

PENNSYLVANIA GAMING CONTROL BOARD

NORTH OFFICE BUILDING
HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

THURSDAY, JULY 21, 2005, 10:04 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
GREGORY C. FAJT, SECRETARY OF REVENUE
DENNIS WOLFF, SECRETARY OF AGRICULTURE

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

1 CHAIRMAN DECKER: Good morning. Thank you
2 for coming. I'm Tad Decker, Chairman of the Board,
3 of the Gaming Control Board. Again, welcome to the
4 meeting.

5 A quorum is present. We have everyone here
6 today. We're delighted to have everyone here today.
7 I don't need to go through the names. You have
8 those.

9 As usual, I'm asked to say, please turn off
10 the cell phones and blackberries. They reek havoc
11 with our sound system. Thank you.

12 We'll start the meeting by please joining
13 us for the Pledge of Allegiance.

14 (Pledge of Allegiance.)

15 CHAIRMAN DECKER: Thank you. Our first
16 order of business is to adopt the minutes of the last
17 meeting. Is there a motion?

18 COMMISSIONER MARSHALL: So moved.

19 CHAIRMAN DECKER: Second?

20 COMMISSIONER CONABOY: Second.

21 CHAIRMAN DECKER: Any against? The motion
22 carries. The minutes are adopted. You can find the
23 transcripts of those minutes on the Board's website
24 along with all of the other transcripts.

25 As has been discussed at our last couple of

1 meetings, the Board is planning to hold diversity
2 forums aimed at encouraging as diverse a group of
3 people as possible to become involved as a supplier
4 of slot machines and other activities, vendors,
5 ownerships, contractors, etc.

6 We are continuing our planning efforts for
7 our diversity forum that will be held in Philadelphia
8 on September 29th, and we're in the process of
9 securing the location. We don't have one yet but we
10 will shortly.

11 Let's see. Please continue to check our
12 website for details. For planning purposes, the
13 conference is expected to run from about 8:30 to
14 approximately 3:30.

15 In addition to the forum in Philadelphia --
16 and let me make this clear because apparently there
17 has been some confusion on this point. It's hard for
18 me to understand that, but there has been some
19 confusion on this point -- the Board is planning to
20 hold a second diversity forum in Pittsburgh. The
21 date for that conference is October 27th. Again,
22 we've announced that for quite some time. The
23 confusion on that leaves me befuddled.

24 Again, please look for details. We don't
25 have a site yet, but it will be the same time period.

1 Please look for details on our website.

2 Does anyone have any other business for us
3 to discuss, any old business to discuss?

4 Okay. New business. Mary -- let's see, we
5 will hear from Commissioner Colins on general
6 licensing of facilities. I'm talking about gaming
7 facilities, licensing of Category 1 facilities and
8 compulsive and problem gaming regulations.

9 The Board made these regulations available
10 for public comment at its May 18th meeting, and since
11 the public comment period closed, Commissioner Colins
12 and her working group -- I'm sorry -- since the
13 public comment period closed, Commissioner Colins and
14 her working group have been preparing responses to
15 the comments we received.

16 In addition to discussing the public
17 comments, Commissioner Colins will address the next
18 steps for these regulations.

19 Mary?

20 COMMISSIONER DIGIACOMO COLINS: Thank you
21 very much. Today, I'll be offering to the Board for
22 a vote two items that relate to licenses and the
23 regulations having to do with licensing.

24 The first, I will be asking the Board to
25 adopt the responses to the public comments for the

1 Category 1 regulations. Then I'll be asking the
2 Board in the event that the Board does adopt those
3 Category 1 regulations, to adopt the regulations
4 themselves as temporary Board regulations to be used
5 for the application and licensing process.

6 Now, we specifically had posted regulations
7 relating to general licensing of facilities,
8 licensing of Category 1 facilities and compulsive and
9 problem gambling regulations.

10 We received 18 public comment submissions,
11 which provided detailed analyses in their comments
12 and questions regarding the regulations.

13 The comments were submitted by various
14 interested parties and their attorneys and the
15 racetrack owners, local state and government
16 officials, citizens of the Commonwealth, all waiting
17 with public comments regarding proposed regulations.

