

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt; Anmarie Kaiser; Keith R.
McCall; Anthony C. Moscato; David W. Woods;
Richard G. Jewell, Members, Jennifer Langan
Representing State Treasurer's Office;
Robert Coyne Representing Secretary of
Revenue Eileen McNulty; Jorge Augusto
Representing Secretary of Agriculture,
Russell Redding

MEETING: Wednesday, June 10, 2015, 10:01 a.m.

LOCATION: Pennsylvania Gaming Control Board
Strawberry Square
Second Floor
Harrisburg, PA 17101

WITNESSES: Mr. Sprague, Brian Schroeder, Matt Conner,
N. Lynn Hughes, Michael Kelon, Rich Laudon

Reporter: Derrick Ferree

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CHAIRMAN:

Good morning, ladies and gentleman. My name is Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would like to ask everyone to please turn off or at least put on silent your cell phones and other electronic devices. Thank you very much. With us today is Jorge Augusto representing Russell Redding, Secretary for the Department of Agriculture. Jennifer Langan from the State Treasurer's Office and Robert Coyne representing the Secretary for the Department of Revenue, Eileen McNulty. Thanks to the three of you for being here. All members of the Board are present and I will therefore call today's meeting to order. First I would ask everyone to please stand for the Pledge of Allegiance.

PLEDGE OF ALLIEGANCE RECITED

CHAIRMAN:

Thank you very much. First announcements. The Board held an Executive Session yesterday June 9th for the purpose of discussing personnel matters and to conduct quasi-judicial deliberations relating to matters being considered by

1 the Board today.

2 Additionally, I would like to announce
3 that the Board will be holding a casino license
4 renewal hearing on Thursday, July 9th at 10:00 a.m. to
5 gather evidence including public comment on the
6 renewal of the casino license for HSP Gaming, LP,
7 operator of the SugarHouse Casino. The hearing will
8 be held at the Pennsylvania Convention Center located
9 at 1101 Arch Street in Philadelphia, Pennsylvania in
10 Room 115A. Citizens, community groups and elected
11 officials wishing to present testimony, which will
12 become part of the evidentiary record in this matter
13 can now register to speak at this hearing by clicking
14 special links on the quick links section of the
15 homepage on the PGCB website
16 www.gamingcontrolboard.pa.gov. The deadline for
17 registration to speak at this hearing is noon on
18 Tuesday, July 7th. The person seeking to provide
19 written comments can mail them with a postmark dated
20 no later than Tuesday, July 7th to the PA Gaming
21 Control Board, P.O. Box 69060, Harrisburg, PA 17106.
22 Attention Board Clerk. Comments can also be faxed
23 prior to that deadline to 717-265-7416 or emailed to
24 boardclerk@pa.gov.

25 And finally, although he was with us

1 last week in Southwest Pennsylvania for two Public
2 Input Hearings, it's my pleasure to formally introduce
3 and welcome our newest Board Member, Dick Jewell to
4 his first Board meeting. Welcome Dick.

5 MR. JEWELL:

6 Thank you, Mr. Chairman.

7 CHAIRMAN:

8 It's great to have you here. We all
9 enjoy --- will enjoy, of course, working with you.
10 And now ladies and gentlemen, before we begin, the
11 Board would like to take the opportunity to recognize
12 the service of one of our members who is leaving.
13 John, could you please step forward? Good morning,
14 John.

15 MR. MCNALLY:

16 Good morning.

17 CHAIRMAN:

18 John McNally was appointed to the Board
19 in February 2013 and though his tenure was relatively
20 brief, it occurred during a very important time in
21 this Board's history. The rest of us were able to
22 take advantage of John's great skills as a lawyer as
23 well as his practical and common sense approach to
24 every issue we confronted. And as a bonus, we got to
25 enjoy John's quick wit and great sense of humor.

1 John, two years and change is just too short and all
2 of us on the Board will miss you, but you can be proud
3 of your contribution to the cause of good government
4 here in Pennsylvania. It was my privilege to work
5 with you. I will now open the floor to my colleagues
6 for any comments you would care to make. Annmarie?

7 MS. KAISER:

8 Okay. I'll start. I've had the
9 pleasure of knowing John for many years. We have a
10 lot of friends in common, we live in the same
11 neighborhood. So I knew John before he became
12 Commissioner but it's really been an honor serving
13 with you as Commissioner. We had offices next door to
14 each other. The time has been very memorable. You're
15 a very bright attorney, but your greatest qualities
16 are really how you're kind to every single person you
17 encounter and you take the time to talk to people and
18 take the time to listen and your character and your
19 ethics are just above reproach. So, I will miss
20 having an office next door to you, but I know that I
21 will certainly see you around our neighborhood.

22 MR. MCNALLY:

23 You will.

24 MR. MOSCATO:

25 Are we going down the line, Mr.

1 Chairman?

2 CHAIRMAN:

3 Sure. We'll do it any way you want,
4 Tony.

5 MR. MOSCATO:

6 Boy, girl, boy, girl.

7 MR. FAJT:

8 Thanks. I've been called worse, Tony,
9 I'll tell you that.

10 MR. MOSCATO:

11 John, you know, I was going to write up
12 something really grandiose but I didn't. So I'm going
13 to wing it, which frightens everybody when I do this,
14 but honestly I knew you from State Committee when you
15 were sitting up on the dais you looked so staid, you
16 know, and then I got to meet you and your persona on
17 the dais at State Committee is nothing like your true
18 persona. You're a wonderful, caring, warm individual
19 whose perspective I believe on life is exactly what it
20 should be and that's family first and I have enjoyed
21 our brief two years together. I've enjoyed your
22 thoughtful, deliberative process and your counsel and
23 not everybody gets all my Godfather quotes and you
24 always did. So now I think you're going to go learn
25 the casino business to quote the Godfather, but

1 honestly I'm going to miss you and like Annmarie, I'm
2 sure we'll see each other around. Take care.

3 MR. FAJT:

4 John, you and I didn't know each other
5 well before you came on the Board, had some chance
6 meetings over the last couple years, but I have to
7 tell you, I also really enjoyed my time with you.
8 Your integrity, your legal knowledge, that you always
9 were able to cut to the chase in our Executive
10 Sessions and even in our public sessions, on legal
11 issues and as Annmarie said, your kindness to
12 everybody that you met really it was a role model for
13 me and our staff. I also enjoyed our time at the
14 Pirate games and John and I have a favorite non-Pirate
15 player. I use that term loosely Anthony Rizzo, which
16 is a whole other story but every time I see him come
17 up to the batters box for the Cubs, I think of you and
18 your son, Joe and so I have great memories and as I
19 said to you a couple of weeks ago, this will not be
20 the end of our friendship. So congratulations and
21 we're going to miss you.

22 MR. MCCALL:

23 Thank you, Mr. Chairman. John, it's
24 really with great regret that we have to bid you
25 farewell and I want you to know that that is just

1 farewell not goodbye and I think, you know, in working
2 with you and I know I think I echo the sentiments of
3 the staff as well, that you were truly an asset to
4 this Board. And again, you know, we are fairly new
5 friends but your counsel, your demeanor, your level-
6 headedness, your approach to this job was really noted
7 by me and I think the rest of the Board and
8 appreciated by all of us for the outstanding work that
9 you did and the counsel that you offered, you know, as
10 we deliberated, you know, a Category 2 License in
11 Philadelphia and you were always on point with your
12 counsel to us. So I not only consider you a
13 colleague, I consider you a good friend and I just
14 hope you remember those little five o'clock meetings
15 we had with Tony and some of the other Board members
16 downtown. That invite will always be there on Board
17 meeting weeks and we hope to see you then. My wishes
18 to you are that you live well and that you have a very
19 prosperous future. All the best to you, John. I
20 appreciate your time here.

21 MR. WOODS:

22 Thank you, Mr. Chairman. John, you
23 always said a lot with very few words and I'm going to
24 try to do the same. I want to congratulate you on a
25 job well done. I know that you serve the House

1 Republican Caucus office well as your appointee and I
2 know as a Board member here how you deliberated on
3 each issue and as one who sat in this end seat and I'm
4 now sitting in your seat, which I feel badly about,
5 but being next to you, watching when you decided
6 something was important how you drew a line down the
7 middle of a yellow pad, and put things on the left
8 side and things on the right side. I knew what was
9 going through your mind at those times and I very much
10 appreciated your input time and time again on issues.
11 So congratulations. Enjoy your family. I know that,
12 you know, your love of public service will continue
13 having served your party, having run for office,
14 having served on this Board and I know that you will
15 be doing much more in the future and I'm glad you're
16 from Harrisburg because we'll have lots of
17 opportunities to see you. Again, congratulations.

18 MR. JEWELL:

19 And we have not met. However in my
20 short time in the last week and a half and before that
21 during the process, it was clear the affection and
22 respect that your colleagues have for you and that
23 they've expressed today. I look forward to serving
24 and I look forward to serving up to your standards of
25 service and your integrity. So congratulations to

1 you, sir.

2 MR. MCNALLY:

3 Thank you.

4 CHAIRMAN:

5 John, would you like to respond in any
6 way?

7 MR. MCNALLY:

8 I'd like to respond in a lot of ways but
9 that would be inappropriate. I had a tougher time
10 sleeping last night than I did on the night before my
11 first Board meeting because this is not a goodbye as
12 Keith said. This is just a farewell for now. It has
13 been an honor and a pleasure two years and change, two
14 years, but I'll never change. You can count on that.

15 Over the past two years in getting to
16 know each and every one of you has made me a better
17 husband, a better father, better brother, a better
18 citizen and I feel quite confident in stating that we
19 didn't agree on every decision, but we had a
20 respectful discourse and I think --- I have no doubt
21 on every issue because there were no easy decisions.
22 Some were easier than others, but the bottom line
23 there are no easy decisions made by this Board and so
24 we reached an agreement. I have no doubt that we at
25 all times had the best interest of the Commonwealth

1 and the best interest of the industry and balanced
2 that very well. So I leave this Board knowing that
3 the folks at the Commonwealth are very well served.
4 The industry is very well served.

5 I look forward to working with each of
6 you, but I would be remiss in not thanking God who led
7 me to all of you and guides my every day, my family,
8 Sam Smith and I want to thank what I'll refer to as
9 the eighth Commissioner and it's not Doug Harbach.
10 The eighth Commissioner is the over 300 professionals
11 that we work for. I mean, as a Commissioner, whenever
12 I sat up there, whatever decision I made, it was not
13 necessarily what would Jim Ginty do, which always was
14 in the back of my mind, but how hard the 300 plus
15 professionals worked to build this industry to get us
16 to where we're at, knowing that we were one bad
17 decision away from putting us back to where perhaps we
18 came from. It's been an honor to meet the 300
19 professionals, many of whom are my neighbors and I can
20 tell you seeing them in church, seeing them on the
21 ballfields, we have a good group here.

22 So I am very, very confident that, Dick,
23 you will have a wonderful experience with this group,
24 as did I. I will be around in town so you can count
25 on me being around. So again, thank you very much for

1 the opportunity to get to know all of you better.
2 Thank you very much to all of the staff people and
3 let's have some fun. Thank you.

