

PENNSYLVANIA
GAMING CONTROL BOARD MEETING

SEPTEMBER 12, 2006
AT 10:17 A.M.

PENNSYLVANIA STATE MUSEUM
HARRISBURG, PENNSYLVANIA

APPEARANCES:

THOMAS A. DECKER, CHAIRMAN

RAYMOND S. ANGELI, MEMBER

MARY DiGIACOMO COLINS, MEMBER

JEFFREY W. COY, MEMBER

JOSEPH W. MARSHALL, III, MEMBER

KENNETH T. McCABE, MEMBER

SANFORD RIVERS, MEMBER

ROBERT P. CASEY, JR., STATE TREASURER, EX-OFFICIO MEMBER

GREGORY C. FAJT, SECRETARY OF REVENUE, EX-OFFICIO MEMBER

LORRAINE T. HERMAN, RPR
NOTARY PUBLIC - REPORTER

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1 CHAIRMAN DECKER: Good morning. I am
2 Tad Decker, Chairman of the Pennsylvania Gaming
3 Control Board. I'd like to welcome the Board
4 and all of you to this public meeting. A quorum
5 of the Board is present; therefore I am calling
6 the meeting to order.

7 As always, let me ask everyone to turn
8 off their Blackberries and other electrical
9 devices, including me, because they interfere
10 with the sound system.

11 As we usually do, let's start with the
12 pledge of allegiance.

13 (The pledge of allegiance.)

14 CHAIRMAN DECKER: Thank you.

15 Three announcements: We have a very
16 busy schedule today. We have two Category 1
17 suitability hearings taking place this
18 afternoon.

19 Secondly, we held executive sessions on
20 September 5th, September 10th, and then earlier
21 this morning to discuss personnel matters. No
22 business was conducted at these sessions.

23 Third, I want to talk about an
24 important date which will be coming up, which is
25 under our statute the so-called "deemed complete

1 date". As many of you know, Act 71 requires the
2 Board to deem complete all initial applications
3 for operator licenses.

4 This is important for two reasons: It
5 starts a 12-month period during which the Board
6 is required to approve, condition or deny all
7 permanent applications.

8 Remember, conditional Category 1
9 applications and licenses are exempt from that,
10 but the permanent ones are not.

11 Second, it is the time when we will not
12 permit any further changes to the operator
13 applications. I raise this point today because
14 it is the Board's intention to deem the
15 applications complete at our next meeting, which
16 is September 27th, 2006.

17 Again, the deemed complete date is an
18 important date in the application/licensing
19 process, and it is our plan to deem applications
20 complete at that time.

21 Of course, that is also the date we
22 hope to act -- we plan on acting, we intend to
23 act, with a much stronger intent than what we
24 heard about the word intent, but much stronger
25 intent to act on the conditional Category 1

1 license applications.

2 Any questions or comments from the
3 Board on anything in that respect?

4 THE BOARD: [NO RESPONSE]

5 CHAIRMAN DECKER: Okay.

6 Next item. We have the transcript and
7 the minutes of the August 23rd Board Meeting.
8 May I have a motion to approve those minutes and
9 transcript?

10 COMMISSIONER McCABE: Mr. Chairman, I
11 move the approval of the transcript and minutes
12 of the August 23rd, 2006 meeting and their
13 posting on the Board's website.

14 CHAIRMAN MARSHALL: Second.

15 CHAIRMAN DECKER: Thank you. All in
16 favor please indicate by saying aye.

17 THE BOARD: Aye.

18 CHAIRMAN DECKER: Any opposed?

19 THE BOARD: [NO RESPONSE]

20 CHAIRMAN DECKER: The motion carries.
21 Thanks again.

22 Now we going to move on to new
23 business, and we are going to hear from our
24 Executive Director, Anne Neeb. Good morning,
25 Anne.

1 MS. NEEB: I don't have anything in
2 particular to report other than our continuation
3 of the suitability hearings, which will continue
4 this afternoon.

