



## PENNSYLVANIA GAMING CONTROL BOARD

### Meeting of the Board February 3, 2009 Minutes

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A meeting of the Pennsylvania Gaming Control Board was held on February 3, 2009 in the State Museum Auditorium, Harrisburg, PA. The meeting began at approximately 1:25 p.m. *Public Hearings were held prior to the public meeting.*

***Members in attendance were:***

Mary DiGiacomo Colins, Chairman  
Raymond S. Angeli  
Jeffrey W. Coy  
James B. Ginty  
Kenneth T. McCabe  
Sanford Rivers  
Gary A. Sojka

***Ex-officio Members in attendance:***

Keith Welks, ex officio designee of Honorable Robin Wiessmann, State Treasurer  
Stacie Amsler attending on behalf of Honorable Stephen Stetler, Secretary of Revenue

***Individuals who appeared officially before the Board:***

Frank Donaghue – agency update  
Michael Cruz – gaming lab update  
Eileen McNulty – PA Regulatory Cost Study  
Doug Sherman – PA Regulatory Cost Study – Morowitz Gaming Advisors, LLC,  
petitions  
Richard Sandusky – regulations  
Steve Cook – report and recommendations, withdrawals  
Cyrus Pitre – consent agreements, revocations and suspensions  
Dustin Miller – consent agreements, revocations and suspensions  
Katie Higgins – revocations and suspensions  
Susan Hensel – licensing matters  
Mr. Cory Morowitz – Chairman, Morowitz Gaming Advisors, LLC

A quorum of the Board being present, Chairman Colins called the meeting to order.

### **ANNOUNCEMENTS**

Chairman Colins announced that the Board held an Executive session on February 2, 2009 to discuss personnel issues, privileged and confidential Agency business, to consult with Counsel and other professional advisors to the Board concerning any current litigation.

## **TRANSCRIPT/MINUTES**

On a motion by Board Member Angeli, seconded by Board Member Coy, the minutes and transcript of the January 21, 2009 meeting were unanimously approved.

## **EXECUTIVE DIRECTOR'S REPORT**

Acting Executive Director, Frank Donaghue reported on revenue trends at Pennsylvania slots casinos. Mr. Donaghue indicated that during the previous month revenues grew comparing the six facilities operating in January of 2008 to the same six operating in January of 2009. The comparison showed an increase of 6.7%, or \$114 million this year compared to \$107 million last year. Mr. Donaghue cautioned the Board about drawing conclusions regarding the increase since the market is still maturing. Mr. Donaghue stated that approximately 1,500 more slot machines were operating at those facilities last month over the amount in operation in 2008. He further reported that Pennsylvania's gaming market is producing very significant revenues. Revenues included more than \$72 million in tax revenues to the Commonwealth in January, which places total tax revenues generated just from slots play since the initial November, 2006 opening at over \$1.5 billion.

Mr. Donaghue also reported upon the release of the 2008 Pennsylvania Gaming Control Board Annual report. Mr. Donaghue explained that the annual report provides readers an opportunity learn more about the work of our agency this past calendar year. Mr. Donaghue reported that the annual report is available in an electronic format on the agency's web-site. He remarked that the agency can be proud of this publication and the ongoing work completed on behalf of the Commonwealth.

Mr. Michael Cruz, Director, Gaming Laboratory provided a first quarterly update on the Gaming Lab's performance for 2009.

## **CHIEF FINANCIAL OFFICER AND ADMINISTRATION**

Ms. Eileen McNulty and Mr. Doug Sherman, Acting Chief Counsel updated the Board regarding a report received entitled *Pennsylvania Regulatory Cost Study* conducted by Mr. Cory Morowitz, Chairman, Morowitz Gaming Advisors, LLC. Mr. Morowitz attended the Board meeting to answer a number of questions presented to him by Chief Counsel.

## **OFFICE OF CHIEF COUNSEL**

### **PGCB MOTION NO. 2009-28 REG – Final-form Regulation No. 125-92**

Motion Made: Board Member Coy  
Seconded: Board Member Ginty

Resolved, the Board hereby adopts the Final-form Regulation No. 125-92 amending Chapters 441a and 467a; and that the Final-form Regulation be posted to the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-29 OCC – Downs Racing L.P. Petition**

Motion Made: Board Member Ginty  
Seconded: Board Member McCabe

Resolved, the Board hereby tabled the motion to consider the Downs Racing Petition, OHA Docket No. 42188, for Exemption of Front-of-House Positions from the Credential Display Requirement until additional evidence on industry standards can be researched and results provided to the Board.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-30 OCC – Shuffle Master, Inc. Petition**

Motion Made: Board Member Ginty  
Seconded: Board Member McCabe

Resolved, the Board hereby grants the Shuffle Master, Inc. Petition approving the use of the Vegas Star Roulette Machine by slot machine licensees in the Commonwealth of Pennsylvania, OHA Docket No. 42719.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-31 OCC – Sands Bethworks LLC Petition**

Motion Made: Board Member McCabe  
Seconded: Board Member Rivers

Resolved, the Board hereby grants, with conditions, the Sands Bethworks LLC Petition for Ruling that Cause Exists to Relax or Modify Licensing Condition Number 51, OHA Docket No. 43027.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-32 OCC – Sands Bethworks LLC Petition for Additional Time**