4 CHAIRMAN:

5 John, we can't let you go yet without
6 the Resolution. So if I maybe give it a few minutes,
7 I will read the Pennsylvania Gaming Control Board
8 resolution. Whereas, John J. McNally, III was
9 appointed by Speaker of the House of Representative,
10 Sam Smith, in February of 2013 as a member of the
11 Pennsylvania Gaming Control Board. And whereas,
12 Commissioner McNally was sworn into office on February
13 26th, 2013, followed by a formal swearing at the Board
14 meeting on March 13th, 2013. And whereas,
15 Commissioner McNally as a lifetime resident of the
16 Harrisburg area, a 1988 graduate of the Dickinson
17 School of Law and a practitioner of the law, brought a
18 vast and diverse background as well as his passion for
19 sporting plays and the second amendment to enliven the
20 Board discussions.

21 And whereas, Commissioner McNally
22 brought a sound and reasoned voice to the
23 implementation of gaming in Pennsylvania, including
24 his participation in and oversight of the Category 2
25 Philadelphia licensing process. As well as a desire

1 to educate himself about the casino industry. And
2 whereas, Commissioner McNally worked tirelessly to
3 fulfill the Board's vision statement to be the premier
4 gaming regulator in the United States maintaining and
5 enhancing public trust with honesty, integrity and
6 credibility. And whereas, Commissioner McNally has
7 left an imprint on the operation of this Board through
8 his calm demeanor and his focus on doing the right
9 thing for Pennsylvania in every decision he made. Be
10 it resolved that the Pennsylvania Gaming Commission
11 Control Board proudly recognize Commissioner John J.
12 McNally, III's exemplary record of service and
13 leadership and wishes him the very best in all of his
14 future endeavors. Upon motion duly made and second
15 the foregoing Resolution shall be adopted. May I have
16 a motion?

17 MS. KAISER:

18 Yes. Mr. Chairman, I move that the
19 Board adopt Resolution 2015-3-EXE recognizing
20 Commissioner John McNally's exemplary service to the
21 Board.

22 MR. MOSCATO:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 The ayes have it. Thank you so much,
4 John.

5 MR. MCCALL:

6 Thank you.

7 CHAIRMAN:

8 Okay. Ladies and gentlemen, next we
9 will have our minutes and transcripts. We'll have
10 specifically consideration of a motion to approve the
11 minutes and transcript of the April 29, 2015 meeting.
12 May I have such a motion?

13 MR. FAJT:

14 Mr. Chairman, I move the Board approve
15 the minutes and transcripts of the April 29, 2015
16 meeting.

17 MR. JEWELL:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? Motion carries. Next, we'll
24 hear from our Executive Director Kevin O'Toole.

25 MR. O'TOOLE:

1 Good morning, Chairman Ryan, members of
2 the Commission. With everyone's indulgence we have a
3 little bit more ceremony today. It is a coincidence
4 but what a terrific coincidence to be able to say
5 goodbye to John and recognize some of our long term
6 employees and as John indicated, you know, the quality
7 of leadership among the current Board members and
8 Chairmen and task Board members and Chairmen is second
9 to none in the Commonwealth and we feel equally
10 excited about the quality of our leadership and
11 quality of our employees on a staff level.

12 So, by way of background, the
13 Pennsylvania Gaming Control Board has recently met the
14 milestone of 10 years in existence. We were created
15 to regulate a new industry in Pennsylvania, the casino
16 industry and the first task was to build from the
17 ground up, a staff of qualified and talented
18 professionals and your predecessors did an outstanding
19 job in doing that and we have five persons to
20 recognize today who have personally reached their 10-
21 year anniversary as employees of the Gaming Control
22 Board.

23 So, I'd like to ask Susan Hensel to
24 please stand up. Susan was the first official
25 employee of the Gaming Control Board. She was hired

1 on January 25th, 2005 as a Special Assistant. In
2 August of that year, Susan became the Board's Director
3 of Licensing, a position she holds today. In her
4 tenure with the Gaming Control Board, Susan has been
5 instrumental in the coordination of all licensing
6 functions, including the development of licensing
7 policies, procedures and regulations.

8 Congratulations.

9 MS. HENSEL:

10 Thank you.

11 MR. O'TOOLE:

12 Thank you for your service.

13 MS. HENSEL:

14 Thank you.

15 MR. O'TOOLE:

16 And our Director of Human Resources,
17 Clare Yantis, will present a certificate of
18 appreciation.

19 Amanda Graham, would you please stand?
20 Amanda was hired on February 12th, 2005 as a Clerical
21 Support Specialist. Within a few months of her hire,
22 Amanda became the Gaming Control Board's Procurement
23 Specialist, a position that she fulfills today. In
24 her role as Procurement Specialist, Amanda ensures
25 that services and goods are procured in accordance

1 with the Procurement Code and she supports all of our
2 Bureaus with their purchasing needs. Congratulations,
3 Amanda, and thank you for your service.

4 Kym Paris, will you please stand? Kim
5 was also hired on February 12th, 2005 as an
6 Administrative Assistant. Shortly thereafter, Kym was
7 promoted to Executive Secretary, a position that she
8 holds today. Over the years, Kym has provided
9 administrative support to a number of Bureaus.
10 Originally assigned to the Bureau of Administration,
11 Kym also supported the Finance Office and she served
12 as an assistant to several Commissioners. Currently,
13 Kym serves as the Executive Secretary in the Bureau of
14 Casino Compliance. Congratulations and thank you.

15 And April Fegley, would you please
16 stand? April was hired on March 19th, 2005 as an
17 Administrative Officer. In May of 2006, April was
18 promoted to Licensing Manager, which is the position
19 she maintains today. Overseeing the Bureau of
20 Licensing's Special Services Unit, April and her team
21 ensures that all licensing materials submitted to the
22 Bureau are properly scanned, imaged and stored and
23 that's quite a task given the applications that we
24 have received over the years. April also ensures that
25 all gaming credentials issued to employees of casinos

1 are printed accurately and distributed in a timely
2 manner. Congratulations, April.

3 And finally Cheryl Posavec. Cheryl was
4 hired on April 4th, 2005 as an Administrative
5 Assistant, and one of her first assignments with the
6 Gaming Control Board was to serve as an assistant to
7 an original Commissioner on the Board. After that
8 assignment, Cheryl brought her talents to the Board's
9 Office of Chief Counsel where she currently provides
10 valuable clerical assistance in the areas of
11 licensing, regulation and litigation. Thank you for
12 your service, Cheryl. So we'll give everybody one
13 last round of applause. Thank you, Chairman.

14 CHAIRMAN:

15 Thank you, Kevin. And if I may, I would
16 like to on behalf of the Board, and really the people
17 of Pennsylvania, thank all five of you ladies for ten
18 years of hard work, dedication and loyalty. A lot of
19 us have come on board later on when the years have
20 been working pretty smoothly. You were in the agency
21 back when the industry was brand new and when the
22 bureaucracy necessary to regulate the agency was also
23 brand new. And I'm sure it was not an easy thing to
24 do at the beginning when I see all of the requirements
25 of our regulations and everything else we have to do

1 internally and what we have to require from the
2 industry. I'm sure that it was a big, big undertaking
3 for all of those who were in on the ground floor and
4 I'm sure each and every one of you was a major part of
5 getting this agency moving and functioning the way we
6 all expect. So with that, I just say again, thank you
7 for your hard work. Thank you for your effort and for
8 sticking it out for 10 years. Anybody else? Thank
9 you very much. Next we'll have Doug Sherman. Doug.

10 ATTORNEY SHERMAN:

11 Good morning, Chairman, members of the
12 Board. Our first agenda item relates to a Proposed
13 Regulation and Statement of Policy, which Assistant
14 Chief Counsel Susan Yocum is here to present.

15 ATTORNEY YOCUM:

16 Good morning, Chairman, Members of the
17 Board.

18 CHAIRMAN:

19 Good morning, Susan.

20 ATTORNEY YOCUM:

21 I have two agenda items for your
22 consideration. The first is a Proposed Rulemaking,
23 125-192. This Rulemaking will add two additional
24 games to the complement of games available for play in
25 the Commonwealth. It is the High Card Flush Game and

1 the Heads-Up Folding Game, both of which are owned by
2 Galaxy Gaming, which is a gaming-related gaming
3 service provider certified with the Board. Included
4 in this rulemaking are the rules of play, permissible
5 payout odds and the dealing procedures. I will be
6 more than happy to answer any questions you may have
7 regarding the Regulation.

8 CHAIRMAN:

9 Any questions from the Board?

10 Ex-officio members? May I have a motion?

11 MR. JEWELL:

12 Mr. Chairman, I move that the Board
13 adopt Proposed Regulation #125-192 as presented by the
14 Office of Chief Counsel (OCC).

15 MS. KAISER:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY YOCUM:

23 The next item for your consideration is
24 a Statement of Policy 125-193. This will add five new
25 side wagers to already existing games. Included in

1 this rulemaking are the side wagers of Touchdown
2 Roulette, Lucky Shooter for the game of Craps, Lucky
3 Nines for the games of Baccarat, Lucky Aces for the
4 game of Blackjack and the Top Three Side Wager, also
5 for the game of Blackjack. I'd be happy to answer any
6 questions you may have regarding the Regulation.

7 CHAIRMAN:

8 Questions or comments from the Board?
9 Ex-officio members? May I have a motion?

10 MS. KAISER:

11 Mr. Chairman, I move that the Board
12 adopt Statement of Policy #125-193 as presented by the
13 OCC.

14 MR. MCCALL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 ATTORNEY YOCUM:

22 Thank you.

23 CHAIRMAN:

24 Thank you, Susan.

25 ATTORNEY SHERMAN:

1 Next, we have for your consideration a
2 Local Law Enforcement Grant Application, which
3 Assistant Chief Counsel Denise Miller-Tshudy is here
4 to present.

5 CHAIRMAN:

6 Good morning, Denise.

7 ATTORNEY MILLER-TSHUDY:

8 Good morning. The application that is
9 before you is with Chester County District Attorney's
10 Office. If you were to award this grant, it is their
11 first Local Law Enforcement Grant. The office is
12 requesting a two-year grant. The first year they are
13 ---.

14 CHAIRMAN:

15 Denise, could I ask you to just try to
16 keep your voice up. You have a very pleasant, low
17 voice.

18 ATTORNEY MILLER-TSHUDY:

19 Nobody's ever told me that before
20 especially the first part. Again, this is a two-year
21 Local Law Enforcement Grant. The first year, they're
22 requesting a \$231,600 --- I'm sorry, \$231,267 grant.
23 In year two, they're asking for a \$206,915 grant.
24 Their objective is to fund a gambling initiative to
25 tackle unlawful gaming that is currently occurring in

1 Chester County. They've identified specific
2 activities that are occurring, including unlawful
3 gaming devices, book and pool selling, dice and poker
4 games as well a dog and cock fighting. The funds
5 would be used to hire one new detective. That
6 detective will be trained in gaming, in investigation
7 and identification of unlawful gaming in Chester
8 County and will act as the expert in all gaming and
9 unlawful gaming activities.