5 So we will just go ahead and move on
6 with administration, and then we have one or two
7 other matters which are motions, resolutions.

8 CHAIRMAN DECKER: Okay. Thank you.

9 MS. NEEB: Thank you, Chairman.

10 CHAIRMAN DECKER: Our next item is
11 administration. Mike Walsh is not with us today
12 so Wendy Chan, our Director of Human Resources,
13 will present today's new hires. She will be
14 followed by Jim Buck, who is the Director of
15 Information Technology, who will also give a
16 presentation on the Slots Link system.

17 Did I say that right, Jim?

18 MR. BUCK: Yes.

19 MS. CHAN: Good morning, Mr. Chairman,
20 Members of the Board. I am Wendy Chan, Director
21 of Human Resources.

22 I would like to present the following
23 people for employment with the Gaming Control
24 Board. They have all successfully completed a
25 comprehensive background investigation without

1 any areas of concern:

2 Doreen Appel, Special Assistant;

3 Kari DeMaria, Licensing Analyst;

4 Allison Hicks, Licensing Analyst;

5 Allison Deibert, Licensing Analyst;

6 Lorenzo Dorsey, Investigator;

7 Lisa Mullen, Investigator;

8 Ramon Welkom, Investigator;

9 Kevin O'Rourke, Investigator;

10 Jennadi Ferriola, Investigator; and

11 A. Blaine Frank, Investigator.

12 With these new hires, our total

13 complement will be up to 182 employees; and that

14 includes 16% minority.

15 CHAIRMAN DECKER: Thank you, Wendy.

16 Any questions for Wendy?

17 COMMISSIONER RIVERS: Chairman, based

18 on the recommendation of the Director of HR, I

19 recommend we hire the following people that she

20 has named.

21 CHAIRMAN MARSHALL: Second.

22 COMMISSIONER McCABE: Second.

23 CHAIRMAN DECKER: Again, any questions

24 or comments?

25 THE BOARD: [NO RESPONSE]

1 CHAIRMAN DECKER: All those in favor of
2 the motion say aye.

3 THE BOARD: Aye.

4 CHAIRMAN DECKER: Any opposed?

5 THE BOARD: [NO RESPONSE]

6 CHAIRMAN DECKER: Motion carries.

7 Thank you, Wendy.

8 Jim.

9 MR. BUCK: Good morning, Mr. Chairman
10 and Members of the Board.

11 Today I am here to update you on a
12 project I presented to you in May that has an
13 agency-wide impact as it relates to the gaming
14 application process.

15 I would like to report on the status of
16 Slots Link and briefly show you what has been
17 completed.

18 Back in May I presented our vision to
19 develop an on-line application process for
20 gaming employees in Pennsylvania.

21 The goal was to develop a
22 fully-automated system to assemble all of the
23 required information for licensing, review and
24 reporting. I am pleased to announce that Slots
25 Link is now a reality for gaming and non-gaming

1 employees.

2 The first version of this application
3 has been beta tested by Mohegan Sun at Pocono
4 Downs. They are very pleased with the on-line
5 application and report how easy it is to use
6 compared to the paper application.

7 We will continue our beta testing of
8 Slots Link at Philadelphia Park later this week.
9 Next week we are scheduled to implement it at
10 Chester Downs.

11 Based on their feedback, minor
12 adjustments are being made to improve the
13 system.

14 I would like to remind everyone that
15 Slots Link is not available for the general
16 public. You must have a bona fide offer from a
17 gaming facility to access Slots Link.

18 The gaming facility logs into Slots
19 Link with their user name and password. To
20 create a new application, they enter basic
21 demographic and employment information about the
22 applicant. The instructions are printed for the
23 applicant with their user ID and password.

24 The first time the applicant logs onto
25 Slots Link, a brief questionnaire must be

1 answered to determine which sections will be
2 included in their customized, on-line
3 application.