Motion Made: Board Member Rivers  
Seconded: Board Member Sojka

Resolved, the Board hereby grants the Sands Bethworks LLC Petition for Additional Time to Make Slot Machines Available to Play, OHA Docket No. 42994, and provides Sands Bethworks with an additional twelve (12) months, until August 8, 2009, to operate and make available a minimum of 1,500 slot machines.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-33 OCC – Petition to Withdrawal Applications**

Motion Made: Board Member Angeli  
Seconded: Board Member Coy

Resolved, the Board hereby approves the Orders regarding the withdrawal or surrender of Principal and Key Employee Applications, or Licenses, as well as Vendor Registrations or Certification, without prejudice, as follows:

Charles Courtney  
John Mascaro, Sr.  
Stephen William Morro  
Jonathan Nicolais  
North American Video, Inc.  
Robertson Heating Supply Co.  
Jennifer Supiot  
Joseph Taylor  
James Pierpont Baker  
Gladys E. Bettis  
Larry C. McCrae  
William Robinson, Jr.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-34 OCC – Denial of Non-Gaming Employee Registration for Michelle Boger**

Motion Made: Board Member Coy  
Seconded: Board Member Ginty

Resolved, the Board hereby issues an Order to adopt the Report and Recommendation of the Office of Hearings and Appeals to deny the Non-Gaming Employee Registration for Michelle Boger, OHA Docket No. 42926. Furthermore, Ms. Boger's letter of Exceptions, dated January 4, 2009, are also denied as they have no legal bearing on the Hearing Officer's determination.

Board Decision: Passed by unanimous vote

**OFFICE OF ENFORCEMENT COUNSEL**

**PGCB MOTION NO 2009-35 OEC – Thomas Izzo Consent Agreement**

Motion Made: Board Member Coy  
Seconded: Board Member Ginty

Resolved, the Board hereby approves the Consent Agreement between Bureau of Investigation and Enforcement and Thomas Izzo and approves the renewal of his Gaming Employee Permit. As a result of this action, the Board's Order of August 29, 2008 denying the renewal application is now null and void.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-36 OEC – Revocation of Non-Gaming Employee Registration for David Michael Gonzalez**

Motion Made: Board Member McCabe  
Seconded: Board Member Rivers

Resolved, the Board hereby issues an Order to revoke the Non-Gaming Employee Registration for David Michael Gonzalez, OHA Docket No. 42803. Mr. Gonzalez is prohibited from applying for any form of license, permit or registration for a period of five (5) years from the date of this Order.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-37 OEC – Revocation of Non-Gaming Employee Registration for Nicholas Gorewich**

Motion Made: Board Member Rivers  
Seconded: Board Member Sojka

Resolved, the Board hereby issues an Order to revoke the Non-Gaming Employee Registration for Nicholas Gorewich, OHA Docket No. 42819.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-38 OEC – Revocation of Non-Gaming Employee Registration for Brenda Krum**

Motion Made: Board Member Sojka  
Seconded: Board Member Angeli

Resolved, the Board hereby issues an Order to revoke the Non-Gaming Employee Registration for Brenda Krum, OHA Docket No. 42825. Mr. Krum is prohibited from applying for any form of license, permit or registration for a period of five (5) years.

Board Decision: Passed by unanimous vote

**BUREAU OF LICENSING**

**PGCB MOTION NO. 2009-39 LIC – Key Employee Licenses**

Motion Made: Board Member McCabe  
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Order issuing the Key Employee Licenses as follows:

Syed Azharuddin, Cage Shift Manager  
David Charles Ziegler, Director of Facilities and Construction  
Edward Hoffman, Director of Sales, Northeast Region

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-40 LIC – Vendor Certifications**

Motion Made: Board Member Rivers  
Seconded: Board Member Sojka

Resolved, the Board hereby issues an Order approving the applications for Vendor Certification as follows:

Commercial Flooring Systems of Pennsylvania, Inc.  
Diversified Business Forms  
Frank J. Zottola Construction, Inc.  
G. Weinberger Company  
Gaga Marketing, LLC  
Golden Triangle Construction Company, Inc.  
Lane-Leeward, LLC  
Lemon-X Corporation  
Mascaro Construction Company  
Panzitta Enterprises, Inc.  
Preventive Cleaning, LLC

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2009-41 LIC – Prohibited Vendor List**

Motion Made: Board Member Sojka  
Seconded: Board Member Angeli

Resolved, the Board hereby issues Orders approving the additional vendors to the Prohibited Vendor List as follows:

Aducat Outdoor Advertising  
Advantage Steel and Construction, LLC  
Basu Technology, Inc.  
Initial Electronics, Inc.  
Kalwall Corporation  
Parker Consulting  
ProFast Commercial Flooring, Inc.  
SID Tool Company, Inc.  
Specialty Flooring Systems, Inc.

Board Decision: Passed by unanimous vote

**ADJOURNMENT**

There being no further business before the Board, on a motion from Board member Jeffrey Coy, seconded by Chairman Colins, the meeting was adjourned.