10 The second item that the grant would
11 fund is 50 percent salary of a current detective who
12 will also be trained in unlawful gaming and who will
13 assist the new detective. The office has also
14 requested certain equipment, capital expenditures as
15 well as some funding for their auditing processes.
16 All meet the percentages allowed by the Board as per
17 their new guidelines. The application and all
18 supporting documentation has been reviewed by
19 appropriate staff. The program presented meets all of
20 the Board's guidelines and the application is now
21 before you for your consideration. The recommendation
22 of the OCC is to award the grant.

23 CHAIRMAN:

24 Okay. Questions or comments from the
25 Board? Ex-officio members? May I have a motion?

1 MR. MCCALL:

2 Mr. Chairman, I move that the Board
3 issue an Order to grant the Local Law Enforcement
4 Grant for Chester County District Attorney's Office as
5 described by the OCC.

6 MR. MOSCATO:

7 Second.

8 CHAIRMAN:

9 Thank you. All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed. Motion carries. Thank you,
13 Denise.

14 ATTORNEY SHERMAN:

15 Today the Board has four petitions on
16 the agenda. Each of the matters will be considered on
17 the record established to date which the Board has
18 been provided in advance of the meeting. The first
19 petition before the Board today is that of Peter
20 DePaul and it's a motion to petition to alter or
21 modify a December 4th, 2006 Consent Agreement between
22 the Office of Enforcement Counsel (OEC), Philadelphia
23 Entertainment and Development Partners and Mr. DePaul.

24 By way of background, Mr. DePaul had
25 made political contributions from January 2006 through

1 April 2006 while he had a pending application before
2 the Board as the principal of Category 2 Applicant,
3 Philadelphia Entertainment and Development Partners.
4 At that time, the Gaming Act prohibited any officer,
5 director or key employee of an entity applicant from
6 making political contributions to candidates of public
7 office in the Commonwealth.

8 Upon Mr. DePaul learning of the
9 prohibition on political contributions, he rescinded
10 and retrieved all the contributions he made and the
11 matter was reported to the OEC. Subsequently on
12 December 4th, 2006, Mr. DePaul entered into a Consent
13 Agreement with the OEC. Pursuant to that agreement,
14 Mr. DePaul paid a \$100,000 civil penalty to the
15 Commonwealth of Pennsylvania. The following year, Mr.
16 DePaul petitioned the Supreme Court of Pennsylvania
17 seeking a declaration that the political contribution
18 ban in the Gaming Act was unconstitutional.

19 In a 2009 Decision, the Court upheld ---
20 or I'm sorry, the Court held that Section 1513 of the
21 Act was unconstitutional under Article 1 Section 7 of
22 the Pennsylvania Constitution to the extent that it
23 prohibited political contributions of any amount. The
24 determination was based on the fact that Section 1102
25 of the Act codifying the legislative intent behind the

1 ban referenced only large contributions. It's
2 noteworthy that after the decision, the General
3 Assembly amended the Act to make the language more
4 uniform and again bar any contributions.

5 Mr. DePaul has requested that the Board
6 amend the 2006 Consent Agreement to refund the
7 \$100,000 arguing that the Supreme Court's Decision
8 constitutes a material change in circumstances
9 warranting the relief sought. The OEC filed an Answer
10 objecting to the petition arguing that the agreement
11 is a valid contract entered into and fulfilled
12 voluntarily, that Mr. DePaul failed to timely pursue
13 legal remedies and the public policy requires that the
14 Consent Agreement stand.

15 As stated, the Board has been provided
16 the documentary record in this matter. That includes
17 the petition of Mr. DePaul, the Answer of the OEC, the
18 legal briefs filed by both parties, the reply briefs
19 filed by both parties, the transcript of the hearing
20 that had been conducted and the related matters
21 introduced through those various proceedings. That's
22 the matter now before the Board for disposition.

23 CHAIRMAN:

24 I believe Mr. Sprague is here
25 representing the Petitioner; is that correct?

1 ATTORNEY SPRAGUE:

2 That's correct.

3 CHAIRMAN:

4 Good morning, Mr. Sprague.

5 ATTORNEY SPRAGUE:

6 Good morning. May I stand?

7 CHAIRMAN:

8 You certainly may, sir.

9 ATTORNEY SPRAGUE:

10 I will keep my voice up loud.

11 CHAIRMAN:

12 For the record sir, could you just spell
13 your last name?

14 ATTORNEY SPRAGUE:

15 S-P-R-A-G-U-E. Richard Sprague and
16 Joseph Podraza representing the Petitioner here Mr.
17 DePaul, Peter DePaul.

18 MR. DEPAUL:

19 Good morning.

20 ATTORNEY SPRAGUE:

21 May it please the Board? I want to make
22 it clear that this motion is not in any way based on
23 any legal issue. We're not raising any technicalities
24 with the law. In fact, the motion I suggest to this
25 Board is on a higher standard than the law. The

1 motion really is a motion to the conscience of this
2 Board to do what I suggest is the right thing under
3 the circumstances of this particular case. I think
4 you have to understand a little bit in terms of the
5 background. The law that was enacted initially
6 prohibiting political contributions, I was around at
7 that time and before that time, was really aimed at
8 keeping organized crime out of the casino business.
9 That was the reason, the thrust of it. It's important
10 to recognize that because Mr. DePaul is recognized as
11 a very honest, a fine citizen of this Commonwealth, a
12 person who has supported candidates for public office
13 really, I guess, since he's been involved in business.

14 In this particular case, Mr. DePaul was
15 an applicant for a license as an owner of then
16 Foxwood, which I know this Board is well aware of.
17 Mr. DePaul made political contributions in the
18 elections for the year 2006. 2-0-0-6. We're that far
19 back at this point. And these contributions --- and I
20 think that since I'm appealing to this Board to do the
21 right thing, you should understand that the total
22 contributions were in the amount of \$31,000. Not to
23 one candidate, to 21 different candidates. So there's
24 no suggestion --- we just had recently where somebody
25 contributed \$500,000 for somebody running for the

1 Supreme Court of an overwhelming kind of contribution
2 that one could raise some questions about. The
3 \$31,000 is approximately \$1,000 to a candidate. Not
4 people who were appointing people to this Board also.
5 These were just contributions being made and Mr.
6 DePaul is somebody who had been an owner previously of
7 a racing license, where there was no prohibition and
8 made political contributions.

9 He did not know that the new law for
10 casinos applied to applicants. He thought it applied
11 once you were a person who had a license and by the
12 way, this Board fined Foxwood \$100,000 for not telling
13 him --- he's not a lawyer. They didn't tell him that
14 the new law applied as well to an applicant. Now when
15 Mr. DePaul learned, and it was even before the
16 election, that it applied to applicants he contacted
17 literally every one of those 21 candidates to whom he
18 had made the contribution, told them that he had just
19 learned that it applied to applicants. He asked every
20 one of them to return the contribution. Every one of
21 them returned the contribution and this Board didn't
22 know anything about this. Mr. DePaul self-reported it
23 then to this Board what he had done and then on that
24 basis there were hearings.

25 Obviously Foxwood, which was fined

1 \$100,000 for not telling him about that the law
2 applied to applicants. He signed this Consent Decree
3 consenting to pay the \$100,000. Obviously because
4 they were concerned that Foxwood, if he didn't work
5 out some agreement with this Board, that would affect
6 the application by Foxwood for a license; an
7 understandable concern and he paid the \$100,000, but
8 felt that the law was unconstitutional and so he then,
9 as you heard, brought an action. Supreme Court of
10 this state declared the law unconstitutional and then
11 you ask well, that's years back. We're in 2015 today.

12 When the law was declared
13 unconstitutional through Counsel, Mr. DePaul applied
14 to this Board saying hey, pay me back the \$100,000
15 now. This Board said it's not up to us, go to the
16 Treasury Department. We went to the Treasury
17 Department. The Treasury Department said it's not up
18 to us, go to the Finance Department. We went to them
19 then they said not up to us, you've got to go to
20 Court. We went to Court, the Commonwealth Court up to
21 the Supreme Court. The Supreme Court said no, you
22 signed this Consent Decree. You've got to go back to
23 the Gaming Board because you worked out this Consent
24 Decree with them. And I point out that in your
25 Consent Decree signed by the parties, there's the

1 provision that the Consent Decree may be altered or
2 modified by agreement of the parties if change in
3 circumstances so warrant it. And so what we are
4 saying when you recognize who the law was really aimed
5 at, certainly no one is suggesting a member of
6 organized crime here, a distinguished citizen, someone
7 who didn't know it. Someone who got it all back and
8 then self-reported it to this Board and the law's then
9 declared unconstitutional.

10 I don't think this case is complicated
11 at all. I think as I said at the beginning, I'm
12 appealing to the conscience of this Board. This Board
13 --- I mean, look at you, all of you. You stand for
14 what is right; what is the proper thing to do. I mean
15 you regulate this whole business of casino gaming.
16 You're probably going to have internet gaming under
17 your jurisdiction soon as well. And if anything that
18 this Board stands for is to stand, I think as a model
19 for the citizenry of this Commonwealth that feels that
20 they do the right thing. And as I said at the
21 beginning, this isn't an appeal to you under --- I'm
22 not saying that there's some technical point that we
23 have, some overriding legal principle. I think it's a
24 matter --- it's a moral issue and I think this Board
25 has, I won't say the duty because your duty is going

1 to be whatever you determine, but I think this Board
2 has the right, has it under the Consent Decree to do
3 the right thing and the right thing is to refund and
4 agree to modify the Consent Agreement so Mr. DePaul
5 can get back that \$100,000. Thank you.

6 CHAIRMAN:

7 Thank you, Mr. Sprague. Mr. Sherman?

8 ATTORNEY SHERMAN:

9 No.

10 CHAIRMAN:

11 Any questions from the Board?

12 MR. MCCALL:

13 I do. I have a question.

14 CHAIRMAN:

15 Keith?

16 MR. MCCALL:

17 Just a matter of clarification for me
18 and maybe for the Board. I think this Board is
19 sympathetic. I think we just have to get by maybe how
20 that money gets refunded back and I guess the question
21 --- the first question is, when the \$100,000 was paid
22 did we collect the \$100,000 and keep it or was it
23 submitted to the general fund of the Commonwealth?

24 ATTORNEY SHERMAN:

25 Under the Act, as you know,

1 Commissioner, our funding for the Gaming Control
2 Board, exclusive funds of the Board, are from the 1401
3 escrow accounts, not general fund monies, were
4 refunded through fees on the gross table gaming, gross
5 terminal revenue of the existing casinos. Any
6 sanctions, fines, other penalties that are paid under
7 the Act go to the general fund accounts which we have
8 no authority or control over.

9 MR. MCCALL:

10 Right. So in essence, if we were to pay
11 the \$100,000, it would be the other casino properties
12 that would literally be paying that \$100,000 back?

13 ATTORNEY SHERMAN:

14 If we were to refund money, yes, because
15 we have no money of the agency in the general fund
16 account.

17 MR. MCCALL:

18 Now, what about the language that's
19 contained in the Resolution, or in the Consent Decree
20 that says circumstances --- the circumstances change.
21 It could warrant a change in that Consent Agreement
22 and if in fact, and obviously circumstances have
23 changed, what can we do as a Board with those change
24 in circumstances to amend the consent Decree and then
25 how does that payment occur?

1 ATTORNEY SPRAGUE:

2 May I speak? I would like the Board to
3 understand we have been advised that if this Board
4 modifies the Consent Decree as I have asked, the
5 Treasury Department has said they will pay it.