18 As a result of our careful review of the
19 comments, we've made some adjustments and changes to
20 the regulations. I'm going to discuss some of those
21 now.

22 Again, I want to reiterate that this public
23 comment period that follows our publication of our
24 drafts is an extremely beneficial exchange between

25 those interested in gaming, whether they be

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1 organizations, lawyers, or individuals and the Board.

2 It has produced significant insight on our
3 part into the regulations and changes, which I think
4 are appropriate and addressing the concerns, some of
5 the concerns that have been aired.

6 In addition, the Board continues in the
7 regulation process to have the goal of enacting the
8 provisions of the statute. That is the primary goal.

9 Some of the changes we've made, regarding
10 compulsive gambling regulations, we've added sections
11 to the compulsive and problem gambling chapter, which
12 were suggested by the Board by Senator Fumo's
13 comment.

14 This was in an expansive comment asking us
15 to add provisions to those very important elements of
16 the regulations dealing with compulsive gambling. We
17 have adopted -- we have changed the regulations
18 adopting those.

19 They are, for example, that slot machine
20 applicants, the Category 1 applicants, compulsive and
21 problem gambling plans must be submitted at the time
22 that the application is submitted. That's a change.
23 Before we had required, I think, a 30-day period for
24 the submission. We're now requiring as part of the

25 application.

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1 Facilities must post signs at specified
2 locations within the facility notifying patrons of a
3 gambling hotline. Facilities are prohibited from
4 cashing checks, including Social Security checks,
5 unemployment disability checks.

6 Employee training must include training on
7 preventing intoxicated patrons from gaming,
8 preventing self-excluded persons from gaming,
9 procedures of dissemination of materials on
10 self-exclusion to patrons.

11 These are all elements of training that
12 have been added to the requirements for the plans
13 that must be submitted by the applicants.

14 Then there were comments regarding due
15 process notice provisions regarding the objections
16 that the Bureau of Investigation and Enforcement
17 might make to applications.

18 The comments suggested that we should allow
19 -- that we had neglected to provide for a procedure
20 where the applicant would get notice of an objection
21 once it was filed or challenged by the Bureau of
22 Enforcement and Investigations.

23 We have amended the regulation to provide

24 notice to the applicant of the Bureau's objection and
25 to allow the applicant a ten-day period to respond to

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1 the Bureau's objections.

2 The filing period, we also received
3 comments regarding the slot machine application
4 deadlines asking us to please clarify those dates.
5 We have changed or amended the regulations to clarify
6 those dates.

7 The Board shall set a filing period which
8 shall be the same for all categories of licensures.
9 That is specifically a statutory requirement.

10 The Board shall set a completion date at
11 which time all applications will be deemed complete.
12 That is a provision and a term of art from the
13 statute, and this will be the same for all
14 categories; Categories 1, 2 and 3 of licenses.

15 Then finally, we renumbered some of the
16 regulations in order to make them more orderly; and
17 I'll ask if any of you are interested enough to go
18 back and look at the regulations, you'll notice that
19 the general slot machine licensing regulations are
20 now Chapter 441. The category specific slot machine
21 regulations are contained in Chapter 443.

22 So the Board has formulated the responses
23 to the comments. As with our previous round of

24 comments, we try to avoid redundancy, and where
25 comments overlapped we addressed them with one

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1 response.

2 Again, the public comment was of great
3 quality. I want to thank everyone who submitted
4 these comments. We hope to have a continuing
5 dialogue regarding the regulation process, which has
6 proceeded in a very orderly fashion.

7 Again, I want to repeat my gratitude to the
8 working group, all its members who are really the
9 engine that is operating this whole regulation
10 process. They really are the work horses that are
11 keeping this regulation process rolling. I'm very
12 grateful to all of them for their efforts.

13 So at this point, I would like to offer a
14 resolution that would ask the Board specifically to
15 adopt those responses, as well as to adopt the
16 regulations I just spoke of. Here, I found the
17 resolution. Thank you.

18 Okay. Whereas on July 5th, 2005, the
19 Pennsylvania General Assembly -- before doing this,
20 does anybody have any questions -- I'm sorry --
21 before making this resolution?

