



**HOLLYWOOD** *Casino*  
at PENN NATIONAL RACE COURSE

June 17, 2011

**Sent via Certified Mail**

Ms. Susan Yocum  
Director of Regulatory Compliance  
Pennsylvania Gaming Control Board  
303 Walnut Street, Strawberry Square  
5<sup>th</sup> Floor Verizon Tower  
Harrisburg, PA 17101

**Re: Mountainview Thoroughbred Racing Association, d/b/a Hollywood Casino at Penn National Race Course, Comments on Proposed Rulemaking Regulation No. 125-145.**

Dear Ms. Yocum;

Mountainview Thoroughbred Racing Association, d/b/a Hollywood Casino at Penn National Race Course ("HCPN"), respectfully offers these comments to the Pennsylvania Gaming Control Board's ("Board") Proposed Regulations No. 125-145. HCPN thanks the Board for the opportunity to share our experience with the Board. In crafting final table game regulations, the Board should strive to create a regulatory framework which allows each operator sufficient flexibility to efficiently and profitably manage their operation. Based on this philosophy, HCPN offers the following comments and suggestions.

**§ 465a.9. Surveillance system; surveillance department control; surveillance department restrictions.**

The proposed regulation §465a.9(e)(10) requires the surveillance department to continuously record the operations conducted at automated bill breaker machines, automated gaming voucher and coupon redemption machines, automated jackpot payout machines and automated teller machines (ATM's), and includes a provision that coverage shall include a camera contained within the machine that records the face of each patron transacting business at the machine. Currently, the operations conducted at these machines are continuously recorded by the existing surveillance camera network.

Complying with this proposed regulation would require significant capital investment on the part of HCPN. Currently, HCPN operates fifteen ticket redemption/bill breaking machines (TRU's) and six automated jackpot payout machines (Jackpot Kiosks). HCPN feels that the proposed regulation fails to consider the considerable expense to purchase and install the newly required cameras, including the cost of wiring ground level cameras into the existing system, and the cost of maintaining the additional footage on the surveillance server. In addition, HCPN does not own the fifteen ATM units located on the gaming floor. As such, HCPN will be forced to rely on an outside entity to maintain the functionality of the cameras in these units, possibly

subjecting HCPN to a violation of the regulations if the vendor fails to rectify a technical problem.

To date, HCPN has experienced no problems with identifying patrons through the existing surveillance camera network. HCPN does not feel that the benefit of the proposed regulation outweighs the significant cost expenditure to the operators. As such, HCPN proposes that the provision contained in 465a.9(e)(10) requiring coverage to include a camera contained within the machine be stricken in its entirety from the proposed section.

### **§ 465a.23. Customer deposits.**

The proposed regulation §465a.23(c)(2) requires that customer deposits be withdrawn by the patron at the cage or upon receipt of a written request for withdrawal. HCPN proposes that this section be amended to also permit a patron to withdraw customer deposits at a table game, using a procedure identical to established counter check procedures currently permitted<sup>1</sup>.

In HCPN's experience, table game players may wish to withdraw their deposits directly at the gaming table, instead of being required to leave the table and visit the cage. Since credit players are permitted to obtain a marker directly at the table, HCPN sees no policy reason that deposit withdrawals cannot be performed directly at the table as well. From a practical standpoint, customer deposit withdrawals at a table are administered identically to counter check transactions, except that the patron is reducing the amount of his previous deposit instead of reducing his amount of available credit. This customer service enhancement will allow Pennsylvania patrons to enjoy the same services that are readily available in neighboring jurisdictions.

### **§ 465a.35. Personnel assigned to the operation and conduct of table games.**

The proposed regulations §465a.35(a)(1) and §465a.35(b)(1) require certificate holders to employ one pit clerk whenever table games are being operated. Although §465a.35(h) permits a certificate holder to request an Alternate Minimum Staffing plan, HCPN proposes that sections (a) and (b) be amended to remove all references to the pit clerk position.

HCPN strongly believes that the pit clerk is an unnecessary position. Ten to twenty years ago, the pit clerk was a vital component of a table game operation. However, with the proliferation of player rating and casino management technology, all historical functions of the pit clerk have been successfully integrated into other positions. For example, HCPN's player rating software allows a Floorperson to instantly electronically open and close a player rating, as opposed to a pit clerk manually entering the information into the system after the fact. In addition, HCPN's system allows a Floorperson to instantly electronically request a marker, table fill, or table credit

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<sup>1</sup> This practice is currently permitted in New Jersey. *"The [employee] shall ascertain, from the cashiers' cage, the amount of the patron deposit available and request the amount the patron wishes to use against this balance. The [employee] shall prepare a Counter Check [citations omitted] with the exception that the words "Customer Deposit Withdrawal" shall be recorded on the Counter Check in place of the name of the patron's bank."* N.J.A.C. 19:45-1.24(j)(1).

at the table, as opposed to a Floorperson communicating these requests to a pit clerk, who would then manually enter the requests at their workstation.