6 CHAIRMAN:

7 Question?

8 MR. WOODS:

9 This is for Counsel. The parties to the
10 Consent Agreement, they are Enforcement Counsel and
11 the group here?

12 ATTORNEY SHERMAN:

13 Correct. The parties to this particular
14 Consent Agreement were Mr. DePaul, the Philadelphia
15 Entertainment and Development Partners, a Foxwoods
16 Groups which now is not in existence any longer and
17 the Enforcement Counsel represented here today by Mr.
18 Miller.

19 MR. WOODS:

20 Would you have a comment on where this
21 stands at this point?

22 ATTORNEY MILLER:

23 Yes. I mean, the OEC obviously we filed
24 an objection in this matter. We stand --- you know,
25 we submitted a brief in this matter. We also

1 submitted a reply brief to Mr. DePaul's brief and we
2 stand by that position. We maintain our objection.
3 We're in total agreement with the findings of the
4 Office of Hearings and Appeals (OHA) in this matter
5 and I'm not going to go point by point regarding what
6 we've put in our papers, but we feel this is a
7 contract matter. I know Mr. Sprague is appealing to
8 equity, but we're appealing to the contract nature of
9 this matter.

10 This is a contract that was freely,
11 voluntarily entered into by both parties. There's
12 been no allegations of fraud, duress or coercion,
13 anything of that nature and as Mr. Sprague pointed
14 out, that paragraph three is in the Consent Agreement
15 regarding change in circumstances warranting an
16 amendment to the Consent Agreement. But we feel that
17 that change in circumstances must be relevant to the
18 Consent Agreement and we feel in this matter that the
19 declaratory judgment matter that Mr. DePaul filed
20 later, almost a year after this Consent Agreement was
21 approved, was entered into, we feel that the eventual
22 determination by the Supreme Court in that matter in
23 2009 is really not relevant to the Consent Agreement
24 because the Consent Agreement alleges no violation.
25 The word violation isn't used.

1 There's actually a paragraph in the
2 Consent Agreement that says that Mr. DePaul admits
3 nothing; no violation. The terms civil penalty or
4 fine, those are not used. If you look at the Act as
5 it was in 2006 for a violation of Section 1513, the
6 minimum fine for that violation was \$50,000 per
7 occurrence. And there were 21 occurrences, that
8 totaled \$1,050,000. The amount we're talking about is
9 \$100,000, less than one-tenth of that amount. So we
10 feel that that shows --- that corroborates our
11 position that this wasn't about a violation of Section
12 1513. This was about a settlement of potential
13 violations of the Act and, therefore, --- and we think
14 too that, and this is in the record, there's five
15 other Consent Agreements that contain this language.
16 If the Board decides to alter or modify this Consent
17 Agreement that may have other effects on other Consent
18 Agreements this Board has entered into. It may set
19 precedent that the Board may not want to set. So with
20 that being said, we would encourage the Board not to
21 modify this particular Consent Agreement.

22 ATTORNEY SPRAGUE:

23 May I make one brief response? I want
24 to bring to the Board's attention that the
25 Commonwealth Court specifically when they had this

1 matter in front of them said that this Board has
2 continuing jurisdiction over this particular agreement
3 and has the power to modify it.

4 MR. FAJT:

5 Thank you, Mr. Chairman. Technical
6 question for Mr. Sprague. When the Supreme Court
7 heard the constitutionality issue, would it have been
8 proper in your pleadings before the Supreme Court or
9 the Commonwealth Court to request a Court Order
10 ordering the repayment of this \$100,000 and if so, why
11 wasn't that done?

12 ATTORNEY SPRAGUE:

13 You may be a better lawyer than I am. I
14 didn't think of it frankly. I guess my thinking in
15 terms of the presentation, the argument to the Supreme
16 Court was I had to take one step at a time. You know,
17 I've heard the argument over there if you do something
18 here, it's going to affect things in other matters.
19 That's the standard thing we all get thrown at us, but
20 I thought my --- I think my thinking before the
21 Supreme Court was don't get a lot of issues involved
22 in this one case. Let's have the Supreme Court decide
23 whether this statute is unconstitutional.

24 Frankly, I thought once they decided it
25 was unconstitutional and as I did, I just wrote a

1 letter to Mr. Sherman saying after that arrange to
2 give us our money back. I was --- and I'm still
3 surprised at what I call a runaround that we receive
4 going from one agency to the other, from this court to
5 that court and end up where we started. So I guess
6 the short answer is I didn't want to take a second
7 step until I won the first step.

8 MR. FAJT:

9 Thank you.

10 CHAIRMAN:

11 Any other questions? All right. I
12 think it may be helpful if the Board takes a brief
13 recess.

14 MR. MCCALL:

15 I just want to ask Mr. Miller a
16 question. You state that there is no duress with
17 signing of the Consent Decree.

18 ATTORNEY MILLER:

19 No legally recognizable duress.

20 MR. MCCALL:

21 Well, wasn't it in fact our agency that
22 put the Consent Decree before Mr. DePaul who we wanted
23 to issue a license by December 30th and we're telling
24 him that he has to sign this or there's no license
25 issued. Wouldn't that be considered duress?

1 ATTORNEY MILLER:

2 Not ---.

3 MR. MCCALL:

4 In forcing him to sign that?

5 ATTORNEY MILLER:

6 Not what we would call legally
7 recognizable duress. Mr. DePaul had the benefit of
8 Counsel throughout this process. Unless we were
9 threatening physical harm to Mr. DePaul, really we
10 don't feel that that qualifies as legal duress that
11 would invalidate a contract.

12 ATTORNEY PITRE:

13 And there was no signature under
14 protest. I mean, he still had retained the right to
15 sign the Consent Agreement under protest with the
16 understanding that he would appeal. There would be
17 nothing that would stop him from doing that.

18 CHAIRMAN:

19 So what you're saying is he still had a
20 choice?

21 ATTORNEY MILLER:

22 Absolutely.

23 CHAIRMAN:

24 He was free not to, there would have
25 been consequences but he had that freedom?

1 ATTORNEY PITRE:

2 Right. And not to belabor the matter, I
3 think I disagree with Mr. Sprague on the point with
4 regard of organized crime. The purpose of that
5 statute was to keep political influence from stepping
6 into the role of this Board, from stepping into the
7 role of this agency and influencing this agency in any
8 manner and to leave it to the Board, the Board's
9 discretion of the regulation --- the regulatory
10 oversight of this industry.

11 CHAIRMAN:

12 Okay. What I'm going to do is have the
13 Board go into recess to meet in Executive Session on
14 this matter and we will be back in 10 minutes. We are
15 in recess. Thank you.

16 EXECUTIVE SESSION HELD

17 CHAIRMAN:

18 Good morning, ladies and gentlemen.
19 Again, we are back in session with respect to the
20 motion to consider a Board Order regarding the
21 Petition of Peter DePaul to alter and or modify the
22 Consent Agreement dated December 4th, 2006. The Board
23 met in Executive Session for about 10 minutes to
24 discuss this matter. I think as far as all the other
25 proceedings are concerned, they are over and it's time

1 for the Board to make a decision and I will therefore
2 ask if anyone has a motion.

3 MR. FAJT:

4 Yes. Mr. Chairman, pursuant to the
5 reasons to be set forth in the adjudication I move
6 that the Board issue an Order to deny Peter DePaul's
7 petition to alter and or modify the Consent Agreement
8 dated December 4, 2006 as described by the OCC.

9 MR. WOODS:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries. Thank
16 you, gentlemen.

17 ATTORNEY SPRAGUE:

18 Thank you.

19 ATTORNEY SHERMAN:

20 The next matter before the Board is
21 Greenwood Gaming and Entertainment's Petition to
22 rescind the heated gazebo requirement for its
23 property. By way of background, in 2007, Parx was
24 required by the Board to build a walkway from the main
25 casino to the racetrack grandstand in an effort to

1 further integrate casino gaming and horse racing. The
2 walkway was built and included heated gazebos which
3 were to provide a rest area for patrons. In Parx
4 current petition, they aver that the gazebos are
5 rarely used by walking patrons but have become a place
6 for the homeless or vagrants to congregate. This in
7 turn has caused increased work in both security and
8 maintenance services as well as to serve as a
9 deterrent for patrons who might otherwise use the
10 walkway. Parx further avers that there was a shuttle
11 service to transport people between the racetrack and
12 main casino. On April 14th, 2015, the OEC and Parx
13 entered into a Stipulation of Facts.

14 Additionally, Parx placed into the
15 record affidavits, photos and excerpts from daily log
16 reports detailing when such individuals were found in
17 the gazebos. Subsequently on May 4th, 2015, the OHA
18 issued a Report and Recommendation outlining --- or
19 I'm sorry, a report to the Board outlining all the
20 evidence received. That matter is now ready for the
21 Board's consideration and I note that Mark Stewart,
22 Counsel for Parx is present.

23 CHAIRMAN:

24 Anything from Counsel?

25 ATTORNEY STEWART:

1 Yes, Chairman and Commissioners. May it
2 please the Board and thank you for having us. It's
3 Mark Stewart, S-T-E-W-A-R-T, for Greenwood Gaming with
4 me is Brian Schroeder from Greenwood Gaming and
5 Entertainment. We do have one additional item of
6 information for the Board to consider. We have a
7 letter which has been provided --- was provided
8 yesterday to OEC and was received by us yesterday from
9 the Pennsylvania Thoroughbred Horseman's Association
10 noting that they have no objection to the removal of
11 the shelters along Smarty Jones Way. So with the
12 Board's indulgence, I'll provide that to the clerk.

13 CHAIRMAN:

14 No objection. OEC have anything to add?

15 ATTORNEY MILLER:

16 No. We don't have any objection in this
17 matter.

18 CHAIRMAN:

19 Questions from the Board? Greg?

20 MR. FAJT:

21 Just a quick question. Thank you, Mr.
22 Chairman. Mr. Sherman, did I hear you say that the
23 shuttle is still in operation between the casino and
24 the racetrack?

25 ATTORNEY SHERMAN:

1 That was the information that was placed
2 into the record by the Enforcement Counsel and Parx.

3 MR. SCHROEDER:

4 Yes, it is.

5 MR. FAJT:

6 It is. Thank you very much.

7 CHAIRMAN:

8 Anything else? May I have a motion?

9 MR. FAJT:

10 Mr. Chairman, I move that the Board
11 grant the Petition of Greenwood Gaming and
12 Entertainment, Inc. to rescind the heated gazebo
13 requirements as described by the OCC.

14 MR. JEWELL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 ATTORNEY STEWART:

22 Thank you.

23 CHAIRMAN:

24 Thank you, gentlemen.

25 ATTORNEY SHERMAN:

1 The next petition before the Board
2 pertains to the OEC's request to place Brian Jackson
3 on the Exclusion List. The uncontested facts in the
4 matter show that on April 21st, 2013, Mr. Jackson was
5 indicted by the federal government on numerous
6 criminal offenses for his involvement in the loan
7 sharking and illegal gambling ring in the Philadelphia
8 area. Mr. Jackson has pled guilty to a number of the
9 charges and is scheduled for sentencing in July of
10 this year. The OEC brought this matter after becoming
11 aware that Mr. Jackson had frequented both the Sands
12 Bethlehem Casino as well as Parx Casino. Mr. Jackson
13 initially requested a hearing on the matter but
14 subsequently signed a waiver of his right to a hearing
15 thereby allowing the Board to decide the matter on the
16 documents filed of record and it is that matter that's
17 ready for the Board's consideration.

