

PENNSYLVANIA GAMING CONTROL BOARD

BOARD MEETING

STATE MUSEUM AUDITORIUM
HARRISBURG, PENNSYLVANIA

DECEMBER 13, 2006, 1:41 P.M.

BEFORE:

THOMAS DECKER, CHAIRMAN
RAYMOND ANGELI
MARY DiGIACOMO COLINS
JEFFREY W. COY
JOSEPH W. MARSHALL, III
KENNETH W. MCCABE
SANFORD RIVERS

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN DECKER: Good afternoon. I'm
2 calling the meeting to order. I'm Tad Decker,
3 Chairman of the Pennsylvania Gaming Control Board.

4 I would like to welcome the Board and all
5 of you to this public meeting. A quorum of the Board
6 is present. So this meeting is now called to order.

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

10 Neither Treasurer Casey or Secretary Wolff
11 is with us today, but representing Treasurer Casey is
12 Deputy Treasurer Peter Smith.

13 Thanks for coming, Peter. I appreciate it
14 very much.

15 As always, let's begin with the Pledge of
16 Allegiance.

17 (Pledge of Allegiance.)

18 CHAIRMAN DECKER: Thank you. By way of old
19 business, the Board held an Executive Session before
20 this meeting to discuss personnel matters. No
21 business was conducted at this session.

22 First, I think the first order of business
23 is we have the transcript and minutes from the
24 November 21st, 2006 Board meeting.

25 May I have a motion for their approval?

1 COMMISSIONER McCABE: Mr. Chairman, I move
2 to approve the transcript and minutes of the November
3 21st, 2006 meeting.

4 COMMISSIONER COY: Second.

5 CHAIRMAN DECKER: All those in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN DECKER: Any opposed?

8 Motion carries. Thank you very much.

9 Let's see. Moving right on to new
10 business. The Executive Director, Anne Neeb, will
11 now make her report.

12 Anne?

13 MS. LaCOUR NEEB: Thank you, Mr. Chairman.
14 I'm also going to pass on the report. We have about
15 ten motions we would like to present to the Board.
16 For the sake of expediency, let's move right into
17 that.

18 Frank Donaghue is here from the Chief
19 Counsel's Office. He is going to present the first
20 motion to approve amendments to the PGCB Ethics
21 Policy.

22 MR. DONAGHUE: Thank you, Anne. Also
23 joining me this afternoon is Assistant Chief Counsel
24 Jim Doherty.

25 The Office of Chief Counsel has three items

1 for the Board's consideration today. They include
2 amendments to the Board's Code of Conduct, temporary
3 regulations for licensed entity representatives, and
4 as well as a number of withdrawal petitions, and also
5 a motion to approve a Board order regarding Pinnacle
6 Entertainment.

7 First, I want to start with the Code of
8 Ethics issue. Before you today for consideration is
9 a revised Code of Ethics for the Pennsylvania Gaming
10 Control Board.

11 Passage of Senate Bill 862 set forth a
12 number of new requirements that must be incorporated
13 into our existing Code of Ethics prior to the Board's
14 consideration for any applicants for the slot
15 operator licenses.

16 The majority of the required revisions are
17 editorial in nature. However, there are a few
18 substantive changes including but not limited to the
19 imposition of one-year post-employment restrictions
20 for all PGCB employees whose duties substantially
21 involve licensing, enforcement, or the development of
22 regulation or policy and a registration requirement
23 for all licensed entity representatives.

24 The revised Code of Ethics before you today
25 satisfies the criteria contained in Senate Bill 862

1 and, if approved, would not inhibit the Board's
2 ability to consider all of the applicants for slot
3 operator licenses on December 20th.

4 I would respectfully request and the Board
5 consider a motion to adopt the revised Code of Ethics
6 consistent with the requirements of Senate Bill 862,
7 and I would be happy to answer any questions the
8 Board may have.

9 CHAIRMAN DECKER: May I have a motion to
10 approve those amendments?

11 COMMISSIONER DiGIACOMO COLINS: Yes.
12 Mr. Chairman, I would like to make a motion that the
13 Board adopt the revised Code of Ethics for the
14 Pennsylvania Gaming Control Board in accordance with
15 the amended provisions with the Pennsylvania
16 Racehorse Development and Gaming Act.