HCPN is not suggesting that operators be prohibited from using a pit clerk if they so desire. However, HCPN is suggesting that the position be removed from the list of mandatory positions, as requiring a pit clerk provides no added efficiency or integrity to the operation. Nothing in the regulations prohibits an operator from utilizing additional positions above the requirements. As such, any operator would be free to continue to employ a pit clerk at their discretion.

In addition, the proposed regulation §465a.35(c)(1) requires certificate holders to utilize one Floorperson for every four banking table games. Although §465a.35(h) permits a certificate holder to request an Alternate Minimum Staffing plan, HCPN proposes that section (c)(1) be amended to allow a Floorperson to supervise six banking table games.

HCPN agrees with the Board that direct table supervision is of paramount importance. As such, it is in each operator's best interest to ensure sufficient supervision of table games. However, HCPN feels that by requiring one Floorperson for every four banking table games, the Board is restricting an operator's ability to efficiently and economically staff the gaming floor. Due to the Board's licensing requirements, the Bureau of Licensing conducts stringent background investigations into the experience of any potential Floorperson. As such, HCPN believes each licensed Floorperson is proficient enough to effectively supervise up to six banking table games, as is common practice in many other jurisdictions.

Again, HCPN is not suggesting that an operator cannot assign one supervisor for every four table games. If an operator feels that circumstances warrant one Floorperson for every four tables, they would be free to staff as such. The Board does not appear to be opposed to allowing alternate staffing requirements, as evidenced by the approval of prior Alternate Staffing Plans. The Board should, therefore, grant operators staffing flexibility by incorporating the alternate staffing levels into the final regulations, as opposed to requiring an operator to continually seek permission for such requests.

#### **§ 465a.36. Table inventories.**

The proposed regulation §465a.36(c) requires a Table Inventory Slip (TIS) be completed on a table that is not open for gaming activity at least once per gaming day. HCPN proposes that this provision be stricken in its entirety from this section.

In its summary of the proposed regulation, the Board states that:

*"Table inventory slips are necessary and important since the opening and closing inventory paperwork is used to calculate gross table game revenue. For audit purposes, a table inventory slip is required to be completed once each gaming day, irrespective of whether the table was open for gaming, since all table game drop boxes, which contain a copy of the table inventory slip, are collected each gaming day."*

HCPN agrees with the Board that the TIS is a necessary and important document. However, HCPN believes that requiring a TIS to be completed on a table that was not opened during the

gaming day adds no security or integrity to the audit process. Furthermore, HCPN contends that this requirement would be an inefficient use of HCPN's staff, and would actually create increased opportunity for fraud and/or error.

Currently, table game drop boxes that are removed from tables that were not open for gaming are completely empty. Since every table that is opened for gaming must drop a TIS, an empty drop box (containing no currency, TIS, or other table documentation) signifies that the table was not open for gaming during that particular day. There is no "opening" or "closing" inventory, because the table was not open for gaming; the table inventory is simply carried forward to the next gaming day, and there are no revenue or tax implications for the operator. This practice is standard operating procedure within the gaming industry.

The Board's proposal, however, would require HCPN to complete a TIS for each table, even if the table was not opened for gaming. In order to do so, HCPN would be required to assign a dealer, Floorperson, and Pit Manager to traverse the casino at the end of the gaming day to visit all tables which were not opened during the prior day (an unopened craps table would actually require three dealers, as opposed to one). After arriving at each table, the Pit Manager would need to unlock the table inventory, at which point the dealer would be required to remove all value cheques from the inventory to verify the total. The dealer and Floorperson would then sign the opener TIS, and drop it into the Drop Box. The Floorperson would then need to complete a new TIS, which would again be signed by the dealer and Floorperson. The dealer would then drop the closer TIS into the drop box, and place the new opener into the table inventory. The Pit Manager would then need to lock the table inventory, and the team would move to the next table.

HCPN feels this process is extremely inefficient, and provides no added security, especially when the Board considers that all table inventories on closed tables are locked and under constant surveillance coverage. In fact, this requirement actually reduces security, as HCPN would be forced to unlock table inventories for the sole reason of completing an unnecessary TIS. In addition to decreasing security, this procedure also increases the risk of human error, as it mandates the creation of additional TIS slips that are subject to transposition, miscalculation, and other errors.

