

PENNSYLVANIA GAMING CONTROL BOARD

CAPITOL COMPLEX
NORTH OFFICE BUILDING
HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

THURSDAY, MAY 5, 2005, 10:08 A.M.

BEFORE:

THOMAS DECKER, CHAIRMAN
MARY DiGIACOMO COLINS
WILLIAM P. CONABOY
JEFFREY W. COY
KENNETH T. McCABE
JOSEPH W. MARSHALL, III
SANFORD RIVERS
ROBERT P. CASEY, JR., PA STATE TREASURER (via telephone)

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN DECKER: Let me call the meeting
2 to order. I'm Tad Decker, Chairman of the Gaming
3 Board. Good morning to everyone and welcome to the
4 meeting.

5 A quorum of the Board is present at the
6 meeting; and therefore, the meeting is now called to
7 order.

8 For the record, let me just say that
9 present -- let me shut this off for the record.
10 Sorry. Sorry about that.

11 For the record, we have with us today
12 Commissioner Mary Colins, Sanford Rivers --
13 Commissioners Mary Colins, Sanford Rivers, Chip
14 Marshall, Bill Conaboy, Ken McCabe, and the guy on
15 the end, I can't remember -- no, I'm just kidding --
16 Jeff Coy. We have on the phone -- I believe
17 Treasurer Casey is on the phone.

18 TREASURER CASEY: Mr. Chairman, I'm here.

19 CHAIRMAN DECKER: Great. Greg Fajt could
20 not be with us today. He's traveling. We have
21 instead Curt Haines, who will be representing him
22 today.

23 We were informed last night that Secretary
24 Wolff had a commitment that he couldn't get out of at

25 the last minute, so he's not here.

4

1 Welcome, everybody. The meeting is now
2 called to order. Let's please stand and join with us
3 on the Pledge of Allegiance.

4 (Pledge of Allegiance.)

5 CHAIRMAN DECKER: Thank you. Before we get
6 started, I would like to have the minutes of the last
7 meeting recorded -- excuse me. They have been
8 recorded but approved.

9 COMMISSIONER MARSHALL: So moved.

10 CHAIRMAN DECKER: Are there any comments?
11 Thank you.

12 Second?

13 COMMISSIONER CONABOY: Second.

14 CHAIRMAN DECKER: The motion is -- can I
15 have a vote all in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN DECKER: The motion carries. The
18 minutes of the last meeting are going to be
19 available. They are part of the official record.
20 They'll be available on our website. I also want to
21 note that the meeting is being recorded by a
22 stenographer today as usual.

23 As part of old business, we wanted to talk

24 about vendor licensing a bit. I would like to take
25 up this topic because we have talked about it in

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1 prior periods, and I would like to discuss this today
2 at the meeting and get the Board's sense on this.

3 During our prior meeting, Lynn Stelle, who
4 serves as a consultant to the Board, discussed the
5 issue of vendor licensing.

6 Lynn recommended to the Board that it
7 consider exercising its discretion under the Statute
8 to license non-gaming vendors as an added means of
9 ensuring integrity in the operation of the slot
10 facilities.

11 This is a policy decision that needs to be
12 voted on by the Board and which will then lay the
13 foundation for possible future regulations.

14 Since at the last meeting the Board members
15 discussed this briefly and have had an opportunity to
16 consider this idea, we have a draft resolution that I
17 would like to read to the Board; but before I do
18 that, is there any discussion on the concept of
19 licensing on non-gaming vendors?

20 Mary, I know you had one thing you wanted
21 to say.

22 COMMISSIONER DiGIACOMO COLINS: Well, I

23 wanted to add a few comments. As we know from Lynn
24 Stelle's presentation, I guess it was at the last
25 meeting on this issue, and as we all know from our

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1 investigations and our meetings with Nevada and
2 especially New Jersey, that this is an area that is
3 basically a very important area of regulation.

4 It's New Jersey, I think -- I know has --
5 was in the forefront of vendor licensing. They have
6 the strictest form of licensing regulations. That
7 will probably form the initial pattern or template
8 for us to look at in a working group, although we'll
9 have discussion and work through each specific of
10 their regulations to update it and make it as
11 applicable as possible to Pennsylvania.

12 So should this motion pass today, the
13 working group is ready to proceed on the issue of
14 vendor licensing and make it a very tight regulatory
15 process and raise the bar in a very high fashion in
16 this area, so that Pennsylvania is known as a
17 jurisdiction that has to be respected in this area.
18 So that's our goal once or if this regulation is
19 passed.

20 CHAIRMAN DECKER: Thank you.

21 Please, Ken.

22 COMMISSIONER McCABE: Mr. Chairman, I would
23 like to address a few comments. I think this is a
24 very important area. This and the suppliers, I
25 think, are going to be some of the weak points in the

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1 system from what I have learned going around, talking
2 to other law enforcement people that are now involved
3 with gaming, is that the corporations that are
4 involved with gaming are doing a pretty good job of
5 policing themselves up; but with the fear of
6 organized crime or bad people trying to get involved
7 with gaming, that the two areas that are vulnerable
8 are the vendors, and in our state, it could also be
9 the suppliers. So I think this is very important.

10 CHAIRMAN DECKER: Thanks, Ken.

11 Any other comments?

12 Chip, please.

13 COMMISSIONER MARSHALL: Well, I would agree
14 with Mary and Ken, but I think there's an even more
15 pragmatic reason that as we go forward in
16 Pennsylvania, it would seem to me, it's much easier
17 to go back and lighten up than it is to make heavy.

18 I think it will be difficult if we don't
19 take this step now and then decide two to three years
20 in that we should. I think I would like to see us

21 err on the side of caution.

22 New Jersey has done that, I think, very
23 well. Their gaming numbers or the monetary numbers,
24 I know they're taking another look at from our visit
25 there and they can adjust it. So I would be inclined

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1 to start strong and then see and adjust it as we
2 experience it.

3 CHAIRMAN DECKER: Any other comments?

4 Let me read a proposed resolution, which I
5 hope comports with your comments. Whereas the Board
6 is responsible for ensuring the integrity of all
7 slots/gaming related activities in Pennsylvania and
8 whereas a critical part of this responsibility is the
9 licensing and permitting of gaming-related businesses
10 and their employees, and whereas the Board has
11 discretion to license non-gaming related vendors and
12 their employees where the vendors provide goods,
13 property or services to slots/gaming facilities, and
14 whereas non-gaming related vendors and their
15 employees will frequently have access to slots/gaming
16 facilities, be it resolved that the Board adopts a
17 policy to license non-gaming vendors who will enter
18 into business relationships with slot/gaming
19 facilities.