17 CHAIRMAN DECKER: Thank you.

18 May I have a second, please?

19 COMMISSIONER MARSHALL: Second.

20 CHAIRMAN DECKER: Thank you.

21 Are there any questions for Frank about the
22 amendments?

23 Hearing none, all of those in favor, please
24 indicate by saying aye.

25 COMMISSIONERS: Aye.

1 CHAIRMAN DECKER: Any opposed?

2 Motion carries.

3 Thank you, Frank.

4 MR. DONAGHUE: Thank you.

5 CHAIRMAN DECKER: Do we have another one
6 coming up?

7 MR. DONAGHUE: Yes. Next, I would like to
8 turn it over to the Director of Regulatory Review,
9 Richard Sandusky, who will present temporary
10 regulations for the Board's consideration.

11 CHAIRMAN DECKER: Thank you, Jim.

12 MR. SANDUSKY: Good afternoon. What we
13 have for the Board members' consideration today is a
14 temporary regulation, which will establish
15 requirements for the registration of licensed entity
16 representatives. This is a new term, which comes
17 from Act 135.

18 Basically, what we're proposing is we would
19 add a definition of licensed entity representative to
20 Chapter 401 of our existing temporary regulations.
21 The definition we are proposing matches the
22 definition that is in the Act.

23 The second part of today's proposal is the
24 addition of a new chapter, Chapter 425, entitled
25 Registration. It contains the registration

1 requirements for these licensed entity
2 representatives.

3 The Bureau of Licensing has developed a
4 one-page form that will be very simple for them to
5 fill out.

6 Basically, the purpose of the form is
7 inform the Board, have them identify who they are and
8 who they are representing.

9 Additionally, what the regulations do, they
10 require that anyone who is registered must keep their
11 information current so if there's any change in
12 representation, you know, our client is represented.
13 We will get that information.

14 The last piece is the Board will compile a
15 list of these registrants and make that list
16 available both at our offices and on the Board's
17 website.

18 I would be happy to answer any questions.
19 If there aren't any, we would ask for a motion for an
20 adoption of the temporary regs.

21 CHAIRMAN DECKER: Thank you.

22 May I have a motion to that effect?

23 COMMISSIONER McCABE: Mr. Chairman, I move
24 that the Board adopt temporary regulations amending
25 Chapter 401 and adding Chapter 425, and that they be

1 published in the Pennsylvania Bulletin and be posted
2 on the Board's website.

3 COMMISSIONER COY: Second.

4 CHAIRMAN DECKER: Are there any questions
5 about this?

6 All of those in favor, please indicate by
7 saying aye.

8 COMMISSIONERS: Aye.

9 CHAIRMAN DECKER: Any opposed?

10 Motion carries. Thank you.

11 Thank you, Frank.

12 MR. DONAGHUE: Sure. Mr. Chairman, next, I
13 would like to turn to petitions for withdrawals.

14 With regard to all of the requests, they were
15 reviewed by the Office of Enforcement Counsel, and
16 the Chief Enforcement Counsel has no objection to the
17 withdrawal as there is no information constituting
18 good cause to deny, condition, or prejudice the
19 withdrawal of the application, and all required fees
20 have been paid as of this date.

21 These would all be granted without
22 prejudice. Chief Counsel's Office concurs in this
23 review and submits the following for a motion by the
24 Board to grant the withdrawal petitions without
25 prejudice.

1 Mr. Chairman, if it is okay with you, I
2 would like to go ahead and read the entire list.

3 CHAIRMAN DECKER: Please.

4 MR. DONAGHUE: The first is petition of
5 Downs Racing, LP, Docket No. 1267 to withdraw key
6 employee qualifier application of Jeanne McLaughlin.

7 Petition of Washington Trotting
8 Association, Inc., Docket No. 1316, to withdraw the
9 affiliate application of MGIM, LLC.

10 Petition of Greenwood Gaming and
11 Entertainment, Inc., Docket No. 1239, to withdraw the
12 key employee application of Joseph Evoli.

13 Petition of Greenwood Gaming and
14 Entertainment, Inc., Docket No. 1239, to withdraw the
15 key employee application of Beverly Jackson.

16 Petition of Washington Trotting
17 Association, Inc., Docket No. 1316, to withdraw the
18 key employee qualifier applications of David Gerard
19 Wiegmann, John Marshall, and Michael Edward Jeannot.

20 Finally, petition of Washington Trotting
21 Association, Inc. to withdraw the affiliate
22 application of MI Developments, Inc. and all
23 applications and waiver requests associated
24 therewith.