4 For example, if someone was never in
5 the military, they would not need to answer any
6 additional questions concerning military
7 service.

8 They can stop at any time and resume
9 later. The sections can be answered in any
10 order. The system has the flexibility to adjust
11 to any quantity of information. It will handle
12 an applicant having six past residences as
13 easily as an applicant with only one.

14 At all times the applicant can see what
15 sections have been completed, what is in
16 progress, and what they still need to begin.

17 When the applicant is ready to submit
18 the application, the system checks for missing
19 information displaying the deficiencies on the
20 screen. This will save considerable staff time
21 that would have been spent by one of our
22 licensing analysts to check that the application
23 is complete.

24 The applicant must also acknowledge
25 that everything has been answered truthfully.

1 The application can be printed for the applicant
2 to retain for their records.

3 Once they agree that the application is
4 ready to be submitted, the data is locked down
5 to prevent further editing.

6 The applicant returns to the gaming
7 facility to complete the submission process.
8 The gaming facility's HR staff logs onto
9 Slots Link to print all of the forms that
10 are required for the applicant's signature.
11 They must acknowledge that all of the signed
12 paperwork is on file for later inspection by the
13 Gaming Control Board.

14 Submitting the application signifies
15 that the gaming facility approves the processing
16 of the applicant's background checks by our
17 organization.

18 At any time the applicant and the
19 gaming facility can view the status of their
20 application. The gaming facility can see a
21 break-out of the number of applicants in several
22 categories.

23 They also have the ability to look at
24 the submission status for each of their
25 applicants, but not the specific application

1 data. They cannot see the status of applicants
2 for any other gaming facilities either.

3 When the application has been submitted
4 to the PGCB, the interfaces sending segmented
5 data to selected agencies are initiated. Only
6 the appropriate data that is required by that
7 agency is sent to them electronically.

8 There is an interface with the
9 Department of Revenue for state tax clearance.
10 JNET, the Pennsylvania Justice Network, provides
11 a watch-list of all of the applicants. Selected
12 Gaming Control Board staff is notified by e-mail
13 of any incidents involving any applicants.
14 Demographic data is transmitted to the system
15 we are using for photo capturing and
16 fingerprinting. Confirmation e-mails are also
17 sent to the applicant.

18 Slots Link will assist automating the
19 work flow within the Gaming Control Board.
20 Standard and ad hoc reports will be run to
21 monitor and track each applicant.

22 If additional information is required,
23 the applicant will be requested to log on to
24 Slots Link to submit the supplemental
25 information through the application amendment

1 page.

2 This new page was developed to provide
3 the flexibility, to add additional information
4 or explanation while maintaining the integrity
5 of the original application, which cannot be
6 edited.

7 The development of Slots Link has been
8 a team effort. The project is very complex and
9 involved many individuals. The team
10 accomplished the project that no other gaming
11 jurisdiction has undertaken.

12 I would like to recognize the
13 developers of Computer Aid for their efforts.
14 I would also like to thank Patrick Williams
15 for his involvement throughout the
16 development, testing and implementation
17 of Slots Link.

18 Lisa Aungst and her team at the
19 Department of Revenue worked with us to
20 develop the interface with Revenue and
21 Phillip Tomassini and his staff at
22 JNET have been and continue to be very
23 helpful.

24 Today we are declaring success
25 with Phase 1 of Slots Link. There is

1 still work to be done. The work within PGCB
2 needs to be enhanced. Call logs need to be
3 developed and ad hoc reports designed.

4 In addition, we want to expand this to
5 included vendors and other groups such as
6 suppliers, union representatives and the
7 Horsemen's Association. Other modules are in
8 the planning stages.

9 That's a snapshot of Slots Link.

10 At the beginning of the this project I
11 was told that failure was not an option, and we
12 are pleased with this release, the progress of
13 the ongoing development and the positive
14 comments we've received from the applicants.