20 COMMISSIONER MARSHALL: So moved.

21 CHAIRMAN DECKER: Thank you.

22 Can I have a second?

23 COMMISSIONER DiGIACOMO COLINS: Second.

24 CHAIRMAN DECKER: Anymore comment or
25 discussion on this?

9

1 COMMISSIONER MARSHALL: Mr. Chairman, I
2 suppose one comment that we should make just for
3 clarification is that today we're just adopting a
4 policy that says we will go forward. The actual
5 regulations and the implementation of that policy
6 will still come back before the Board.

7 CHAIRMAN DECKER: Who and what and at what
8 level will have to be discussed through the creation
9 of regulations.

10 We have a second. Any other discussion?

11 Hearing none, all those in favor of this
12 resolution, please indicate by saying aye.

13 COMMISSIONERS: Aye.

14 CHAIRMAN DECKER: Any opposed?

15 The motion passes unanimously.

16 Let me cover a couple of updates on the
17 hiring process and maybe some other activities. We
18 have moved forward. You don't see it, but we have a

19 number of people who we have been recruiting for
20 various top level positions in the -- with our agency
21 and with our Board. It includes the executive
22 director, the general counsel, the head of BIE, the
23 head of licensing, possibly someone who could help us
24 on the laboratory side, as well as some consultants
25 at that level.

10

1 It's our view that if we are able to hire
2 these individuals who have extensive gaming
3 regulatory experience, not just gaming experience but
4 gaming regulatory experience from start-ups to full
5 fledged operations for many, many years, they're
6 going to be able to put us ahead of the learning
7 curve; and more importantly in the long term, these
8 individuals who have this extensive experience are
9 going to be trained, the other individuals who we
10 hire in Pennsylvania, who we think will be bright,
11 capable individuals with a great work ethic.

12 With that kind of a background over a
13 period of time, they will be learning from these
14 individuals, and we really feel that will give us a
15 real head start in comparison to how other people
16 started up their various gaming activities.

17 So we are very optimistic that once the

18 decision of the Supreme Court comes down and if it's
19 favorable, we will be able to hire some very, very
20 talented people who will get this thing moving along.
21 I just wanted to make that point.

22 We will be -- I would say -- lining up a
23 couple of these people. I don't think we're going to
24 be in the position to announce who they are until the
25 decision comes down, because it would be unfair to

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1 them. Most of them hold high level positions in
2 other areas today; and therefore, this wouldn't be
3 fair to disclose who they are. We're going to try
4 and line that up.

5 So when -- if and when the Bill is found to
6 be constitutional, again, if and when, we will be in
7 a position to announce immediately who these
8 individuals are. So that's the key point of what I
9 wanted to say on the hiring front.

10 Mary is going to talk about the regulatory
11 process in a few minutes. The other thing we're
12 going to do is we're trying to get ready to handle
13 the applications that may be coming in, even though
14 we may not have a ruling from the Supreme Court on
15 this decision.

16 We're trying to line that up as well.

17 There's a lot of work to be done in terms of
18 background checks, as well as processing these
19 applications. There's a great deal -- we're
20 anticipating a great number of them.

21 We're trying to move that process forward,
22 but it's not easy in light of the -- kind of some of
23 the hiring restraints we face.

24 Anybody else want to say anything about any
25 of this?

12

1 Thank you.

2 Is there any other old business that you
3 would like to discuss?

4 Okay. Let's move on then. We're very
5 fortunate today to have a presentation to the Board
6 on the Compulsive Gaming Program for the state of
7 Pennsylvania from Gene Boyle. He is the director of
8 the Bureau of Drug and Alcohol Programs for the
9 Department of Health.

10 This is, from our perspective, an extremely
11 important area of focus for the Board. By law, the
12 Department of Health is tasked with developing a
13 comprehensive program to address the prevention and
14 treatment of problem and compulsive gambling.

15 Gene, who is the director of that Bureau

16 for the Department of Health, is here today to give
17 us an overview of the work that the Department has
18 done to date to address this very serious issue.

19 Gene, thank you for being with us today.

20 MR. BOYLE: Good morning, Mr. Chairman and
21 fellow Board Members. I would like to take this
22 opportunity to thank you for having us today because
23 as a part of the legislation as you are all aware,
24 there are responsibilities for the Department of
25 Health within Act 71.

13

1 I just wanted to briefly today go over
2 those with you and update you as to where we
3 currently are in meeting the requirements as laid out
4 by Act 71.

5 CHAIRMAN DECKER: Gene, would you like to
6 introduce who you have with you?

7 MR. BOYLE: Yes. I'm sorry. Let me
8 introduce staff. On my immediate left is Robin
9 Rothermel. Robin is the director of our Bureau of
10 Treatment.

11 To my right is Bill Noonan. Bill Noonan
12 has been a part of our organization for quite some
13 time, but has recently taken on a new position
14 relative to gambling and will be the person primarily

15 in charge of dealing with these issues.

16 CHAIRMAN DECKER: Welcome.

17 MR. BOYLE: Thank you. I believe all of
18 you have in front of you the section and the
19 information that we had put together.

20 Again, just to briefly summarize, Act 71 in
21 Section 1509 establishes the comprehensive and
22 problem gambling program. What it does is it
23 requires the Department of Health to, one, develop
24 program guidelines for public education, awareness,
25 training, and treatment regarding the gambler and

14

1 their family.

2 It also maintains, asks us to maintain a
3 comprehensive program gambling toll free hotline,
4 which will be available to provide crisis counseling
5 and referral services.

6 We have begun to put in place in those
7 areas the kinds of things that we believed to be
8 important in order for us to assure that we meet the
9 requirements of Act 71.

10 The Department will establish and develop a
11 toll free 24 hour -- 24/7 hour hotline to provide
12 crisis counseling, screening, and referral services.

13 This is one of the areas that we have

14 already begun to get into. We have been talking --
15 staff has met, by the way, with probably staff from
16 many of the states who currently have gambling.

17 We have talked with individuals in New
18 Jersey, Delaware, West Virginia, and others in order
19 for us to learn what they're doing, what they went
20 through, and how best we can do it without starting
21 from scratch.

22 We felt that there was enough information
23 out there that we would be able to learn from what
24 they have learned during the process.

25 So we look at establishing, as I said, that

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1 24/7 hotline and that's part of the regulation that
2 must be -- must be put into existence.

3 We want to provide information to the
4 public about comprehensive gambling and problem
5 gambling and the availability of help.

6 We also want to develop programs to assure
7 quality assurance to those affected by comprehensive
8 and program gambling.

9 This 24-hour hotline that I spoke to, as
10 you can see from the handout, will provide coverage
11 24 hours a day, 7 days a week. It will provide
12 access to healthcare and allow for referrals to

13 appropriate services.

14 We intended to provide -- we intend to
15 provide training and crisis intervention and suicide
16 recognition to ensure that all of our referrals that
17 are made are appropriate.