#### **§ 465a.39. Procedures for removing value chips, coins and plaques from gaming tables.**

HCPN seeks further clarification throughout this section regarding the procedures to be used when an operator utilizes an electronic system for generating table credits.

For example, the proposed regulation §465a.39(e) states that "Notwithstanding the requirements of subsections (a) - (d), a request for a credit may be prepared electronically if ... *a Credit Slip is generated in the chip bank as a direct result of the input*" (emphasis added). However, the regulation fails to recognize that if a table credit is generated using an electronic system, a "Credit Request Slip" is never prepared, and as such cannot remain on the table as required in section (c). Furthermore, the regulation fails to account for the fact that without a "Credit Request Slip", there is no documentation at the table at the time the chips are removed by Security, as section (l) states that the Credit Slip is not delivered to the table until the *after* the chips have been verified at the Chip Bank. This creates a procedure in which Security would

take possession of chips from the table game, and transport the chips to the cage, without any audit trail or signature requirements.

HCPN requests that the Board amend this section to further clarify the procedures necessary when using an electronic system to generate table credits.

In addition, the proposed regulation §465a.39(h)(1) states that when a Credit Slip is prepared manually, “Each series of Credit Slips *must* be a three-part form and shall be inserted in a locked dispenser...”(emphasis added). HCPN proposes that this language be amended to allow an operator the flexibility to use a four-part form if they so desire.

With a three-part manual form, the drop box copy ultimately ends up inside a table game drop box, the accounting copy ends up in a locked accounting box, and the chip bank copy remains locked (and inaccessible) inside the locked dispenser. As such, the chip bank does not have access to a copy that they can use to audit or balance their inventory. As a comparison, when an electronically generated Credit Slip is used, the chip bank copy is not locked inside a dispenser, and can therefore be used by the chip bank for these purposes. With the current language, an operator could not use a four-part form for added security, as the regulation mandates a three-part form.

HCPN would like to point to a similar concern with §465a.38(h)(1), which mandates that a three-part form *must* be used for a manual table game Fill Slip. As such, HCPN proposes that this language be amended to allow an operator to use a four-part form for manual Fill Slips and Credit Slips.

#### **§467a.1. Gaming Floor Plan.**

The proposed regulation §467a.1(c) requires that “Requests for all other changes to the gaming floor, *including the type of table games*, must be submitted in writing and will be considered for approval by the Board's Executive Director” (emphasis added). HCPN proposes that changes to the type of table game, which will not alter the “footprint” of the gaming floor, be submitted to and approved by the onsite PGCB Casino Compliance Supervisor at each facility.

In several gaming jurisdictions, including New Jersey<sup>2</sup>, the highest ranking regulatory representative on-site is delegated authority to approve changes in the type of table game offered on a specific table. Allowing operators the flexibility to switch game types on short notice gives casino management the flexibility to alter game mix to maximize casino and Commonwealth revenue. HCPN appreciates the speed and diligence the Board demonstrates in considering and approving such requests. However, the cumbersome nature of the required submission can significantly delay the process, whereby an operator is left with a gaming floor that is not maximizing revenue or meeting customer demand. HCPN believes an operator should have the capability to change the type of table game offered on a specific table at their discretion, without the lengthy formal approval process required for an actual floor plan change. For such a game switch, the operator is not increasing or decreasing the number of table games on the floor, or even moving the physical location of the actual table; rather, the operator is simply performing a

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<sup>2</sup> See N.J.A.C. 19:34-7.4 and 19:34-7.7.

“layout change” to switch a game from Blackjack to Three Card Poker, for example. Currently, the onsite Casino Compliance Supervisor can authorize a layout change when a new side wager is approved, such as switching a Pai Gow Poker table to a Fortune Pai Gow Poker table. HCPN believes that switching the type of game offered is an analogous change. As such, HCPN proposes that the Board add a provision to this section allowing an operator to change a table game type to another approved game type by giving the onsite Casino Compliance Supervisor 48-hour written notice of the proposed change. Within this 48-hour window, the Casino Compliance Supervisor will have the opportunity to verify that the property is currently approved to offer the proposed game (including approved signage, rules submission, and gaming guides), and that surveillance coverage remains adequate. The Casino Compliance Supervisor would then issue a written approval, and communicate the changes to the Bureau of Gaming Operations.

Again, HCPN thanks the Board for the chance to share our input into this process. HCPN views table games as an extraordinary opportunity to maximize tax revenue collection for the Commonwealth. In order to do so, HCPN urges the Board to use this opportunity to create a flexible regulatory framework for the operators, allowing each operator to efficiently and effectively generate additional revenue for themselves and the Commonwealth.

Sincerely yours,



Zachary Zarnoch  
Compliance Manager

cc:

F. Quigley, Vice President/General Manager  
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