18 CHAIRMAN:

19 Any questions or comments from the
20 Board? Ex-officio members? May I have a motion?

21 MR. JEWELL:

22 Mr. Chairman, I move that the Board
23 issue an Order to grant the Petition placing Brian
24 Jackson on the PGCB Involuntary Exclusion List as
25 described by the OCC.

1 MS. KAISER:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? The motion carries.

8 ATTORNEY SHERMAN:

9 And the final Petition is the Petition
10 of Noreen Zaun-Lanese. It's for her removal from the
11 Involuntary Exclusion List. On October 17th, 2013,
12 the OEC filed a complaint to place Ms. Zaun-Lanese on
13 the Board's Exclusion List alleging that she had
14 assisted her 20-year-old daughter to gain access to
15 the gaming floor at Hollywood Casino at Penn National
16 Race Course. The daughter and her mother remained on
17 the floor for about 90-minutes, played slot machines
18 and consumed alcoholic beverages.

19 On April 30th, 2014, the Board placed
20 Ms. Zaun-Lanese on the Exclusion List for a period of
21 at least one year. The one year period has passed and
22 on May 1st, 2015, Ms. Zaun-Lanese filed a petition for
23 removal from the Exclusion List. The OEC has not
24 lodged any objection to the request and it's that
25 request to remove her from the list that is now ready

1 for the Board's consideration.

2 CHAIRMAN:

3 Any questions or comments from the
4 Board? Ex-officio members? May I have a motion?

5 MS. KAISER:

6 Mr. Chairman, I move that the Board
7 issue an Order to grant Noraeen Zaun-Lanese's petition
8 for removal from the Pennsylvania Gaming Control Board
9 Involuntary Exclusion List as described by the OCC.

10 MR. MCCALL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? The motion carries.

17 ATTORNEY SHERMAN:

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

20 ATTORNEY COOK:

21 Good morning.

22 CHAIRMAN:

23 Good morning, Steve.

24 ATTORNEY COOK:

25 Next for the Board's consideration are

1 four Reports and Recommendations received from the
2 OHA. In each of these matters, the person subject to
3 the Reports and Recommendation has received notice
4 that the Board will be taking up their matter today
5 and that they can come forward and briefly be heard.
6 Additionally, the Board in advance of this meeting
7 received the entire evidentiary record for each of
8 these proceedings.

9 The first Report and Recommendation
10 today pertains to a request to be removed from the
11 Voluntary Self-Exclusion List pursuant to the Findings
12 of Fact in the Report and Recommendation. On February
13 7th, 2011, an individual with the initials A.B.
14 entered Hollywood Casino, Penn National Race Course,
15 met with the Casino Compliance Representative,
16 requested to be --- excuse me, and requested to be
17 placed on the Self-Exclusion List. The CCR conducted
18 the mandatory interview with A.B. and completed all of
19 the required procedures and paperwork. Thereafter,
20 A.B. signed an acknowledgement form selecting a
21 lifetime self-exclusion.

22 On November 10th, 2014, A.B. filed a
23 request with the Board's OHA, requested removal from
24 the Voluntary Self-Exclusion List stating that it was
25 an accident that they were placed on the lifetime

1 list. The OEC filed an Answer objecting to this
2 request and a hearing was scheduled to be held on
3 March 10th, 2015. Despite receiving proper notice,
4 A.B. failed to attend that hearing and as a result all
5 of the evidence put into the record was presented by
6 OEC and there was no evidence to support A.B.'s
7 request. As a result of that, the Hearing Officer
8 issued a Report and Recommendation recommending that
9 A.B. remain on the list and that is the recommendation
10 before the Board today.

11 CHAIRMAN:

12 Any questions or comments from the
13 Board? Ex-officio members? May I have a motion?

14 MR. MCCALL:

15 Mr. Chairman, I move that the Board
16 adopt the Report and Recommendation issued by the OHA
17 regarding the Petition of A.B. to be removed from the
18 Self-Exclusion List as described by the OCC.

19 MR. MOSCATO:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1 ATTORNEY COOK:

2 The next Report and Recommendation
3 before the Board also pertains to a request for
4 removal from the Voluntary Self-Exclusion List. This
5 time an individual unrelated with the initials B.B.
6 On March 20th, 2013, B.B. appeared at the Rivers
7 Casino and requested to be placed on the Board's Self-
8 Exclusion List. B.B. was interviewed by the Casino
9 Compliance Representative on duty who completed all of
10 the required paperwork and all of the procedures in
11 place for placing someone on the list were followed.

12 Thereafter, B.B. signed an
13 acknowledgement form selecting a five year period of
14 self-exclusion. Notwithstanding that fact, less than
15 two years later on January 12th, 2015, B.B. filed a
16 request for early removal from the Voluntary Self-
17 Exclusion List for both he and his mother, who has the
18 initials D.B., who also placed herself on the
19 Exclusion List for five years a few days earlier.
20 B.B. stated that he and his mother are now traveling
21 monthly to West Virginia to game and as a result, they
22 would like to be removed from the Rivers Casino so
23 they can frequent that establishment, not just for
24 gaming but also for using its other amenities.

25 The OEC filed an Answer objecting to

1 B.B.'s request and a hearing was held on March 3rd,
2 2015. Both B.B. and his mother appeared and presented
3 testimony. Both testified essentially that they
4 preferred gaming in Pennsylvania and travelling back
5 and forth to West Virginia was becoming a hardship.
6 Ultimately, the Hearing Officer issued a Report and
7 Recommendation pertaining to B.B. recommending that he
8 remain on the Self-Exclusion List for the five-year
9 term and that is the recommendation before the Board
10 today.

11 CHAIRMAN:

12 Any questions or comments from the
13 Board? Ex-officio members? May I have a motion?

14 MR. MOSCATO:

15 Mr. Chairman, I move that the Board
16 adopt the Report and Recommendation issued by the OHA
17 regarding the Petition of B.B. to be removed from the
18 Self-Exclusion List as described by the OCC.

19 MR. FAJT:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1 ATTORNEY COOK:

2 And the next Report and Recommendation
3 pertains to B.B.'s mother, D.B. The facts and
4 evidence put into the record are the same and the
5 recommendation again is that this woman remain on the
6 Self-Exclusion List for the five-year term.

7 CHAIRMAN:

8 Any questions or comments from the
9 Board? Ex-officio members? May I have the motion?

10 MR. FAJT:

11 Mr. Chairman, I move that the Board
12 adopt the Report and Recommendation issued by the OHA
13 regarding the Petition of D.B. to be removed from the
14 Self-Exclusion List as described by the OCC.

15 MR. JEWELL:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY COOK:

23 The final Report and Recommendation
24 before the Board today pertains to Dennis Smith,
25 Senior. Mr. Smith was issued a Non-Gaming Employee

1 Registration on December 21st, 2012 and worked as a
2 Public Area Attendant for Valley Forge Casino and
3 Resort. On November 24th, 2014, the OEC filed a
4 complaint to revoke Mr. Smith's Non-Gaming
5 Registration upon learning that on October 17th, 2014,
6 Mr. Smith had been caught stealing a patron's lost
7 money. Specifically, a patron that had informed
8 security that he lost \$380. When surveillance was
9 checked, Mr. Smith was seen picking up the \$380 and on
10 his way to the security podium to return that money,
11 taking off \$100 and placing it in his pocket. As a
12 result of his conduct, Mr. Smith was confronted about
13 the missing money, admitted his conduct and was
14 thereafter terminated from Valley Forge. However, no
15 criminal charges were filed.

16 A hearing on OEC's request to revoke his
17 registration was scheduled to be held on January 27th,
18 2015. Mr. Smith requested a continuance and this
19 second hearing was scheduled for February 18th, 2015.
20 The day prior to that hearing, Mr. Smith requested
21 another continuance. OEC objected because subpoenas
22 had been issued and based on OEC's objection the
23 Hearing Office denied the request and the hearing
24 proceeded on the 18th. Mr. Smith did not attend. The
25 OEC, of course, did attend the hearing and presented

1 the evidence I just recited to you essentially and
2 thereafter a Report and Recommendation was issued
3 recommending that Mr. Smith's Non-Gaming Registration
4 be revoked and that is the recommendation before the
5 Board today.

6 CHAIRMAN:

7 Any questions or comments from the
8 Board? Ex-officio members? May I have a motion?

9 MS. KAISER:

10 Mr. Chairman, I move that the Board
11 adopt the Report and Recommendation issued by the OHA
12 regarding the Non-Gaming Employee Registration of
13 Dennis Smith, Senior as described by the OCC.

14 MR. MCCALL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 ATTORNEY SHERMAN:

22 That concludes all matters in the OCC.

23 CHAIRMAN:

24 Thank you, gentlemen. Next, we'll have
25 Director of Licensing, Susan Hensel. Good morning,

1 Susan.

2 MS. HENSEL:

3 Thank you, Chairman Ryan and members of
4 the Board. Before the Board today will be motions
5 regarding 627 Principal, Key, Gaming and Non-Gaming
6 Employees. In addition, there will be the
7 consideration of 16 Gaming Service Provider
8 Applicants. The first matter for your consideration
9 is the approval of Principal and Key Employee
10 Licenses. Prior to this meeting, the Bureau of
11 Licensing provided you with a Proposed Order for five
12 Principal and three Key Licenses. I ask that the
13 Board consider the Order approving these licenses.

14 CHAIRMAN:

15 Any comments for Enforcement Counsel?

16 ATTORNEY PITRE:

17 Enforcement Counsel has no objection.

18 CHAIRMAN:

19 Any questions or comments from the
20 Board? Ex-officio members? May I have a motion?

21 MR. MCCALL:

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

25 MR. MOSCATO:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 MS. HENSEL:

8 Next, there are Temporary Principal and
9 Key Employee Licenses. Prior to this meeting, the
10 Bureau of Licensing provided you with an Order
11 regarding the issuance of temporary licenses for four
12 Principal and eight Key Employees. I ask that the
13 Board consider the Order approving these licenses.

14 CHAIRMAN:

15 Comments from Enforcement Counsel?

16 ATTORNEY PITRE:

17 The Enforcement Counsel has no
18 objection.

19 CHAIRMAN:

20 Any questions or comments from the
21 Board? Ex-officio members? May I have a motion?

22 MR. MOSCATO:

23 Mr. Chairman, I move that the Board
24 approve the issuance of Temporary Principal and Key
25 Employee credentials as described by the Bureau of

1 Licensing.

2 MR. WOODS:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries.

9 MS. HENSEL:

10 In addition, we have Gaming Permits and
11 Non-Gaming Registrations. Prior to this meeting, the
12 Bureau of Licensing provided you with a list of 429
13 individuals to whom the Bureau has granted Temporary
14 or Full Occupation Permits and 161 individuals to whom
15 the Bureau has granted Registrations under the
16 authority delegated to the Bureau of Licensing. I ask
17 that the Board consider a motion approving the Order.