18 Staff will be trained in addiction and
19 problem gambling recognition. They will be able to
20 gather statistical information and provide reports
21 from this hotline, from the types of calls, from the
22 types of individuals, from the locations that the
23 calls are coming from, whether it's from the
24 individual who may have the problem themselves or a
25 family member.

16

1 All of this has been taken into
2 consideration, and all of this will be a part of the
3 service that is provided.

4 The second piece is to provide information
5 to the public about comprehensive and problem
6 gambling and, certainly, the availability of
7 assistance.

8 Public education regarding compulsive and
9 problem gambling has begun with the availability of
10 written materials and pamphlets and posters.

11 We have within the Department what we refer

12 to as the Public Health Clearinghouse, which includes
13 information around substance abuse, HIV, AIDs, and a
14 whole host of other public health issues.

15 We are going to build right into that
16 clearinghouse. We're not going to create something
17 new, but build right into it the information that
18 will be made available to the general public around
19 gambling.

20 Initially, these materials will be
21 purchased commercially, but will then be developed by
22 Commonwealth staff to be specific to meet the needs
23 of Pennsylvanians.

24 Educational information will be accessed by
25 the public through the hotline, by contacting the

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1 Bureau of Drug and Alcohol Programs, by going to its
2 web page and, certainly, by going through the
3 information clearinghouse that I just spoke to.

4 In addition, one of the pieces that we have
5 learned rather quickly is that the two population
6 groups that are most affected by gambling are the
7 elderly and certainly our youth.

8 What we want to do is form partnerships in
9 the Commonwealth, and we want to bring a variety of
10 other state departments to this partnership so that

11 we can establish a work group, a work group that will
12 advise us on all of the issues that they see
13 surrounding gaming issues, and to develop curriculum
14 in particular for use in the schools and appropriate
15 materials, as we stated before, for the general
16 public.

17 The Department will also provide for a
18 conference in order to provide the education that is
19 going to be necessary in order to meet certification
20 standards.

21 We've talked about the clearinghouse.
22 We've talked about the hotline. The third functional
23 piece obviously is once we are able to identify an
24 individual who needs support and individual who may
25 need some counseling, we need to make absolutely

18

1 certain that that system is in place in order to
2 accommodate that.

3 So the Department will make sure that we
4 have proper training for these individuals as well,
5 and approximately 18 hours of education must be
6 provided through this conference to satisfy most of
7 the speciality, education requirements for
8 professional certification.

9 Our goal, again, is to require that all

10 counselors and therapists who would provide clinical
11 service through public reimbursement under Act 71
12 obtain certification through a recognized accrediting
13 body.

14 We have not yet determined who that
15 accreditation body is. We have been looking into
16 several, two at the national level and, certainly,
17 we're taking a look at the local certification boards
18 within our own state; but certainly, we do believe
19 strongly that there must be a certification body.

20 We need to have professionals who can
21 demonstrate that they are actively engaged in
22 becoming certified and who will be for them
23 personally and for reimbursement purposes. A time
24 period will be established also to complete
25 certification.

19

1 We will make sure that quality training is
2 provided through not only the training system that
3 the Department has through the Bureau of Drug and
4 Alcohol Programs, but also through the conference
5 that I spoke about and other venues as we see fit.

6 It's important for me to assure you that a
7 training of trainers will be conducted, and we will
8 utilize currently contracted trainers from other

9 states, people that we have already spoke to who have
10 been involved over the years in this kind of training
11 and certainly in the giving of counseling services.

12 We will then develop within our own state
13 as a result of these trainer of trainers a cadre of
14 qualified trainers allowing for ongoing, continuing
15 education for our professionals in the field.

16 The Department will also maintain fiscal
17 management and responsibilities for the oversight
18 management plan, which will monitor the delivery of
19 treatment services as authorized under Act 71.

20 We are looking at a variety of different
21 ways of doing that. One that we are currently high
22 on is setting up a voucher system out of our own
23 office.

24 This voucher system will be developed for
25 the disbursement of funds to qualified program

20

1 gambling treatment providers who meet the
2 certification and maintain the credentials through
3 the Department -- through the Department's network of
4 certified providers.

5 Obviously, we will continue to take a look
6 at all of what we're doing. The Department will fund
7 studies, various different studies to monitor the

8 prevalence and distribution of problem gambling
9 patterns throughout the Commonwealth and to assess
10 the impact of prevention, education, and treatment.

11 So we have those three major areas. I want
12 you to know that we have been diligently working in
13 those areas. I feel we have made progress and it is
14 our hope, for example, to have the clearinghouse even
15 up and operational by the end of this year.

16 Those other pieces that we are working on
17 certainly will fall out between now and then as well.
18 So if you have any questions, we certainly will be
19 glad to entertain them.

20 COMMISSIONER COY: Mr. Chairman?

21 CHAIRMAN DECKER: Please, go ahead.

22 COMMISSIONER COY: Thank you.

23 A couple of questions. Talk to me in
24 specific terms about the availability of people in
25 the Department of Health right now who you feel are

21

1 trained in these areas.

2 MR. BOYLE: Right now, I'm not sure that we
3 have a sufficient cadre of people who are trained.
4 Again, it depends on are you asking me in training
5 areas --

6 CHAIRMAN DECKER: Yeah, training to do

7 what?

8 MR. BOYLE: -- the treatment areas, what
9 precisely, in any of those areas?

10 COMMISSIONER COY: Yes.

11 MR. BOYLE: We have -- obviously since the
12 Bureau deals with addiction, we have certainly a
13 qualified staff to oversee the addiction aspect in
14 the development of the treatment.

15 We are also -- in our prevention unit, we
16 also have individuals who will be looking at the
17 various materials that we want to put out there in
18 education.

19 These individuals have worked on the
20 development of curriculum around addiction,
21 especially alcohol and other drugs. So we certainly
22 feel that their qualifications are there.

23 COMMISSIONER COY: Have you looked or taken
24 a look at colleges or universities, particularly in
25 the state, that may offer curriculum in this regard?

22

1 MR. BOYLE: We have. We have put together
2 a group of individuals that will be bringing colleges
3 in, so that we can talk about that just as we are
4 currently in the other areas of addiction. So yes,
5 we will be bringing universities in to discuss that.

6 COMMISSIONER COY: You don't know about
7 availability, however, of these type of programs?

8 MR. BOYLE: At this particular point, there
9 is not very much out there as far as the curriculum,
10 sir.

11 COMMISSIONER COY: I just think that this
12 is an area that may be the state college, university
13 system, or others may want to start to develop a
14 curriculum in now or think in those terms to be able
15 to respond to the needs for training folks in the
16 Department and so on.