15 There is no action required by the
16 Board, but at this time I would entertain any
17 questions that you have.

18 CHAIRMAN DECKER: Any questions for
19 Jim?

20 THE BOARD: [NO RESPONSE]

21 CHAIRMAN DECKER: I have one. How soon
22 do you think it will be really usable by the
23 casinos as they open up?

24 As we know, it is going to take a while
25 for these casinos to get up and running. I

1 mean, our estimate is four weeks or something
2 after their property is built, and they start
3 getting the floor laid out, et cetera.

4 What do you think? And they are going
5 to be hiring prior to that time? I don't want
6 to pin you down, but what do you think?

7 MR. BUCK: We have been using it since
8 last Friday.

9 CHAIRMAN DECKER: So you think it is
10 almost ready to go?

11 MR. BUCK: The beta testing involved
12 submitting actual data, which is going into
13 the live system. We have not had any major
14 problems or issues. So we are moving ahead with
15 it.

16 CHAIRMAN DECKER: Does any other gaming
17 regulatory body have a system like this?

18 MR. BUCK: No, they do not.

19 CHAIRMAN DECKER: So this is a
20 wonderful thing. I applaud you and Susan,
21 because Susan was just talking about this two
22 years ago. I thought it was a good pie in the
23 sky at the time but this is great. It is really
24 terrific.

25 Now, we have some other things to get

1 done there in addition to the applications. As
2 you know, one of them is to make sure we get the
3 fingerprinting done so we can finish the
4 background checks and things. So hopefully we
5 are going to get that resolved shortly.

6 Correct?

7 MS. NEEB: Yes. Yes, we will.

8 CHAIRMAN DECKER: Good. That will be
9 great. That is really terrific. Thanks.

10 Thanks very much.

11 MR. BUCK: Thank you.

12 CHAIRMAN DECKER: Any questions?

13 SECRETARY FAJT: What kind of back-up
14 data do you have on this system so that if there
15 would be a crash of the Slots Link system? Is
16 there either a hard-copy back-up or another
17 computer-based back-up?

18 MR. BUCK: We have a -- we are backing
19 up that system on a regular basis, as well as we
20 are copying that data back to another server
21 throughout the day. So we have dual
22 back-ups on that.

23 SECRETARY FAJT: When you say on a
24 regular basis, how often is it done?

25 MR. BUCK: The back-up is run right now

1 once a night.

2 SECRETARY FAJT: Okay. Thank you.

3 COMMISSIONER COLINS: I have a
4 question.

5 Jim, the interface with JNET, does
6 that -- will there be any connection or
7 interface with the fingerprinting system that
8 will be developed for the gaming employees?
9 Will that info. somehow be interfaced with Slots
10 Link?

11 MR. BUCK: It is not through JNET,
12 but we have a separate interface that is
13 used to populate the photo capture system
14 with the data in Slots Link; then
15 the photo capture center is connected
16 to the live scan systems. We are doing this now
17 with the fingerprinting that we have done to
18 date.

19 COMMISSIONER COLINS: Okay. So we are
20 ready to go in that aspect? Our technology is
21 ready?

22 MR. BUCK: That's correct.

23 CHAIRMAN DECKER: Thanks, Mary.

24 Once again, I want to thank Greg for
25 all of the help they provided in the past.

1 Again, where you could have tensions,
2 it is a wonderful example of how people work
3 together to get something done in a partnering
4 relationship.

5 Again, I thank you. On behalf of the
6 Board, Greg, we really appreciate everything you
7 have done for us, including give us a few
8 employees.

9 Again, thank you.

10 SECRETARY FAJT: You've been good
11 lately, Tad.

12 CHAIRMAN DECKER: Yeah, that's true.

13 Okay. Michael Edmiston, next up.

14 Michael is our Director of Hearings and
15 Appeals and he will now present some withdrawal
16 petitions for our consideration.