18 CHAIRMAN:

19 Any comments from Enforcement Counsel?

20 ATTORNEY PITRE:

21 Enforcement Counsel has no objection.

22 CHAIRMAN:

23 Any questions or comments from the
24 Board? Ex-officio members? May I have a motion?

25 MR. WOODS:

1 Mr. Chairman, I move that the Board
2 approve the issuance of Gaming Employee Permits and
3 Non-Gaming Employee Registrations as described by the
4 Bureau of Licensing.

5 MR. FAJT:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? The motion carries.

12 MS. HENSEL:

13 Next, there are recommendations of
14 denial for three Gaming and one Non-Gaming Employee
15 Applicants. In each case, the Applicant failed to
16 request a hearing within the specified time period.
17 The Bureau of Licensing has provided you with the
18 order as addressing the Applicants who the OEC has
19 recommended for denial. I ask that the Board consider
20 a motion approving the Denial Orders.

21 CHAIRMAN:

22 Any comments from Enforcement Counsel?

23 ATTORNEY PITRE:

24 Enforcement Counsel continues to request
25 denial in each instance.

1 CHAIRMAN:

2 Any questions or comments from the
3 Board? Ex-officio members? May I have a motion?

4 MR. FAJT:

5 Mr. Chairman, I move that the Board deny
6 the Gaming Employee and Non-Gaming Employee
7 applications as described by the Bureau of Licensing.

8 MR. JEWELL:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? The motion carries.

15 MS. HENSEL:

16 Also for your consideration are
17 withdrawal requests for Gaming Employees and Non-
18 Gaming Employees. In each case, the license or permit
19 is no longer required. For today's meeting, I've
20 provided the Board with a list of nine Gaming and four
21 Non-Gaming Employee Withdrawals for approval. I ask
22 that the Board consider the Orders approving the list
23 of withdrawals.

24 CHAIRMAN:

25 Any comments from the Enforcement

1 Counsel?

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Any questions or comments from the
6 Board? Ex-Officio members? May I have a motion?

7 MR. JEWELL:

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

11 MS. KAISER:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 MS. HENSEL:

19 Next, we have an Order to certify the
20 following Gaming Service Providers; Cummins-Allison,
21 Corporation and Rockland Bakery, Inc. I ask that the
22 Board consider the Order approving these Gaming
23 Service Providers for certification.

24 CHAIRMAN:

25 Any comments from the Enforcement

1 Counsel?

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Any questions or comments from the
6 Board? Ex-Officio members? May I have a motion?

7 MS. KAISER:

8 Mr. Chairman, I move that the Board
9 issue an Order to approve the application for Gaming
10 Service Provider Certification as described by the
11 Bureau of Licensing.

12 MR. MCCALL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 MS. HENSEL:

20 Finally for your consideration are
21 Gaming Service Provider Registrations. The Bureau of
22 Licensing provided you with an Order and an attached
23 list of 14 registered Gaming Service Provider
24 Applicants. I ask that the Board consider the Order
25 registering these Gaming Service Providers.

1 CHAIRMAN:

2 Any comments from Enforcement Counsel?

3 ATTORNEY PITRE:

4 Enforcement Counsel has no objection.

5 CHAIRMAN:

6 Any questions or comments from the
7 Board? Ex-officio members? May I have a motion?

8 MR. MCCALL:

9 Mr. Chairman, I move that the Board
10 issue an Order to approve the applications for Gaming
11 Service Provider Registrations as described by the
12 Bureau of Licensing.

13 MR. MOSCATO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries.

20 MS. HENSEL:

21 That concludes the Bureau of Licensing's
22 matters.

23 CHAIRMAN:

24 Thank you, Susan. Next we have the OEC,
25 Cyrus Pitre. Good morning, Cyrus.

1 ATTORNEY PITRE:

2 Good morning, Chairmen, members of the
3 Board. It's my understanding that the first matter on
4 the agenda in the OEC has been tabled for further
5 discussion.

6 CHAIRMAN:

7 That is correct. That will be listed at
8 a future Board meeting.

9 ATTORNEY PITRE:

10 Okay. As a result, the OEC will present
11 nine matters for the Board's consideration today
12 consisting with five Consent Agreements, one
13 Revocation and three Involuntary Exclusions. The
14 first matter on the agenda is a Consent Agreement that
15 has been negotiated between the OEC and Chester Downs
16 and Marina, LLC doing business at Harrah's
17 Philadelphia. Assistant Enforcement Counsel,
18 Cassandra Fenstermaker will present that matter for
19 the Board's consideration.

20 ATTORNEY FENSTERMAKER:

21 Good morning, Chairman Ryan, Members of
22 the Board. I'm Cassandra Fenstermaker.
23 F-E-N-S-T-E-R-M-A-K-E-R. As Cyrus stated, we have
24 today for your consideration a Consent Agreement
25 between the OEC and Harrah's Philadelphia Casino and

1 Racetrack regarding an underage gaming incident. On
2 January 2nd, 2015 an underage patron gained access to
3 Harrah's gaming floor. He was on the gaming floor for
4 approximately two hours during which time he wagered
5 at one Blackjack table. When the underage patron
6 attempted to cash out his chips at the main cage,
7 Harrah's personnel found the identification he had
8 provided to be suspicious, confiscated the chips and
9 identification and notified the patron that he would
10 need to return with another form of identification
11 before the confiscated items were returned. Neither
12 the Bureau of Casino Compliance nor the Pennsylvania
13 State Police were contacted regarding the suspicious
14 identification. Subsequently, the owner of this
15 identification contacted Harrah's and notified them
16 that his underage brother had stolen the
17 identification, had used it to wager in Harrah's and
18 that it had been confiscated. It was at this time
19 that the incident was reported to the Bureau of Casino
20 Compliance and State Police and that the patron was
21 actually determined to be underage.

22 As a result of allowing an underage
23 patron to access the gaming floor and wager, in
24 addition for failing to report suspicious activity to
25 the Bureau of Casino Compliance and the Pennsylvania

1 State Police, OEC and Harrah's entered into a Consent
2 Agreement wherein Harrah's agreed to pay a civil
3 penalty in the amount of \$15,000 and administrative
4 fees in the amount of \$2,500 in connection with costs
5 incurred by Board staff in connection with this
6 matter. Harrah's also represents that they have
7 conducted re-training for security and table games
8 personnel related to underage gaming. The OEC
9 requests that the Board approve the Consent Agreement
10 as presented today and if you have any questions I'm
11 sure he would be happy to answer them.

12 ATTORNEY DOWNEY:

13 Thank you, Mr. Chairman. Bill Downey,
14 D-O-W-N-E-Y, with Fox Rothchild for Chester Downs and
15 Marina, LLC. With me this morning at Counsel table
16 are Matt Connor, who is the Director of Security at
17 Chester Downs and Marina doing business as Harrah's
18 Philadelphia, and to his left is Lynn Hughes, Director
19 of --- Vice President and Chief Counsel of Regional
20 Operations. We concur in the recitation by Ms.
21 Fenstermaker and we're prepared to answer any
22 questions you may have on the subject before you.

23 CHAIRMAN:

24 Questions from the Board?

25 MR. WOODS:

1 Just one question. When you had re-
2 training conducted for the security, what did that
3 consist of?

4 MR. CONNER:

5 We went through our ID training that
6 we've used previously and as we speak ---.

7 CHAIRMAN:

8 Sir, since you're going to be speaking,
9 I suppose we should have you sworn. Why don't you
10 stand up, state your name, spell your last name and
11 your position so we can get you sworn in.

12 MR. CONNER:

13 Matthew Conner, C-O-N-N-E-R. Director
14 of Security at Harrah's Philadelphia.

15 CHAIRMAN:

16 Thank you. You may sit down.

17 -----

18 MATTHEW CONNER, HAVING FIRST BEEN DULY SWORN,
19 TESTIFIED AS FOLLOWS:

20 -----

21 MR. CONNOR:

22 We currently have today at 12:30 is our
23 first class. Corporal Goodman with the State Police
24 is conducting verification training on all IDs, which
25 is mandatory for all security personnel and directly

1 after those events, we also took our team through a
2 mandatory ID training as well.

3 MR. WOODS:

4 Do you have any of that swipe technology
5 on the floor?

6 MR. CONNOR:

7 We do. Yes. We have ID Advantage 3000
8 scanners.

9 MR. WOODS:

10 Thank you. That's all.

11 ATTORNEY DOWNEY:

12 Commissioner Woods, if I just ---- just
13 one note. This ID was a real ID. So in fact, it ran
14 through the --- it successfully went through the sort
15 of the fake ID technologies that we have.

16 MR. WOODS:

17 If it would've only been the picture,
18 that would have been the issue.

19 CHAIRMAN:

20 Any other questions? May I have a
21 motion?

22 MR. WOODS:

23 Mr. Chairman, I move that the Board
24 issue an Order to approve the Consent Agreement
25 between the OEC and Chester Downs and Marina, LLC as

1 described by the OEC.

2 MR. FAJT:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries. Thank
9 you.

10 ATTORNEY FENSTERMAKER:

11 Thank you.

12 ATTORNEY DOWNEY:

13 Thank you.

14 MR. CONNER:

15 Thank you.

16 ATTORNEY PITRE:

17 The next matter on the agenda is a
18 Consent Agreement that has been negotiated between the
19 OEC and SugarHouse, HSP Gaming, LP doing business as
20 SugarHouse Casino. That matter will be presented by
21 Assistant Enforcement Counsel James Armstrong.

22 ATTORNEY ARMSTRONG:

23 Good morning, Chairman, Commissioners.
24 James Armstrong for the OEC. A-R-M-S-T-R-O-N-G. The
25 next matter for the Board's consideration is a Consent

1 Agreement reached between the OEC and SugarHouse
2 Casino in regard to SugarHouse Casino operating a slot
3 machine with an improperly set pay table.
4 Commissioners, on July 5th of last year or July 20th
5 of last year, the Bureau of Gaming Laboratory
6 Operations conducted an inspection audit of the
7 SugarHouse Casino gaming floor and discovered a slot
8 machine was in service and operating with a rejected
9 pay table.

10 Further investigation determined that
11 the slot machine was programmed with a pay table that
12 had a minimum payout of 83.053 percent and a maximum
13 payout of 85.033 percent. This paid table minimum
14 payout amount below the minimum legal pay table amount
15 of 85 percent is in violation of the Board's
16 regulations. The slot machine and SugarHouse's gaming
17 floor slot machine master list had two different pay
18 table settings. The investigation revealed that the
19 slot machine was set utilizing a rejected pay table
20 setting that could have potentially caused the
21 theoretical payout of the slot machine to fall below
22 85 percent minimum payout percentage.

23 The slot machine was programmed with the
24 rejected pay table setting on May 10th, 2014, the last
25 time it was serviced. The slot machine was in service

1 and operational on SugarHouse's gaming floor with a
2 rejected pay table setting and theoretical payout set
3 below the 85 percent minimum payout percentage for
4 more than two months. Commissioners, SugarHouse
5 recently amended its internal controls and enacted two
6 new procedures to be followed by slot technical
7 personnel to protect against rejected pay table
8 settings reoccurring at SugarHouse. The new
9 procedures involve the verification of all slot
10 technical services by the Slot Technical Manager and
11 other Slot Technicians.