17 MR. BOYLE: Yes.

18 COMMISSIONER COY: Thank you.

19 TREASURER CASEY: Mr. Chairman, Bob Casey.

20 CHAIRMAN DECKER: Please.

21 TREASURER CASEY: As you know, I don't have
22 a vote but I have a question.

23 CHAIRMAN DECKER: Go ahead, Treasurer.

24 TREASURER CASEY: For Mr. Boyle and thank
25 you for the presentation. It was very informative.

23

1 This is more of a -- I certainly don't know the
2 answer, but I was wondering if you had found anything
3 in the preliminary work you have done and research
4 with regard to how a program like this involves

5 people around the person who is gambling and has a
6 problem, meaning employers and family?

7 I don't know if that's appropriate or if
8 that's part of the -- part of the approach or part of
9 the treatment or response, but is there anything in
10 the research or anything in your work that indicates
11 that this is something you have to develop or maybe
12 you have developed something along those lines?

13 MR. BOYLE: No. Our research very clearly,
14 Mr. Treasurer, points out that the family is very
15 greatly affected. Obviously, if there is a family
16 member directly affected, the other members of the
17 family are also affected.

18 TREASURER CASEY: Right.

19 MR. BOYLE: Part of how we are looking at
20 how we are going to provide services is going to
21 involve not only the individual directly but also
22 other family members as well.

23 TREASURER CASEY: What about employers? Is
24 there anything you know about that?

25 MR. BOYLE: That, I don't.

24

1 Robin or Bill, do you have anything on
2 that?

3 MR. NOONAN: The employers are affected in

4 sometimes the same way that an employer would be
5 affected with an individual with other problems, such
6 as alcoholism or drug addiction, in that there may be
7 absenteeism, there may be theft of property,
8 healthcare costs would increase, and it's certainly
9 an area that we need to look at.

10 TREASURER CASEY: If there's a way -- I
11 don't know if there's a way to -- I guess some of it
12 involves awareness and training, at least providing
13 some awareness to employers in what to look for and
14 what to be cognizant of.

15 I'm sure as you go forward you will find
16 some answers to that, but thank you very much.

17 MR. BOYLE: Mr. Treasurer, one thing,
18 certainly we will be working with programs around the
19 state that are already in existence as well for
20 working with families and other members.

21 TREASURER CASEY: Thank you.

22 COMMISSIONER DiGIACOMO COLINS: Mr.
23 Chairman?

24 CHAIRMAN DECKER: Please, go ahead,
25 Commissioner Colins.

25

1 COMMISSIONER DiGIACOMO COLINS: I have a
2 question. I'm wondering if you have found through

3 your research or, if not, if you can look into this
4 issue as to what role, if any, the licensees or the
5 companies, the private gambling companies, the
6 licensees have in implementing a state-run program.

7 Is there in any other jurisdiction any form
8 of interaction between the licensees and the state
9 program; and if so, how does that work, at what
10 level, is it effective, should that exist for us,
11 shouldn't it? If you could look into those areas, I
12 think that could be very beneficial.

13 CHAIRMAN DECKER: Let me supplement that,
14 if I could. My question was going to be, how do we
15 get people into these programs? How do we identify
16 them? What do other states do to try to identify?

17 I mean, clearly families and your education
18 process, and I think Treasurer Casey makes a good
19 point of employers, in fact, some employers even go
20 further than that. They have employee assistance
21 programs which, although they're getting cut back
22 regularly, at least for a time allow people to get
23 some treatment.

24 How do we go about identifying these
25 individuals without creating a whole system of

1 liability for our licensees and --

2 MR. BOYLE: Bill, if you want to address
3 that.

4 MR. NOONAN: I think I can address two
5 questions here. In other states, casino employees
6 have been trained to help identify people with
7 problem gambling issues. They do that fairly
8 successfully.

9 We hope that we will have a relationship
10 with the casinos that will allow us to have trainers
11 help their folks understand some of the necessary
12 things.

13 A lot of times, the problem gambler will
14 not recognize that there's a problem present, at
15 least not in a full way. They know that there's
16 problems. It's another disease of denial that takes
17 place.

18 So oftentimes it's family members that come
19 forward; and in other states, again, they have some
20 success in helping family members do an intervention
21 with the problem gambler.

22 The next area that comes up is the
23 financial area. Most states will refer people to
24 consumer credit kinds of organizations, which will
25 then help them realize that they have a problem with

1 gambling.

2 It's very rarely the individual himself or
3 herself that approaches seeking help for this. It's
4 often other areas.

5 COMMISSIONER CONABOY: Thank you very much,
6 Tad.

7 Two comments. First of all, let me also
8 thank you for being here today and commend you for a
9 significant amount of work that you have already
10 done.

11 The Governor earlier this week, Monday, I
12 believe it was, was on a statewide -- I think he
13 stopped at six or seven sites. One of them was in
14 the area where I live, up in the Scranton area. He
15 was on tour with an individual from Pfizer Drugs.

16 The purpose of his tour, as I'm sure you
17 know by now, was to announce another new program
18 regarding prescription drugs and trying to help more
19 people, elderly, to have access to prescription
20 drugs.

21 I only mention that because I think it's
22 going to be part of the effort that you're going to
23 have to launch, and you have already done that by
24 being here today, is to get the word out that these
25 services are going to be available. So I look

1 forward to that.

2 That brings me really to my question, and
3 one of the areas that you say here that the services
4 that you're going to provide is that you will provide
5 access to healthcare. I guess that's really what my
6 question is, and I'm glad that we're already
7 discussing this gambling addiction as a disease.

8 I know battles were fought years ago,
9 fortunately successful with healthcare providers to
10 treat other addictions as disease and, therefore, to
11 get them covered, services that are provided covered
12 by providers because of the recognition as other
13 addictions as a disease.

14 That's my question. When we talk about
15 access to healthcare and this 24-hour-a-day,
16 7-day-a-week hotline that will be available and
17 someone contacts you, what type of coverage is
18 available by healthcare providers? Are these covered
19 services, counseling, etc. for gambling addiction
20 issues?

21 MR. BOYLE: That's a very good question and
22 thank you for that. There's absolutely no question
23 that that is something that has to be explored.

24 Even in our own very familiar arena of
25 alcohol or drug addiction, there's a variety of ways

1 that an individual comes in for services with a
2 variety of different payment mechanisms.

3 I do not know at this point in time how
4 many insurance policies will contain coverage for
5 this addiction, but it's certainly something that we
6 will continue to explore and have discussion with the
7 insurance department as well.

8 It has been certainly a difficult time for
9 us even in the arena of drug or alcohol coverage,
10 especially by a third party, whether it be private
11 insurance or other.

12 Currently right now, a lot of these
13 individuals will probably be provided service with
14 the dollars that we have available to provide
15 addiction services.