22 COMMISSIONER McCABE: We have included

23 those changes in what we're going to be voting on,
24 right? These are the new regulations with the
25 comments in there?

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1 COMMISSIONER DiGIACOMO COLINS: Yes, I did
2 do that. I was so bold as to make those changes. So
3 they're there.

4 CHAIRMAN DECKER: The ones that Mary said
5 were there.

6 COMMISSIONER DiGIACOMO COLINS: Yes. So
7 the regulations we will be voting will be with those
8 changes as in the packets that we all have. Exactly.

9 CHAIRMAN DECKER: Mary, are we voting on
10 the -- Mary, are we voting first on accepting the
11 public comments and then the resolution approving the
12 regs?

13 COMMISSIONER DiGIACOMO COLINS: Yes.

14 COMMISSIONER MARSHALL: I'll second the
15 comment. I'm sorry.

16 COMMISSIONER DiGIACOMO COLINS: No. Go on.
17 I wanted to officially move that we vote to adopt
18 these responses to the public comments.

19 COMMISSIONER MARSHALL: I'll second it.

20 CHAIRMAN DECKER: Any questions or comments
21 about that?

22 If not, all those in favor, please indicate

23 by saying aye.

24 COMMISSIONERS: Aye.

25 CHAIRMAN DECKER: Any opposed? Motion

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1 passes.

2 Mary?

3 COMMISSIONER DIGIACOMO COLINS: Okay. And
4 now the resolution regarding the temporary
5 regulations that I spoke of, and the resolution will
6 contain a specific description.

7 Whereas on July 5th, 2005, the Pennsylvania
8 General Assembly enacted the Pennsylvania Racehorse
9 Development and Gaming Act, establishing the
10 Pennsylvania Gaming Control Board as the primary
11 regulatory agency charged with the responsibility of
12 implementing and overseeing slot machine gaming in
13 the Commonwealth; and whereas the Act authorizes the
14 Board to adopt temporary regulations in order to
15 facilitate the prompt implementation of the Act
16 during the two years following the Act's effective
17 date; and whereas the Board has developed draft
18 temporary regulations for the general licensing
19 standards for slot machine license applicants,
20 specific licensing requirements for the Category 1
21 slot machine license applicants and compulsive and

22 problem gambling requirements; and whereas the public
23 has had an opportunity to comment on the draft
24 temporary regulations, and the Board has incorporated
25 appropriate public comments into the regulations; and

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1 whereas the Board's temporary final regulations are
2 designated as Title 58 Recreation, Part 7 Gaming
3 Control Board, Subpart C, slot machine licensing,
4 specifically Chapter 441, slot machine licenses and
5 Chapter 443, categories of licensure and Subpart H,
6 compulsive and problem gambling; specifically,
7 Chapter 501, compulsive and problem gambling
8 requirements; and whereas the Board reserves the
9 right to amend the temporary regulations as it deems
10 necessary in accordance with the purpose of the Act;
11 and in order to further the intent of the Act, be it
12 resolved that the Board adopts the draft regulations
13 as its temporary regulations for the general
14 licensing standards for slot machines licensed
15 applicants, specific licensing requirements for
16 Category 1 slot machine license applicants and
17 compulsive and problem gambling requirements.

18 I would offer that resolution to the Board
19 for its approval.

20 CHAIRMAN DECKER: Thank you. Thank you.
21 Are there any questions or further comments on this?

22 Can I have a second?

23 COMMISSIONER McCABE: Second.

24 CHAIRMAN DECKER: Okay. Any comments or
25 questions?

13

1 Hearing none, all of those in favor of the
2 motion just read by Commissioner Colins, please
3 indicate by saying Aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN DECKER: Any opposed? Motion
6 carries.

7 In light of the Board's vote, I would like
8 to enter the following order into the record: It is
9 ordered that the Board acting under the authority of
10 the Pennsylvania Racehorse Development and Gaming Act
11 adopts as its final form temporary regulations the
12 draft regulations adopted by resolution at this July
13 21st, 2005 meeting of the Pennsylvania Gaming Control
14 Board.