12 The second new procedure requires a
13 review of all SugarHouse's slot machines on a
14 quarterly basis to verify that all the slot machines,
15 among other things, have approved pay table settings
16 that correspond to SugarHouse's gaming floor slot
17 machine master list. Commissioners, if approved, this
18 will be the second penalty assessed against SugarHouse
19 for violating provisions of the Act and the Board's
20 regulations in regard to pay table settings on slot
21 machines.

22 The OEC asks that the Board approve the
23 Consent Agreement and Stipulation of Settlement
24 entered into between the parties. The terms of the
25 settlement include a provision that SugarHouse will

1 institute policies and provide training, guidance and
2 reinforcement to its employees, which will minimize
3 the probability for improper setting pay tables on
4 slot machines. SugarHouse will also pay a civil
5 penalty of \$15,000 and \$2,500 for costs incurred by
6 Board staff. I'd be glad to answer any questions.
7 Mr. Donnelly is here from SugarHouse Casino as well as
8 Rose Cook.

9 ATTORNEY DONNELLY:

10 Good morning. John Donnelly on behalf
11 of SugarHouse. Rosemarie Cook is with me who is the
12 Vice President of Games if there are any questions.

13 CHAIRMAN:

14 Any questions from the Board?
15 Ex-Officio? May I have a motion?

16 MR. FAJT:

17 Mr. Chairman, I move the Board issue an
18 Order to approve the Consent Agreement between the OEC
19 and SugarHouse HSP Gaming, LP as described by the OEC.

20 MR. JEWELL:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? The motion carries. Thank
2 you.

3 ATTORNEY PITRE:

4 The next two matters on the agenda are
5 Consent Agreements that have been negotiated between
6 the OEC and Washington Trotting Association doing
7 business as The Meadows Casino. Assistant Enforcement
8 Counsel Glenn Stuart will present these two matters
9 for the Board's consideration.

10 ATTORNEY STUART:

11 Good morning. Glenn Stuart for the
12 Office of Enforcement Counsel, S-T-U-A-R-T. Next for
13 the Board's consideration in a Consent Agreement
14 entered into between the OEC and Washington Trotting
15 Association, Inc. There are three counts so I'll just
16 read the facts of each count briefly. With respect to
17 count one, a self-excluded individual obtained a
18 players club card while at The Meadows and wagered and
19 redeemed free slot play during this visit. The
20 Meadows also mailed this individual a new member
21 letter along with free slot play for signing up for a
22 player's club card. According to The Meadows'
23 records, this individual wagered at The Meadows on
24 three separate occasions. However, there is no
25 evidence to suggest or illustrate that this individual

1 accrued any winnings as a result of his wagering. The
2 Pennsylvania State Police subsequently cited this
3 individual with criminal trespass.

4 With respect to count two a self-
5 excluded individual had signed up for a player's club
6 card at The Meadows. This incident was discovered by
7 The Meadows' personnel during a routine check of
8 player's club accounts for name misspellings. A
9 reconciliation of the self-excluded person's wagering
10 activity showed he wagered at The Meadows after
11 obtaining his player's club card. The Meadows did not
12 confiscate any winnings accrued by this individual
13 during his visit as it was not discovered that this
14 individual was on the Self-Exclusion List until nearly
15 three months after his visit. The State Police also
16 did not cite this individual with defiant or criminal
17 trespass.

18 And with respect to count three, an
19 excluded person obtained a player's club card at The
20 Meadows and also wagered at slot machines and a table
21 game during this visit. After this individual
22 obtained a player's club card, her new information was
23 merged with old information in The Meadows' player
24 management system and it was discovered that this
25 individual was on the Excluded Persons List. As a

1 result The Meadow security approached this individual,
2 asked her for identification and confirmed that the
3 individual was on the Excluded Person's List. This
4 person was on the gaming floor for approximately 40
5 minutes. However, there is no evidence to suggest or
6 illustrate she accrued any winnings as a result of her
7 wagering. The State Police cited this individual for
8 criminal trespass.

9 The terms of the Consent Agreement would
10 require The Meadows to pay a civil penalty in the
11 amount of \$15,000 for allowing two self-excluded
12 individuals and one excluded person to obtain player's
13 club cards, for allowing these two self-excluded
14 individuals and the excluded person to gain access to
15 The Meadows gaming floor and for allowing these two
16 self-excluded individuals and the excluded person to
17 wager while on the gaming floor. The Meadows would
18 also be required to remit \$2,500 to the Board for
19 investigative costs associated with this Consent
20 Agreement. As such this Consent Agreement is now ripe
21 for the Board's consideration.

22 CHAIRMAN:

23 Counsel?

24 ATTORNEY DOWNEY:

25 Thank you, Mr. Chairman, members of the

1 Board. Bill Downey. D-O-W-N-E-Y with Fox Rothchild
2 on behalf of Washington Trotting Association doing
3 business as The Meadows Racetrack and Casino. With me
4 at the Counsel table is Michael Kelon, who is the
5 Director of Compliance at the Meadows and Mr.
6 Chairman, with your indulgence, I think it's probably
7 appropriate to have Mr. Kelon sworn in at this time.

8 CHAIRMAN:

9 Okay. Sir?

10 -----

11 MICHAEL KELON, HAVING FIRST BEEN DULY SWORN, TESTIFIED
12 AS FOLLOWS:

13 -----

14 ATTORNEY DOWNEY:

15 Thank you. Mr. Kelon is here to answer
16 any questions the Board may have. Generally we're in
17 accord with the recitation of facts presented by
18 Counsel.

19 CHAIRMAN:

20 Questions? Okay. No questions. So at
21 this point, I'll ask for a motion.

22 MR. JEWELL:

23 Mr. Chairman, I move that the Board
24 issue an Order to approve the Consent Agreement
25 between the OEC and Washington Trotting Association as

1 described by the OEC.

2 MS. KAISER:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries. Thank you
9 gentleman.

10 ATTORNEY STUART:

11 I have one more Consent Agreement with
12 The Meadows so these gentlemen are going to stay put.
13 The next Consent Agreement pertains to promotions
14 offered by The Meadows. September 11th, 2014, The
15 Meadows submitted to the Board's Bureau of Gaming
16 Operations a promotional submission which was planned
17 to be conducted from October 1st, 2014 until October
18 31st, 2014. According to the rule submission,
19 participants were eligible to receive one free
20 complementary alcoholic drink per day, additional
21 complementary drinks could be earned for every 250
22 player points earned by a participant on a given day.
23 Gold player club members could earn three
24 complimentary drinks per day and platinum club player
25 members could earn five complimentary drinks per day.

1 On September 12th, 2014 the Board's
2 Bureau of Gaming Operations notified The Meadows in
3 writing requesting that The Meadows cancel the
4 promotions. This cancellation notification reasons
5 that the promotion violated The Meadows internal
6 controls and compulsive and problem gambling plan
7 because the promotion endorsed the consumption of
8 alcohol and a participant must engage in gaming
9 activity as a pre-requisite to receiving additional
10 alcoholic beverages.

11 On October 3rd, 2014, The Meadows
12 notified the Bureau of Casino Compliance that the
13 promotion had indeed been conducted on October 1st,
14 2014 and on October 2nd, 2014. According to The
15 Meadows records, 50 patrons participated in the
16 promotion and each received one complimentary drink.
17 Of those 50 patrons, five participants earned one
18 additional complimentary drink based on their wagering
19 activity.

20 The terms of the Consent Agreement would
21 require The Meadows to pay a civil penalty in the
22 amount of \$12,500 for violating its internal controls
23 and its compulsive and problem gambling plan by
24 conducting a promotion that promoted the consumption
25 of alcohol while engaging in gaming activity and for

1 conducting a promotion despite Board staff requesting
2 the promotion be cancelled. The Meadows will also be
3 required to remit \$2,500 to the Board for
4 investigative costs associated with the Consent
5 Agreement. As such, this Consent Agreement is now
6 ripe for the Board's consideration.

7 CHAIRMAN:

8 Counsel?

9 ATTORNEY DOWNEY:

10 Thank you, Mr. Chairman. Again, Bill
11 Downey, D-O-W-N-E-Y, for Washington Trotting
12 Association ---.

13 MR. FAJT:

14 Mr. Downey, could you speak up a little
15 bit?

16 ATTORNEY DOWNEY:

17 Sure.

18 MR. FAJT:

19 Thank you.

20 ATTORNEY DOWNEY:

21 Bill Downey, D-O-W-N-E-Y, for Washington
22 Trotting Association. With me again at Counsel table
23 is Michael Kelon. I'll remind Michael that he remains
24 under oath and we're prepared to answer any questions
25 the Board may have.

1 CHAIRMAN:

2 Okay. Dick? Questions?

3 MR. JEWELL:

4 Yes. When we looked at this yesterday
5 and considered it, there's a concern here about the
6 failure to communicate and the implications as a
7 result of that. I'd like you to talk to me a little
8 bit about how that happened.

9 MR. KELON:

10 Commissioner, when I initially submitted
11 the promotion to Harrisburg, I did so in excess of two
12 weeks before implementation with the expectation that
13 the Office of Compulsive and Problem Gambling may have
14 an issue with it. When we received the denial
15 notification to conduct the promotion, I immediately
16 disseminated that to our Director of Marketing and our
17 Promotions Manager to alert them not to implement the
18 promotion. The Marketing Manager failed to notify our
19 database people to basically kill the promotion. That
20 is where the break in communications occurred. The
21 corrective actions that we've implemented since then,
22 because this is electronically maintained in a shared
23 system, any folders containing promotions where we
24 receive Board denial to commence are appropriately
25 flagged so that anyone viewing that information knows

1 we're not to commence with that particular promotion.
2 The notification that we did to the Board was to meet
3 the 48-hour advance notification requirement. As I
4 indicated before, I believe that the Board may have
5 had issue with this promotion which is why we made the
6 notification so much in advance of what we normally
7 do. There was no intent to deceive or hide anything
8 with this.

9 MR. JEWELL:

10 Thank you.

11 CHAIRMAN:

12 Any other questions? Ex-officio
13 members? May I have a motion?

14 MS. KAISER:

15 Mr. Chairman, I move that the Board
16 issue an Order to approve the Consent Agreement
17 between the OEC and Washington Trotting Association as
18 described by the OEC.

19 MR. MCCALL:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries. Thank

1 you.

2 ATTORNEY DOWNEY:

3 Thank you.

4 MR. KELON:

5 Thank you.

6 ATTORNEY PITRE:

7 The next matter on the agenda is a
8 Consent Agreement which has negotiated between the OEC
9 and the Woodlands Fayette, LLC and IOC-PA, LLC doing
10 business as Lady Luck Casino. Assistant Enforcement
11 Counsel Glenn Stuart will present the matter for the
12 Board's consideration.

13 ATTORNEY STUART:

14 Next for the Board's consideration is a
15 consent Agreement between Isle of Capri --- IOC-PA,
16 LLC doing business as Lady Luck Nemaocolin. And this
17 pertains to an underage gaming violation. On October
18 3rd, 2014 an individual under the age of 21 accessed
19 Lady Luck's gaming floor. This individual was a
20 registered overnight guest at the Nemaocolin Woodland's
21 Resort. This individual used his valid identification
22 card from Sweden which showed his date of birth to be
23 March 23rd, 1994 to obtain a casino access pass from
24 Nemaocolin Experience Counter. Prior to accessing the
25 gaming floor, Lady Luck security confirmed the

1 validity of the identification and permitted this
2 individual to access the gaming floor.