16 We certainly intend to explore with the
17 insurance department, with the Blues, with others to
18 determine what is in the policies and then determine
19 what kind of policies individuals have. Certainly,
20 we'll be looking at that as a payment source.

21 COMMISSIONER CONABOY: Thank you very much.
22 I think that's extremely important because,
23 unfortunately, the very group of people that we're
24 talking about, the elderly, maybe the youth, but most
25 likely to a significant population of indigents, you

1 know, the first thing that will happen is they're
2 provided to a particular provider or treatment
3 provider; and the first question, unfortunately, that
4 is usually asked is what type of payment is
5 available.

6 MR. BOYLE: Absolutely.

7 COMMISSIONER CONABOY: So we appreciate if
8 you would spend some time looking into that and let
9 us know if we could help there also.

10 MR. BOYLE: We will assure you that we
11 will. That is important.

12 COMMISSIONER MARSHALL: I have some
13 questions, if I might, and just echo what Bill was
14 saying.

15 I assume there's no question or controversy
16 in the Department that gambling addiction is, in
17 fact, a disease.

18 MR. BOYLE: That is correct.

19 COMMISSIONER MARSHALL: That will be the
20 point you make --

21 MR. BOYLE: We certainly agree with that.

22 COMMISSIONER MARSHALL: This is maybe more
23 rhetorical than a question, but have you had a chance
24 to give any thought of how we're going to deal with
25 people in recovery and how they intersect with

1 continuing in employment of either gaming or
2 gaming-related industries?

3 You know, we're all sort of waiting for the
4 Supreme Court and everything else. The reality is at
5 some point in the not-too-distant future, we're going
6 to have people gaming in Pennsylvania, people
7 employed in gaming and things like that.

8 That's going to be incumbent upon this
9 Board to figure out, what do we do with the casino or
10 slot parlor executive who has a gaming problem?

11 CHAIRMAN DECKER: We've seen that recently
12 in New Jersey, by the way.

13 MR. BOYLE: Bill?

14 MR. NOONAN: I'm not sure of this, but I
15 think that there has been some effort on the part of
16 casino operators to have employee assistance
17 programing available, which would be a very
18 appropriate way to begin helping those individuals
19 who have problems.

20 COMMISSIONER MARSHALL: I understand that.
21 I'm kind of framing it a little differently.
22 Somebody is going to come to us and say, yes, I was
23 barred from a casino because of a gambling addiction.
24 I've been in recovery for the last three years and
25 now I want to come back. I want to be the president.

1 We saw that case.

2 We're going to need some guidance from you
3 as to what kind of situations, what kind of scenarios
4 are appropriate and, you know, what kind of
5 restrictions we should put on individual licensees
6 with respect to -- in New Jersey, for example, the
7 person was required to stay in treatment, could not
8 access his bank account, but was allowed to come back
9 and be employed in the industry.

10 I don't want to put the cart before the
11 horse, but we are going to get to that point. I
12 guess, in a similar vein, it would be helpful if you
13 and your folks could give some thought on how -- I
14 guess to echo Mary's question -- the licensees could
15 work with your program and what you would like us to
16 do with respect to things we should consider when
17 looking at the license and whether there should be
18 any conditions on those licenses.

19 I don't know. I don't want to get into can
20 we require people to have EAPs and things like that,
21 but sort of going back to what we were talking about
22 before with the non-gaming, it would be easier to be
23 harder early and then loosen than go in the opposite
24 direction.

1 some of the things that we believe we need to do in
2 working with the casinos themselves around various
3 training, certainly the recognition so that they can
4 help out in the recognition of the problem.

5 We certainly believe that all staff that
6 are eventually being hired in the casinos need to be
7 trained.

8 Now, there will probably be different
9 levels of training for the different kinds of work
10 areas; but nevertheless, there's no question that we
11 believe.

12 We do feel that at some point we probably
13 do need to sit down once your process moves along and
14 we know who is going to end up getting the licenses;
15 and I think at that point, we're certainly going to
16 have to have a dialogue directly with them.

17 We have to look at a variety of different
18 trainings and how -- you know, I spoke to the fact
19 that we want to make sure that the treatment people
20 in our field are certified and are properly trained,
21 and that certainly is one thing, but the other part
22 of it is getting to those who are working in the
23 establishments as well.

23 know, you shouldn't be able to or if you exhibit this
24 kind of behavior, we need to do something about it.

25 I guess my last question would be, have you

35

1 had a chance to look at New Jersey and Nevada and
2 could you share with us some things, not now but
3 could you maybe give a sense of what they do right
4 and maybe what they do wrong or you would have us do
5 differently?

6 MR. BOYLE: Yes. We had conversations
7 with, as I said, I think, earlier, New Jersey,
8 Delaware, West Virginia, Nevada, and I believe even
9 Missouri. So yes, we have information that we would
10 be glad to share with you on some of the things that
11 we have talked about and many of the areas that you
12 just brought up personally.

13 COMMISSIONER MARSHALL: Thank you.

14 CHAIRMAN DECKER: Ken?

15 COMMISSIONER McCABE: I have one question.
16 Will this service be available to people outside of
17 the -- I'm thinking along the lines of western
18 Pennsylvania. We are going to have possibly four, at
19 least four, maybe another one casino there.

20 Ohio, we're going to be drawing from Ohio,
21 hopefully, West Virginia. Ohio, they don't have

22 gambling. So they may not have a program. I could
23 see on the east side, New Jersey, Delaware, they may
24 already have programs for people over there.

25 If people from Ohio come on and then have

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1 this problem, is this going to be available to them?

2 COMMISSIONER MARSHALL: It seems if we take
3 their money, we ought to be --

4 MR. BOYLE: We have primarily been focusing
5 on Pennsylvanians at this point in time. You just
6 brought up a very interesting point. Again, I thank
7 you for that.

8 We have talked about certainly people from
9 Delaware and West Virginia, who are going to be
10 coming in and gambling, those states already have
11 programs as a result of having gaming in their
12 states.

13 We have not discussed what we would do with
14 individuals coming in from Ohio. Basically, we're
15 surrounded as we all know with Jersey, Delaware, and
16 West Virginia, and obviously, Ohio at our corners;
17 but that's something that certainly we'll take back
18 and think about.

19 COMMISSIONER MARSHALL: Can I just
20 follow-up? Is there -- will there be any sense in

21 seeing whether a multi-jurisdictional approach to
22 some of these issues, certainly on the border?

23 MR. BOYLE: I do think that's appropriate,
24 yes. As I said, we have very good cooperation from a
25 learning experience with the states surrounding us.

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1 COMMISSIONER MARSHALL: As we had.