15 The temporary regulations, which are
16 attached hereto and incorporated as Exhibit 1 of this
17 order, concern general licensing standards for slot
18 machine license applicants, specific licensing
19 standards for Category 1 slot machine license
20 applicants and compulsive and problem gambling

21 requirements for slot machine licensees.

22 Two, the Board's final form temporary
23 regulations are designated as Title 58 recreation,
24 Part VII Gaming control Board, Subpart C, slot
25 machine licensing; specifically, Chapter 441, slot

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1 machine licenses and Chapter 443, categories of
2 licensure and Subpart H, compulsive and problem
3 gambling; specifically, Chapter 501, compulsive and
4 problem gambling requirements.

5 Three, the temporary regulations are
6 effective as of the date of this order.

7 Four, temporary regulations shall be posted
8 in their entirety on the Board's website in the
9 Pennsylvania Bulletin.

10 Five, the temporary regulations shall be
11 subject to the amendment as deemed necessary by the
12 Board in accordance with the purpose of the Act and
13 in order to further the intent of the Act. Thank
14 you.

15 We will now go back to Commissioner Colins
16 for a progress report on the working group's other
17 regulatory efforts.

18 COMMISSIONER DIGIACOMO COLINS: All right.
19 Thank you very much. Let me explain what I envision
20 our next step will be. We'll continue working on the

21 next group of regulations, which will be the
22 licensing Category 2 regulations and the licensing
23 Category 3 regulations.

24 We are also going to be working on
25 regulations establishing the Bureau of Investigations

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1 and Enforcement -- that's ongoing -- then
2 regulations, licensing and registering vendors.

3 My goal is for our August 4th meeting to
4 hopefully have prepared for posting and for public
5 comment the regulations for Category 2 and 3
6 facilities and also for the Bureau of Investigations
7 and Enforcement.

8 So if, in fact, we have those ready for
9 posting on August 4th for a 30-day period, that will
10 get us to early September where we will be able to
11 respond to the comment and follow this same process
12 that we've established, which is to adopt the
13 responses to the public comment and to adopt the
14 regulations for Category 2s and 3s in that
15 mid-September meeting; and then hopefully with the
16 1s, 2s and 3s adopted at that time, we'll then be
17 prepared to release the operators' 1, 2 and 3
18 applications and open the application period
19 hopefully in that September area. So we continue

20 along the same track, and we are getting close to
21 being able to do that.

22 The first round of manufacturers'
23 applications was open June 16th and remains open
24 until August 15th. The manufacturer applications we
25 posted and are available on-line.

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1 At the last meeting, I announced that we
2 posted a separate form for key employee qualifier
3 waivers. That is on-line.

4 In addition, we are posting today a form
5 for requesting alternative licensing, the use of the
6 alternative licensing process. That's pursuant to
7 Section 1319 of the Act and Section 427.3 of the Act,
8 and this will be available on-line. Is that 427 or
9 441? 427. Sorry. 427 of the regs. I thought I
10 misspoke. So again, that alternative licensing form
11 is available on-line and that concludes my update.

12 CHAIRMAN DECKER: Thank you. Terrific.
13 Thank you, Commissioner Colins. You and the working
14 group have been doing a terrific job, and the Board
15 is very grateful for the time and effort that has
16 been put in by everyone.

17 The process is going forward. It continued
18 to go forward even before that decision of the
19 Supreme Court's decision and it will continue to do

20 so.

21 I think as time goes on, we'll have more
22 employees and therefore, that effort will become a
23 little bit easier for everyone.

24 The next item on the agenda is an Update on
25 Administration. At our last meeting, we hired

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1 several key individuals, including the Board's first
2 executive director.

3 We have several more candidates who are up
4 for consideration today. The first candidate is
5 Richard Williamson, who would become the director of
6 the Board's slots laboratory and technical
7 operations.

8 I can't tell you how thrilled we are to get
9 Richard. Richard is considered the leading, if not
10 the leading, one of two leading people in the country
11 on gaming labs.

12 He comes from New Jersey. He's been doing
13 this for a long time. He's actually a lot older than
14 he looks. We're thrilled to have him. He will be
15 able to hit the ground running. He's been an
16 informal advisor to every start-up operation -- new
17 gaming regulatory operation in this country as far as
18 I know. At least, that's what all the directors of

19 those regulatory groups have told me. So we're
20 thrilled to have him here. Actually, this time, he's
21 going to get paid for doing.

