of theft by unlawful  
24 taking movable property as a result of his illegal bet  
25 pinch.

1                   At this time, the OEC requests the  
2 Board place Vincent Lawrence on the Exclusion List.

3                   CHAIRMAN: Questions or comments from  
4 the Board? May I have a motion?

5                   MR. JEWELL: Mr. Chairman, I move that  
6 the Board approve the addition of Vincent Lawrence to  
7 the PGCB Involuntary Exclusion List as described by  
8 the OEC.

9                   MS. MANDERINO: Second.

10                  CHAIRMAN: All in favor?

11 AYES RESPOND

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

14                  ATTORNEY FERRELL: The next matter for  
15 your consideration is a petition to place Sarah  
16 Chavious-Hicks on the Board's Involuntary Exclusion  
17 List.

18                         On May 25th, 2017 Ms. Chavious-Hicks  
19 cheated by pinching and capping wagers while playing  
20 Four Card Poker at Harrah's Philadelphia. Ms.  
21 Chavious-Hicks was charged with one count each of use  
22 of a cheating device, theft by unlawful taking and  
23 theft by deception. Additionally on March 30th, 2016  
24 Ms. Chavious-Hicks was involved in a cellphone theft  
25 at SugarHouse Casino. No charges were filed against

1 Ms. Chavious-Hicks from that incident.

2                   Finally on September 26th of 2012, Ms.  
3 Chavious-Hicks took a \$50 chip from another patron and  
4 subsequently made restitution. At this time, the OEC  
5 requests that the Board issue an Order placing Sarah  
6 Chavious-Hicks on the Involuntary Exclusion List.

7                   CHAIRMAN: Questions or comments from  
8 the Board? Is there a motion?

9                   MS. MANDERINO: Mr. Chairman, I move  
10 the Board approve the addition of Sarah  
11 Chavious-Hicks to the PGCB Involuntary Exclusion List  
12 as described by the OEC.

13                   MS. REITZEL: Second.

14                   CHAIRMAN: All in favor?

15 AYES RESPOND

16                   CHAIRMAN: All opposed? Motion's  
17 adopted.

18                   ATTORNEY FERRELL: The following two  
19 matters regarding petitions to place Robert McFadden  
20 and Jazzlin Porter on the Involuntary Exclusion List  
21 share the same fact pattern.

22                   On August 25th, 2017 Mr. McFadden and  
23 Jazzlin Porter stole a purse and an iPhone from a  
24 parked vehicle at Parx Casino. Both were arrested and  
25 charged with one count each of conspiracy, receiving

1 stolen property and theft from a motor vehicle.

2 At this time, OEC requests that the  
3 Board issue an Order placing Robert McFadden on the  
4 Involuntary Exclusion List.

5 CHAIRMAN: Questions or comments from  
6 the Board? Is there a motion?

7 MS. REITZEL: Mr. Chairman, I move  
8 that the Board approve the addition of Robert McFadden  
9 to the PGCB Involuntary Exclusion List as described by  
10 the OEC.

11 MR. SANTONI: Second.

12 CHAIRMAN: All in favor?

13 AYES RESPOND

14 CHAIRMAN: All opposed? The motion is  
15 adopted.

16 ATTORNEY FERRELL: At this time, OEC  
17 requests that the Board issue an Order placing Jazzlin  
18 Porter on the Involuntary Exclusion List.

19 CHAIRMAN: Questions or comments from  
20 the Board? May I have a motion?

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

25 MR. JEWELL: Second.

1                    CHAIRMAN: All in favor?

2 AYES RESPOND

3                    CHAIRMAN: Opposed? The motion is  
4 adopted.

5                    ATTORNEY PITRE: Thank you. That  
6 concludes our business.

7                    CHAIRMAN: Thank you. Next we have a  
8 scheduled public comment period. As I understand, we  
9 do not have anybody registered to speak today. So is  
10 there anyone in the audience who wishes to make public  
11 comment at this time?

12                    Hearing none, that concludes today's  
13 meeting. Our next scheduled public session will be  
14 held on Wednesday January 10th. The meeting will  
15 occur at 10 o'clock in this room. May I have a motion  
16 to adjourn the meeting?

17                    MR. JEWELL: Move the meeting be  
18 adjourned, Mr. Chairman.

19                    MR. KERNODLE: Second.

20                    CHAIRMAN: All in favor?

21 AYES RESPOND

22                    CHAIRMAN: All opposed? The meeting  
23 is adjourned.

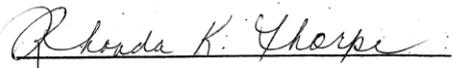
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25                    MEETING CONCLUDED AT 1:20 P.M.

\* \* \* \* \*

CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Barasch was reported by me on 12/13/2017 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

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