2 MR. BOYLE: I think it would be appropriate
3 to begin some dialogue. Right now, we try to
4 concentrate on the requirements in Act 71 to get our
5 act together here, but I do think that's something
6 that should be discussed as we go on out, because
7 there's going to be a lot of border crossing from all
8 direction.

9 CHAIRMAN DECKER: I mean, clearly, when
10 they're identified we can exclude them from the
11 casinos?

12 MR. BOYLE: Yes.

13 CHAIRMAN DECKER: But the question is, I
14 think, Chip and Ken are going one step further.

15 MR. BOYLE: Is the --

16 CHAIRMAN DECKER: The treatment.

17 MR. BOYLE: -- assistance, the treatment,
18 the hotline.

19 CHAIRMAN DECKER: And there is coordination

20 among regulatory authority and these casino operators
21 across state lines; but nevertheless, you might want
22 to take a look at that.

23 MR. BOYLE: Thank you. I think that's very
24 appropriate.

25 COMMISSIONER RIVERS: Let me test my

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1 understanding, Mr. Chairman.

2 CHAIRMAN DECKER: Yes, please.

3 COMMISSIONER RIVERS: You made reference to
4 the point that the casinos are going to train their
5 employees to identify individuals who are compulsive
6 gamblers?

7 In terms of intervention, what are the
8 expectations of the casinos once they identify
9 someone who has a problem?

10 I mean, how do they approach the person?
11 What kind of activities do they provide for the
12 person? How do you get the person to this point of
13 intervention?

14 MR. BOYLE: Bill, do you want to --

15 MR. NOONAN: With most interventions,
16 really all that gets planted is a seed. It may be as
17 simple as having business cards available for the
18 problem gambling hotline and indicating, I've noticed

19 this behavior. It probably is a good idea for you to
20 call.

21 It's very, very difficult to say to
22 somebody, I think you're a problem gambler, just as
23 difficult as it would be to say to somebody, I think
24 you're an alcoholic.

25 So it's something that needs to be done

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1 with some delicacy and finesse, but it's seed
2 planting basically and if somebody makes the call,
3 then that's the beginning of a successful treatment
4 episode.

5 COMMISSIONER RIVERS: As a follow-up to
6 that then, have we seen examples where that approach
7 has been successful?

8 MR. BOYLE: I don't think we've explored
9 that to any great degree. We've been to the Gaming
10 Commission in New Jersey and to the Problem Gambling
11 Help Center in New Jersey. That's where we learned
12 some of this stuff about the casinos and their
13 employees trained.

14 COMMISSIONER RIVERS: The reason I asked
15 that question is to follow-up on Chairman -- excuse
16 me, Commissioner Marshall's suggestion pertaining to,
17 you know, how do we do this in advance of as opposed

18 to after the fact.

19 I think it's something that we need to lay
20 the groundwork for, so that when you find the
21 components of gambling in a site and addiction is a
22 problem, I mean, we can point that we are in a
23 position to attack the problem before the problem
24 becomes a problem. That's why I make reference to
25 that. Thank you.

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1 CHAIRMAN DECKER: Jeff?

2 COMMISSIONER COY: Mr. Chairman, I'm trying
3 to recall the various iterations of our
4 organizational charts that we have looked at. I
5 really appreciate the focus the Department of Health,
6 really according to the statute, is bringing to the
7 issue.

8 I think we probably ought to be thinking in
9 terms of having someone on our staff who will be
10 coordinating efforts, and indeed the suggestion of
11 multi-jurisdictional activities is certainly a good
12 idea.

13 I know there were many members of the
14 legislature who were very serious about this topic
15 and the concern for it. So I think that our Board
16 probably would need to provide some staff assistance

17 in this area as we move along, keeping in mind what
18 you said earlier about the difficulty for us to move
19 a whole lot forward absent the Court decision.
20 Ultimately, I think that would be a responsibility of
21 ours, too.

22 CHAIRMAN DECKER: Agreed, Commissioner Coy.

23 There are some programs in Pennsylvania
24 already; am I correct? We have problem gamblers now,
25 right?

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1 MR. BOYLE: Yes.

2 CHAIRMAN DECKER: So you're going to build
3 on that is the sense I had?

4 MR. BOYLE: Yes.

5 CHAIRMAN DECKER: So I think that's a good
6 thing. The only other comment I would have is
7 anything else we're going to place on -- which I
8 think is a good idea -- the casino operators for
9 identification purposes, I don't want to lead into a
10 new industry in Pennsylvania; namely, the suing of
11 casinos for, you know -- it's one thing to have civil
12 penalties for this Commission, but I would be loathe
13 to create a whole new set of liabilities for that but
14 my sympathy to the contrary.

15 MR. BOYLE: I don't think that's necessary.

16 COMMISSIONER MARSHALL: I was going to echo
17 that. Just so I think we clarified because we don't
18 want people to leave this meeting, when you talk
19 about training of casino employees, my understanding
20 of that and other jurisdictions is a sensitivity of
21 sort of an observer.

22 We're not looking for 8,000 people to do
23 diagnoses. That's really an unfair burden. I don't
24 know that they have the training -- they're not
25 mental health professionals.

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1 MR. BOYLE: And we're not and have not
2 thought about that in that direction or expect that.
3 We already have a treatment system in place. That
4 treatment system is what we're going to continue to
5 build upon to provide the treatment services.

6 COMMISSIONER MARSHALL: And we would look
7 to the slot parlors to support it and help facilitate
8 people needing treatment getting to where they should
9 be.

10 MR. BOYLE: That is correct. Going back to
11 the initial point, our belief is that we certainly
12 want to see casino employees trained in proper
13 identification and proper where to take that, no more
14 than that.

15 COMMISSIONER MARSHALL: And I don't mean to
16 beat a dead horse but echoing the Chairman, when you
17 say identification, to me, that is sort of a form of
18 diagnoses.

19 I just wonder whether it's realistic to sit
20 there and ask somebody who is a bartender or a
21 cocktail waitress or a dealer to sit there and when
22 you say identify -- we know there are certain
23 behaviors.

24 I think there needs to be a heightened
25 sensitivity to that. As you said, Bill, here's a

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1 card. We ought to be have signs and things like
2 that. I don't want to create a cumbersome and
3 complicated --

4 MR. BOYLE: Perhaps our terminology needs
5 to be more redefined. That's exactly what we're
6 looking at. As we do in most bars, when we're
7 looking at prevention today to have someone simply
8 just note that here is someone that may have had too
9 much, we're not going to serve them anymore. Again,
10 we're not looking at it all from a clinical or
11 therapeutic perspective.

12 COMMISSIONER MARSHALL: Well, and I can say
13 -- I have to be careful how I phrase this. Having a

14 lot of experience with your programs and knowledge of
15 them, I think if you're as successful with gambling
16 as you are with alcoholism and behavioral health, it
17 will be a real boon to the citizens of this
18 Commonwealth.