3 This individual was on Lady Luck gaming
4 floor for approximately one hour. While on the gaming
5 floor he was observed to have consumed two alcoholic
6 beverages and wagered at one Roulette table. Although
7 this individual wagered at a Roulette table, there is
8 no evidence to suggest or illustrate that he accrued
9 any winnings as a result of his wagering. The
10 Pennsylvania State Police did not charge this
11 individual with any crime and Lady Luck declined to
12 evict this individual from its facility.

13 The terms of the Consent Agreement would
14 require Woodlands and IOC-PA, LLC to pay a civil
15 penalty in the amount of \$7,500 for allowing an
16 individual under the age of 21 to access its gaming
17 floor, to consume alcohol while on the gaming floor
18 and to wager while on the gaming floor. Woodlands and
19 IOC-PA, LLC would also be required to remit \$2,500 to
20 the Board for investigative costs associated with this
21 Consent Agreement. As such, this Consent Agreement is
22 now ripe for the Board's consideration.

23 CHAIRMAN:

24 Thank you, sir. Do you wish to make any
25 comments?

1 MR. LAUDON:

2 I do not. I'm here for any questions
3 you may have.

4 CHAIRMAN:

5 I'll tell you what. Just in case there
6 are, why don't we swear you. Stand up, please.

7 -----

8 RICHARD LAUDON, HAVING FIRST BEEN DULY SWORN,
9 TESTIFIED AS FOLLOWS:

10 -----

11 MR. LAUDON:

12 My name is Rich Laudon. L-A-U-D-O-N.
13 I'm the General Manager of Lady Luck Nemacolin.

14 CHAIRMAN:

15 Thank you, sir. Any questions from the
16 Board? Greg?

17 MR. FAJT:

18 Really, point of personal privilege.
19 Mr. Laudon, I understand that you are retiring soon.
20 Is that still correct?

21 MR. LAUDON:

22 That's still correct. Yes. I'm trying
23 to make a smooth transition with Isle of Capri. We
24 don't have a definitive date on that.

25 MR. FAJT:

1 If you're not here again, I just wanted
2 to thank you for your hospitality to this Board. Over
3 the couple of years that Nemaocolin has been in
4 operation, you've been a true professional and
5 appreciate everything you've done in cooperation with
6 this Board over that time.

7 MR. LAUDON:

8 I appreciate it. That's very nice.
9 Thank you.

10 CHAIRMAN:

11 Okay. May I have a motion?

12 MR. MCCALL:

13 Mr. Chairman, I move that the Board
14 issue an Order to approve the Consent Agreement
15 between the OEC, Woodland Fayette, LLC and IOC-PA as
16 described by the OEC.

17 MR. MOSCATO:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? The motion carries. Thank
24 you.

25 ATTORNEY PITRE:

1 The next matter on the agenda consists
2 of an Enforcement Action which the OEC has filed a
3 complaint seeking the revocation of the registration
4 of an individual licensed by the Board. The Complaint
5 has been filed with the Board's OHA and properly
6 served and certified by first class mail upon the
7 individual named on the Complaint. The individual
8 named in the Complaint failed to respond within 30
9 days as required by Board regulation. As a result,
10 the OEC filed a request for default judgment and
11 properly served the default judgment on the individual
12 by certified and/or regular mail. As a result of this
13 the facts in the Complaint are deemed admitted. All
14 filed documents have been provided to the Board and
15 the matter is presently ripe for Board consideration.
16 Assistant Enforcement Counsel Glenn Stuart will
17 present a brief summary of the facts and request
18 appropriate Board action.

19 ATTORNEY STUART:

20 Next for the Board's consideration is a
21 petition seeking to revoke a Non-Gaming Registration
22 Kristina Antonio. Ms. Antonio had been employed as a
23 Casual Dining Server at the Valley Forge Casino and
24 Resort. While working at a nightclub at Valley Forge
25 on New Year's Eve 2014, surveillance footage shows Ms.

1 Antonio consuming 10 shots of alcohol during a two-
2 hour period. Ms. Antonio was only 19-years-old at the
3 time. Valley Forge terminated Ms. Antonio from her
4 employment as a result of this incident and based on
5 Ms. Antonio's failure to abide by the provisions in
6 her Statement of Conditions and her failure to
7 maintain suitability the OEC requests that the Board
8 revoke the Non-Gaming Registration of Kristina
9 Antonio.

10 CHAIRMAN:

11 Is Ms. Kristina Antonio in the Hearing
12 Room? Any questions or comments from the Board?
13 Ex-officio members? May I have a motion?

14 MR. MOSCATO:

15 Mr. Chairman, I move for the Board to
16 issue an Order to approve the revocation of Kristina
17 Antonio's Non-Gaming Employee Registration as
18 requested by the OEC.

19 MR. WOODS:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion is carried.

1 ATTORNEY STUART:

2 Thank you.

3 ATTORNEY PITRE:

4 The last three matters on the agenda
5 consist of Enforcement Actions in which the OEC has
6 filed petitions seeking the involuntary exclusion of
7 individuals whose presence in a licensed facility are
8 inimical to the interests of the Commonwealth and/or
9 the licensed gaming therein. In each instance the
10 petition for exclusion has been filed with the Board's
11 OHA and properly served by certified and first class
12 mail upon the individual named in the petition.

13 In each instance, the individual named
14 in the petition failed to respond within 30-days as
15 required by the Board regulation. As a result, the
16 OEC filed a request for default judgment in each
17 instance and properly served the default judgment upon
18 each individual. As a result, the facts in each
19 petition are deemed admitted. All filed documents
20 have been provided to the Board and the matters are
21 presently ripe for the Board's consideration. In each
22 instance, once again we will provide a brief summary
23 of the facts and request the appropriate Board action.
24 The first two matters will be presented by Assistant
25 Enforcement Officer, Michael Roland.

1 ATTORNEY ROLAND:

2 Good morning, Mr. Chairman, members of
3 the Board. Michael Roland, R-O-L-A-N-D, with the OEC.
4 The first matter that I have is a request to place
5 Alfredo DeJesus on the Involuntary Exclusion List. In
6 February of this year, the Bureau of Casino Compliance
7 at Sands Casino was notified of a mini royal jackpot
8 during the game of Three Card Poker. The winning
9 patron was identified as Alfredo DeJesus who was
10 placing in spots both four and five at the table. A
11 review of surveillance of the winning hand was
12 initiated and it was discovered that after receiving
13 his cards, Mr. DeJesus switched a card between his
14 hands dealt on spots four and five. Had his illegal
15 activity not been discovered prior to the actual
16 payout, Mr. DeJesus would have received \$13,246. Had
17 the cards not been switched, Mr. DeJesus would have
18 legitimately won \$60. Mr. DeJesus was charged under
19 our Act, specifically Section 1518 knowingly by trick
20 of fraud to win or reduce a loss and under the Crimes
21 Code, theft by deception. Those charges are pending
22 and the matter is now before the Board to consider the
23 placement of Alfredo DeJesus on the Board's
24 Involuntary Exclusion List.

25 CHAIRMAN:

1 Is Alfredo DeJesus present in the
2 Hearing Room? Any questions or comments from the
3 Board? Ex-officio members? May I have the motion?

4 MR. WOODS:

5 Mr. Chairman, I move that the Board
6 issue an Order for the addition of Alfredo DeJesus on
7 the PGCB Involuntary Exclusion List as described by
8 the OEC.

9 MR. FAJT:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries.

16 ATTORNEY ROLAND:

17 The next matter I have is a request to
18 place Alquan Mack on the Involuntary Exclusion List.
19 In December of 2014, the Bureau of Casino Compliance
20 became aware of a cell phone theft that occurred at
21 the bus lounge area of Sands Casino. A patron
22 reported that she had her phone plugged into an
23 electric outlet and placed it on a windowsill. When
24 the patron returned for her phone, it wasn't there.
25 Video surveillance confirmed that after plugging in

1 her cell phone, a security guard identified as Alquan
2 Mack entered the bus waiting area, placed the phone in
3 his pocket and then left. Mr. Mack was approached by
4 security and he returned the phone. Mr. Mack was
5 permanently evicted by the security department. Upon
6 inspection of her property, however, the patron
7 noticed that the phone's SIM card was missing and she
8 requested to file a police report. Mr. Mack was
9 charged by the Bethlehem Police Department with theft
10 by unlawful taking and receiving stolen property. The
11 charges were later dismissed at the request of the
12 victim when Mr. Mack returned the SIM card. The
13 matter is now before the Board to consider the
14 placement of Alquan Mack on the Board's Involuntary
15 Exclusion List.

16 CHAIRMAN:

17 Is Alquan Mack present in the Hearing
18 Room? Any questions or comments from the Board?
19 Ex-officio members? May I have a motion?

20 MR. FAJT:

21 Mr. Chairman, I move that the Board
22 issue an Order to approve the addition of Alquan Mack
23 on the PGCB Involuntary Exclusion List as described by
24 the OEC.

25 MR. JEWELL:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 ATTORNEY ADAMS:

8 Good morning, Chairman Ryan. Kim Adams
9 on behalf of the OEC. The next matter for your
10 consideration is the OEC's request to place Corey
11 Talley on the Board's Exclusion List. While at Rivers
12 Casino, Mr. Talley entered the high limits slot
13 attendant room which is not open to the public and he
14 then forcibly opened the employee tote box and removed
15 approximately \$7,146 from this box. Mr. Talley turned
16 himself in to the City of Pittsburgh Police Department
17 and returned all of the money. Criminal charges were
18 filed. The OEC is requesting Corey Talley be placed
19 on the Board's Exclusion List.

20 CHAIRMAN:

21 Is Corey Talley present in the Hearing
22 Room? Questions or comments from the Board?
23 Ex-officio members? May I have a motion?

24 MR. JEWELL:

25 Mr. Chairman, I move that the Board

1 issue an Order to approve the addition of Corey Talley
2 to the PGCB Involuntary Exclusion List as described by
3 the OEC.

4 MS. KAISER:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 ATTORNEY PITRE:

12 Thank you that concludes our business.

13 CHAIRMAN:

14 Next we have our public comment period.

15 As I understand it we do not have anyone who
16 registered to speak today. Is there anyone in the
17 audience wishing to make public comment? Seeing and
18 hearing no reply I will move on. That concludes
19 today's meeting. Our next scheduled public meeting
20 will be Wednesday, July 8th at 10:00 a.m. in this
21 room. Any final comments from the Board or
22 Ex-officios? May I have a motion to adjourn?

23 MS. KAISER:

24 Mr. Chairman, I move for adjournment of
25 meeting.

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MR. MCCALL:

Second.

CHAIRMAN:

We are adjourned. Thank you very much
ladies and gentlemen.

* * * * *

MEETING CONCLUDED AT 11:54 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
meeting held before Chairman Ryan was reported by me
on 6/10/2015 and that, I Derrick Ferree, read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.



Derrick Ferree