17 MR. EDMISTON: And very briefly,
18 Mr. Chairman and members of the Board, good
19 morning.

20 CHAIRMAN DECKER: Good morning.

21 MR. EDMISTON: Shortly I expect you
22 will have before you a motion that will propose
23 the granting of orders without prejudice for 22
24 applicants, orders of withdrawal, they include
25 permittees, key employee qualifiers, one

1 management company, and you also will have an
2 additional proposed order of withdrawal and
3 transfer as to one key employee qualifier.

4 There are no objections on the part of
5 Chief Enforcement Counsel to these withdrawals
6 without prejudice.

7 There are no outstanding issues as to
8 the status of the fees for these applications.
9 All of these fees are non-refundable, and
10 counsel in each one of these matters has agreed
11 to the proposed orders.

12 That is all I have for you,
13 Mr. Chairman.

14 CHAIRMAN DECKER: Thank you.

15 COMMISSIONER COY: Mr. Chairman, I move
16 that the Board approve the orders granting
17 withdrawal of applications for Arnold Aronoitz,
18 Phillip Brezinski, Steven Comer, George
19 Dombroski, Terry Dodd, Robert Hebel, Joe Mack
20 Henson, William Barron Hilton, Robert Francis
21 Kelly, Brett Christopher Kline, John R. Miglior,
22 Millennium Management Group II, LLC, John E.
23 Morantz, Phillip Parenti, Gino Roncelli, John S.
24 Szurley, Gregory Thomas, Caroline Ann Vidmar,
25 Christopher Vecchione, Katherine Marie

1 Wade-Yacoubian, Anthony John Yula and Holly Way;
2 and that the order granting the transfer of
3 interest application of Guy T. Hillyer.

4 CHAIRMAN DECKER: Thank you, Jeff.

5 Can we have a second, please?

6 COMMISSIONER RIVERS: Second.

7 CHAIRMAN DECKER: Any questions for
8 Michael on this issue?

9 [NO RESPONSE]

10 CHAIRMAN DECKER: All of those in favor
11 say aye.

12 THE BOARD: Aye.

13 CHAIRMAN DECKER: Any opposed to the
14 withdrawal?

15 THE BOARD: [NO RESPONSE]

16 MR. EDMISTON: Thank you, Mr. Chairman.

17 CHAIRMAN DECKER: Thank you.

18 Okay. Are there some motions?

19 MS. NEEB: There are resolutions from
20 the Director of the Gaming Lab.

21 CHAIRMAN DECKER: Okay. Richard. I'm
22 sorry.

23 MS. NEEB: We have resolutions
24 concerning the movement of slot machines.

25 CHAIRMAN DECKER: Okay. I understand.

1 Richard? Thank you.

2 MR. WILLIAMSON: Good morning, Chairman
3 Decker and Members of the Commission. What we
4 have before you are three requests to possess
5 slot machines, one from Mohegan Sun to possess
6 them for training purposes in their office
7 building, which is right in front of the track;
8 that's been inspected and there has been no
9 objections from the staff to this.

10 The other two requests are both from
11 Betson Coin-OP Distributing Company, a supplier.
12 They have offices in Pittsburgh and in King of
13 Prussia. Both facilities have been inspected,
14 and there are no objections from the staff for
15 that. Since each facility is separately
16 approved, there are three resolutions for these.

17 CHAIRMAN DECKER: How would this work?
18 They would have slot machines there?

19 MR. WILLIAMS: Yes, as a supplier they
20 would have slot machines.

21 CHAIRMAN DECKER: Okay. All right.
22 Now, how do you want to deal with this? Why
23 don't we do them individually?

24 COMMISSIONER ANGELI: Mr. Chairman, I
25 would like to make a motion for the Board to

1 approve the resolution authorizing possession of
2 slot machines by Downs Racing as outlined by the
3 Director of Gaming Laboratory Operations.