19 MR. BOYLE: Thank you.

20 COMMISSIONER DIGIACOMO COLINS: I would
21 just like to make one further comment, Mr. Chairman,
22 if I could please.

23 CHAIRMAN DECKER: Please.

24 COMMISSIONER DIGIACOMO COLINS: As I'm
25 listening to everyone talk, I'm thinking that in the

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1 area of reaching out to the licensees to find out
2 what it is specifically that they do or how they
3 interact with other state health agencies, I think
4 that they can be tremendously helpful because when
5 you consider that they do have an expertise in
6 defining who is a big spender, who is a high roller,
7 tracking the amount of money wagered by certain
8 people, I think they could be very helpful in giving
9 their input as to how to identify or how they
10 identify people, not merely by observation.

11 I mean, they may have statistical ways of
12 doing this that they might be willing to discuss with

13 you. It might be a way of approaching how to not
14 just identify people, how to reach out to them as
15 well.

16 So I can't emphasize enough how important I
17 think it is to reach out to the licensees and also to
18 find out from the jurisdictions just what they are
19 doing. I think you will find very specific things
20 and can get very specific information, and that would
21 be what I am interested in learning.

22 MR. BOYLE: Thank you.

23 COMMISSIONER MARSHALL: But I think so
24 we're all -- I think we're all in agreement. Sort of
25 the jurisdiction, power and authority for this lies

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1 in your office. We're looking to you and this
2 program to be the people who -- we don't want to send
3 everybody off in their million different directions.
4 You guys will be like herding cats.

5 MR. BOYLE: I think the one thing that
6 became very clear today, as you were formed and as
7 you moved on with the tasks at hand, as we tried to
8 move on with the tasks at hand within the
9 Legislation, we probably did it separately.

10 I think already a lot of things we can
11 probably share and have discussions on an ongoing

12 basis both formally at your hearings but more
13 important working with staff.

14 We can begin to share that kind of
15 information now and get the kind of input, too, that
16 you want to see us, some of the issues that you want
17 to see us tackle as well.

18 So I think today's -- this meeting here
19 today certainly has brought that to light. I think
20 it's something we should move forward with in the
21 future.

22 CHAIRMAN DECKER: Any other questions?
23 Gene, we're going to have you back, I presume, in the
24 coming weeks. Okay?

25 MR. BOYLE: Absolutely.

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1 CHAIRMAN DECKER: You let us know when
2 you're ready to come back.

3 MR. BOYLE: Very well.

4 CHAIRMAN DECKER: Thank you very much. It
5 was a very good presentation.

6 MR. BOYLE: Thank you all very much.

7 CHAIRMAN DECKER: Our next item is a
8 regulations update from Commissioner Colins. Since
9 our last meeting when we introduced a set of draft
10 regulations, Commissioner Colins and her working

11 group have been drafting the next phase of proposed
12 regulation with a particular focus on Category 1
13 licensing and gaming.

14 I've asked Commissioner Colins to provide
15 us with an update today about what is happening and
16 the progress of the group and also the public comment
17 -- noting the public comment period on the first set
18 of regulations is coming to a close in the next week,
19 I guess, or so. Thank you.

20 COMMISSIONER DIGIACOMO COLINS: Okay.
21 Thank you. This will be very brief because we are
22 continuing to work on the next group of regulations,
23 which has to do with the Category 1, seven licenses
24 for the existing racetracks.

25 The working group is in the process of

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1 coming up with a document. We're very close to it.
2 We're taking our time. It's a very complex area. We
3 are hopeful that by the next meeting, we'll have a
4 draft to publish and to accept public comment on.

5 The present regs that are out there, we
6 have gotten some public comment. We encourage
7 everyone to give us their thoughts and comments about
8 the regs that are in existence for the manufacturers
9 and suppliers and the general regulations applying to

10 the process, the procedures of the Board.

11 The public comment period ends May 13th.
12 The Pennsylvania Bulletin misprinted that as May 3rd.
13 It's May 13th. So the public comment period is open
14 until then.

15 Other than that, we will also be working
16 now diligently on vendors' regulations affecting
17 non-gaming vendors.

18 We continue to meet. We're going to have a
19 set of regulations that hopefully will be produced
20 quickly so that we can move on our -- move towards
21 our end, which is to have the Category 1 licenses
22 given out on a conditional basis, hopefully, by the
23 end of the year or early '06. Thank you.

24 CHAIRMAN DECKER: Thank you, Mary.

25 COMMISSIONER COY: Mr. Chairman?

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1 CHAIRMAN DECKER: Yes, please. Go ahead.

2 COMMISSIONER COY: Could I just ask either
3 Commissioner Colins or the staff people what type of
4 public comment have we received back? Has there been
5 a lot, a medium amount, not much?

6 COMMISSIONER DiGIACOMO COLINS: Little
7 thus far.

8 CHAIRMAN DECKER: But we expect --

9 COMMISSIONER DIGIACOMO COLINS: Little. We
10 anticipate or hopefully --

11 CHAIRMAN DECKER: We heard there's going to
12 be a lot of public comment back from, I think,
13 probably a number of you in the audience but a lot of
14 comment back by the 12th or the 13th. That would
15 be --

16 COMMISSIONER DIGIACOMO COLINS: Two public
17 comments so far. So as soon as the public comment
18 period is over, we'll collect them, review them, make
19 a determination how to respond and publish the
20 responses.

21 COMMISSIONER COY: Thank you.

22 CHAIRMAN DECKER: Any other comments,
23 questions?

24 Thank you, Mary. We appreciate all of the
25 hard efforts you and your group has put in. This is

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1 very tough sliding through all of this when you're
2 trying to create something new, even if you're using
3 as a model some of the other states. It's hard work.
4 Again, we appreciate the volunteers and our staff for
5 getting involved in this.

6 We're now going to have an update from Curt
7 Haines on the status, I guess, of the Central

8 Computer System. This system, which will eventually
9 be attached to every slot machine in the state, is as
10 an important part of making slots a reality in
11 Pennsylvania, not only for the collections, which are
12 obviously very important, but from our perspective
13 for oversight, auditing, and surveillance.

14 Because of this, we will be asking Curt to
15 provide us with status reports on a periodic basis.
16 So thanks, Curt, for being with us today.

17 MR. HAINES: Thank you, Mr. Chairman. The
18 last time I was here the Department was in the final
19 stages of its evaluation --

20 CHAIRMAN DECKER: I thought you were a tech
21 guy.

22 MR. HAINES: -- of the nine proposals we
23 received for the central system. At that time, we
24 were down to a short list of several vendors.
25 Shortly, I think it was several weeks after the last

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1 time I was here, the Department announced that we
2 were moving the G Tech Corporation forward into
3 contract negotiations to ultimately try to arrive at
4 a contract agreement, whereby their company would
5 provide the Commonwealth with the Central Control
6 System.