22 Second, I would like to announce the
23 appointment of Michael Walsh, who has been serving as
24 a special assistant of the Board. Michael is going
25 to take the position of director of administration.

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1 We're happy to have Mike here. We're
2 thrilled he has joined us originally and we are even
3 happier that he is staying with us. Mike,
4 congratulations.

5 The next appointment I would like to
6 discuss and announce is Maureen Williamson. Maureen
7 Williamson is going to take the position of senior
8 counsel for rules and regulations.

9 Maureen has served in that same capacity
10 for the enforcement division of the Attorney
11 General's Office of New Jersey, which as you know is
12 part of the regulatory groups that deal with gaming
13 in New Jersey.

14 So we are thrilled to have Maureen. She's
15 going to be launched right into Mary's committee.
16 She's got a wealth of knowledge and has been there a
17 long time.

18 We'll be providing additional information

19 to you later in the form of a release about both of
20 those individuals, Mike Walsh, and others.

21 Our next candidate is Deborah Joyce, who
22 would be hired as a paralegal in our office of chief
23 counsel.

24 Deborah has a great background as a
25 paralegal and other administrative functions. She's

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1 worked for a number of firms and she has also worked
2 for the Pennsylvania Government.

3 The next candidate is Rose Cufos, I hope
4 I'm pronouncing that right, who would be hired as a
5 licensing analyst in the division of licensing, a
6 position, obviously, we're going to be in great need
7 of.

8 The last candidate for today is Tara
9 Shilliger, who will join the Board as a communication
10 assistant.

11 They are the candidates for today. I read
12 them all instead of doing individual motions. May I
13 have a motion approving all of those candidates?

14 COMMISSIONER RIVERS: So moved.

15 CHAIRMAN DECKER: Is there a second?

16 COMMISSIONER MARSHALL: Second.

17 CHAIRMAN DECKER: Does anyone want to

18 discuss or say anything about the proposed
19 candidates?

20 Okay. Let me note for the record, just so
21 there is no confusion, Richard and Maureen are
22 husband and wife. They're not brother and sister.
23 We're thrilled to have them with us and we're
24 delighted.

25 COMMISSIONER MARSHALL: So we only pay one

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1 moving expense.

2 CHAIRMAN DECKER: We're only paying one
3 moving expense. One of everything. In any event,
4 just so there's no confusion on that point.

5 COMMISSIONER MARSHALL: I second the
6 motion.

7 CHAIRMAN DECKER: Any discussion on the
8 candidates? All those in favor, please indicate by
9 saying aye.

10 COMMISSIONERS: Aye.

11 CHAIRMAN DECKER: Any opposed? Motion
12 carries. Congratulations to those candidates who are
13 now members of our entity.

14 COMMISSIONER MARSHALL: Does that mean we
15 have to pay Walsh now?

16 CHAIRMAN DECKER: Maybe. We'll have to ask
17 Lamont if we have to.

18 COMMISSIONER MARSHALL: We need an opinion,
19 Lamont.

20 CHAIRMAN DECKER: Is there any other new
21 business to come before the Board today?

22 Okay. I want to announce that following
23 this meeting, the Board will hold an Executive
24 session for the purpose of discussing personnel
25 matters and conducting additional interviews of

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1 potential candidates for our staff. No business will
2 be conducted during the Executive Session and we
3 won't reconvene after that.

4 The Board's next public meeting is
5 scheduled for August 4th at noon, 12:00, in
6 Harrisburg. Please note that this is a time change
7 from the originally scheduled time of 10 a.m. Again,
8 the meeting will be on August 4th at noon.

9 May I have a motion -- any other business?

10 Hearing none, may I have a motion to
11 adjourn the meeting?

12 COMMISSIONER MARSHALL: So moved.

13 CHAIRMAN DECKER: All in favor. Aye?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: We're adjourned. Thank
16 you very much.

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(The meeting concluded at 10:30 a.m.)

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

Hillary M. Hazlett, Reporter
Notary Public

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