4 CHAIRMAN DECKER: Do I have a second?

5 COMMISSIONER RIVERS: Second.

6 COMMISSIONER MARSHAL: Second.

7 CHAIRMAN DECKER: Thank you. Any
8 questions or comments?

9 THE BOARD: [NO RESPONSE]

10 CHAIRMAN DECKER: All those in favor
11 please indicate by saying aye.

12 THE BOARD: Aye.

13 CHAIRMAN DECKER: Any opposed?

14 THE BOARD: [NO RESPONSE]

15 CHAIRMAN DECKER: The motion carries.

16 Can I have a motion on the second
17 proposed resolution?

18 COMMISSIONER COLINS: I will make the
19 motion for the Board to approve the resolution
20 authorizing the possession of slot machines by
21 Beston Coin-OP Distributing Company in King of
22 Prussia as outlined by the Director of Gaming
23 Laboratory Operations.

24 COMMISSIONER RIVERS: Second.

25 CHAIRMAN DECKER: Again, any questions

1 or comments?

2 THE BOARD: [NO RESPONSE]

3 CHAIRMAN DECKER: All those in favor

4 say aye.

5 THE BOARD: Aye.

6 CHAIRMAN DECKER: Any opposed?

7 THE BOARD: [NO RESPONSE]

8 CHAIRMAN DECKER: The motion carries.

9 We have a third resolution?

10 COMMISSIONER McCABE: Yes, Mr.

11 Chairman.

12 I would like to make a motion for the

13 Board to approve the authorizing the possession

14 of slot machines by Beston Coin-OP Distribution

15 Company in Pittsburgh, as outlined by the

16 Director of Gaming Laboratory Operations.

17 COMMISSIONER COY: Second.

18 CHAIRMAN DECKER: Thank you.

19 Any questions or comments?

20 THE BOARD: [NO RESPONSE]

21 CHAIRMAN DECKER: All those in favor

22 please indicate by saying aye.

23 THE BOARD: Aye.

24 CHAIRMAN DECKER: Any opposed?

25 THE BOARD: [NO RESPONSE]

1 CHAIRMAN DECKER: The motion carries.
2 Richard, thank you very much.
3 MR. WILLIAMSON: My pleasure. Thank
4 you.
5 COMMISSIONER COLINS: Can the written
6 resolutions be incorporated into the record?
7 CHAIRMAN DECKER: Sure.
8 COMMISSIONER COLINS: Not read but just
9 incorporated in.
10 MS. NEEB: We have the resolutions.
11 CHAIRMAN DECKER: Thank you.
12 Okay. We will pass on the budget
13 issue --
14 MS. NEEB: Right.
15 CHAIRMAN DECKER: -- for now.
16 Okay. Now, I think we have a quick
17 scheduling note before we close.
18 Our next meeting will be on Wednesday
19 September 27th. And as we discussed before, it
20 will be a very significant one; that is the day
21 that we are going to consider our six
22 applications for Conditional 1 -- excuse me --
23 Conditional Category 1 Gaming Licenses.
24 As everyone I would think knows, we
25 began our licensing hearings on the Cat 1s

1 yesterday. I believe they went very well.

2 We will complete two more today. We
3 did three yesterday, and we will hold the final
4 Cat 1 suitability hearing on the morning of
5 September 27th. And then, of course, we will be
6 ready to vote.

7 We will be holding this meeting --
8 those meetings -- I'm sorry -- in the auditorium
9 of the Forum Building, which is right on Walnut
10 Street here in Harrisburg.

11 Like all of our meetings, this one will
12 again be open for the public, and we look
13 forward to seeing all of you there.

14 Is there any other business to come
15 from the meeting today?

16 COMMISSIONER RIVERS: Move for
17 adjournment.

18 CHAIRMAN DECKER: Thank you. Second?

19 COMMISSIONER McCABE: Second.

20 CHAIRMAN DECKER: All in favor?

21 THE BOARD: Aye.

22 CHAIRMAN DECKER: Motion carries. We
23 are adjourned. Thank you very much.

24 (Hearing adjourned at 10:42 a.m.)

25

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

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Lorraine T. Herman, RPR
Reporter - Notary Public