7 Since that time, we have been in contract
8 negotiations with G Tech. As you can imagine on a
9 contract like this, there are many, many issues that
10 have to be agreed to just, for example, you know,
11 what penalty provisions, what the service level
12 agreements would be, whatever future protocol
13 mandates the Department may have for the vendor, what
14 the change order process would be, the conflict
15 resolution process, all of those things that go into
16 -- and interestingly enough in this contract because
17 by Act 71, it is limited to five years and the
18 Department must then rebid this.

19 We have to have in the contract what
20 everybody's responsibility would be should we
21 transition to some other vendor at the end of that
22 five years. That's just a sample of the many, many
23 issues that we are working with G Tech now to come to
24 an agreement with.

25 Overall, the process is going well. There

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1 are no major issues between us. It's just time
2 consuming; and, you know, it's -- we provide them
3 with our contract language, they respond with theirs,
4 and you talk it out. So far, so good.

5 Our objective is to have this contract at

6 least between Revenue and G Tech agreed to by June
7 1st. I think we have a real strong shot at that.
8 After that point, that contract would then go into
9 the Commonwealth contract review and approval
10 process, consisting of a review by the Governor's
11 Office of General Counsel, the Attorney General,
12 Comptroller's Operations. There's a number of folks
13 who actually review that contract and ultimately,
14 hopefully, agree it is legal and it's within the
15 scope of what the mandate to the Department is.

16 Once again, that's routine on every
17 contract we execute, but it does add anywhere from a
18 month to, I've seen it go as long as 60 days to the
19 process.

20 Our goal from day one, that I've said this
21 many times, is that we in Revenue have become really
22 obsessed with keeping this procurement sufficiently
23 up in advance of your much broader issues of gaming
24 in licensing and operations of slots in Pennsylvania.

25 We know that without the Central Control

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1 System available, tested, in place, and ready to go,
2 you know, it's -- there's no gaming in Pennsylvania
3 under the Act.

4 So we understand that pressure and so far,

5 we are still optimistic that it is out far enough in
6 advance of your general gaming duties that it poses
7 no serious risk to the broader project.

8 Any thinking or any change in our thinking
9 in that comfort level, we will certainly communicate
10 through Secretary Fajt to the Board; and we remain
11 very committed to keeping this, as I keep saying,
12 well out in front of your efforts.

13 Also, the last time I was here, several of
14 the Board members asked what I thought were the risks
15 and challenges to our procurement as it relates to
16 the much broader duties of the Board. I have given
17 that some thought and still, that's very foremost in
18 your minds.

19 Obviously, there's a couple challenges or
20 risks, as I call them. Individually, they are all
21 minimal in the eyes of the Department. I just wanted
22 to make certain, because it was asked the last time I
23 was here to basically articulate those.

24 Obviously, getting this contract what I
25 would call final, final through Revenue and G Tech

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1 and through the Commonwealth review process, that's
2 very important.

3 Under Act 71, G Tech or whoever was the

4 successful vendor has to be licensed as a
5 manufacturer. We are building into the contract, and
6 G Tech is comfortable with it, that the final
7 execution of the contract cannot occur until G Tech
8 is formally licensed through the standards and
9 processes that the Board establishes. So they will
10 be like all of the other manufacturers going through
11 your licensing standards and review.

12 They're comfortable. They've been licensed
13 in any number of other gaming jurisdictions.
14 Nonetheless, that's a step in the process to getting
15 to the Central Control System.

16 At this point in time as everyone knows, we
17 don't have any firm go days. Generally, in an IT
18 project, you have a live go date and you build back
19 from that as far as tasks, lists and duties and
20 responsibilities.

21 We have a rough idea; but at this point,
22 the vendor doesn't know what venue might go first,
23 second, third, or when. That's something that, you
24 know, we are aware of. It's a risk. As you make
25 decisions, obviously, we will react to that.

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1 We did, indeed -- it came up last time I
2 was here, what happens if the Department receives a

3 protest. We did, indeed, receive one formal protest
4 under the procedures outlined in the Act and the
5 Secretary responded to the protest.

6 We believe that it was largely without
7 merit, and he logically spelled that out and
8 responded to the vendor.

9 They, under the Act, now have a certain
10 number of days to either accept that response from
11 the Secretary or go to Commonwealth Court.

12 By the next time this Board meets, we will
13 know what their decision is because that deadline is
14 approaching fairly soon. We have had no feedback on
15 that.

16 Then last but not least, the challenge the
17 Board faces, there's some minor issues developing
18 relative to the bigger picture of the Supreme Court
19 decision.

20 For example, G Tech is looking at some real
21 estate property here in town to actually construct a
22 data center. They were looking at a five-year lease
23 but are a little reluctant to sign until there's a
24 final decision on that.

25 So those are, as I said, in our view,

1 individually, they're minor risk factors that need to

2 be managed; and if anything occurs within those risk
3 factors that we're concerned about, we will certainly
4 bring it to your attention.

5 CHAIRMAN DECKER: Thank you, Curt. That's
6 very helpful.

7 Any questions of anyone for Curt?

8 Before Curt leaves, I wanted just to
9 announce that Curt and his senior staff are all going
10 to be joining the Board at a substantially higher
11 value compensation than Secretary Fajt is paying, but
12 we expect a counteroffer so we'll have to see.

13 COMMISSIONER MARSHALL: Tell Fajt he should
14 have made the meeting.

15 MR. HAINES: I appreciate that.

16 CHAIRMAN DECKER: Curt, in all seriousness,
17 thank you for all of your hard work.

18 MR. HAINES: Thank you.

19 CHAIRMAN DECKER: Is there any new business
20 that we want to discuss today or come before the
21 Board?

22 I have one more announcement before we
23 adjourn today. The Board will hold an Executive
24 Session following this meeting for the purpose of
25 discussing personnel matters and conducting some

1 personnel interviews.

2 No business will be conducted during the
3 Executive Session, which will be closed to the media
4 and the public.

5 We are not going to reconvene after that.
6 We're not going to have any announcements after that,
7 if you will.

8 Our next public meeting is scheduled for
9 May 18th at 3:00 p.m. in Harrisburg.

10 May I have a motion?

11 COMMISSIONER MARSHALL: So moved.

12 COMMISSIONER McCABE: Second.

13 CHAIRMAN DECKER: All in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: Motion passes. We are
16 now adjourned. Thank you all for attending.

17 (The meeting concluded at 11:08 a.m.)

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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the
3 notes taken by me on the within proceedings and that
4 this is a correct transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

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