25 CHAIRMAN DECKER: May I have a motion to

1 that effect?

2 COMMISSIONER RIVERS: Yes. Mr. Chairman,
3 based on the recommendation of Chief Counsel, I move
4 to present this motion.

5 CHAIRMAN DECKER: Thank you.

6 Second, please.

7 COMMISSIONER MARSHALL: Second.

8 CHAIRMAN DECKER: Any questions or
9 comments?

10 All of those in favor, please indicate by
11 saying aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN DECKER: Any opposed?

14 Motion carries.

15 Thank you, Frank.

16 MR. DONAGHUE: And Office of Chief Counsel
17 has one final motion which will be handled by --

18 CHAIRMAN DECKER: I thought you said three.

19 MR. DONAGHUE: We'll make it quick.

20 MR. SHERMAN: Mr. Chairman, members of the
21 Board, the Board has received a motion by Pinnacle
22 Entertainment to reopen the record and its hearing
23 for the limited purpose of accepting into evidence
24 two exhibits designated as Exhibits 19 and 20.

25 These exhibits are two, one-page diagrams

1 concerning Pinnacle's proposed temporary facility and
2 our response of the questions asked by the Board
3 members during Pinnacle's hearing.

4 We request that the Board entertain a
5 motion to consider the motion to reopen for this
6 limited purpose.

7 COMMISSIONER MARSHALL: Mr. Chairman, I
8 move that the Board grant an order to reopen the
9 record for Pinnacle Entertainment, Inc. and PNK PA,
10 LLC, for the limited purpose of receiving two
11 additional updated exhibits into the evidentiary
12 record.

13 CHAIRMAN DECKER: Thank you.

14 May I have a second, please?

15 COMMISSIONER McCABE: Second.

16 CHAIRMAN DECKER: Are there any questions
17 on this point?

18 All of those in favor, please indicate by
19 saying aye.

20 COMMISSIONERS: Aye.

21 CHAIRMAN DECKER: Any against?

22 Motion carries. They are admitted into the
23 record.

24 MR. DONAGHUE: Mr. Chairman, with that, I
25 would like to turn it over to Chief Enforcement

1 Counsel Michael Schwoyer.

2 MR. SCHWOYER: Mr. Chairman, members of the
3 Board --

4 CHAIRMAN DECKER: Please.

5 MR. SCHWOYER: -- I have three consent
6 agreements to present to the Board for its
7 consideration.

8 The first consent agreement is in the
9 matter of Category II application Crossroads Gaming
10 Resort and Spa and one of their key employee
11 qualifiers. The consent agreement, that was included
12 in your packets.

13 It was proposed to resolve the matter of
14 three political contributions totaling \$390 by one of
15 their key employee qualifiers.

16 The terms of the agreement provide for
17 \$1,000 fine by the key employee qualifier and for a
18 \$5,000 fine by Crossroads Gaming Resorts and Spa,
19 together with requirements that Crossroads take
20 remedial measures to improve their Internal 1513
21 policy.

22 CHAIRMAN DECKER: Who is the applicant?

23 MR. SCHWOYER: I'm sorry?

24 CHAIRMAN DECKER: Who was the individual?

25 MR. SCHWOYER: The individual is Peter J.

1 Ressler, Sr.

2 CHAIRMAN DECKER: Okay. May I have a
3 motion to that effect?

4 COMMISSIONER ANGELI: Mr. Chairman, I move
5 that the Board approve the consent agreement entered
6 into between the Bureau of Investigation and
7 Enforcement and Category II slot machine applicant
8 Crossroads Gaming Resort and Spa, LP, and key
9 employee qualifier application, Michael A. Serluco.

10 CHAIRMAN DECKER: Are there any questions
11 for Mr. Schwoyer on that point?

12 MR. SCHWOYER: Mr. Chairman, Mr. Serluco,
13 the second consent agreement I'm presenting is for
14 Mr. Serluco with the same applicant. This one was
15 Peter J. Ressler.

16 CHAIRMAN DECKER: Okay.

17 COMMISSIONER ANGELI: I correct that.

18 COMMISSIONER COY: Second.

19 CHAIRMAN DECKER: Any questions for
20 Mr. Schwoyer?

21 All of those in favor, please indicate by
22 saying aye.

23 COMMISSIONERS: Aye.

24 CHAIRMAN DECKER: Any opposed?

25 Motion carries.

1 Is there another one?

2 MR. SCHWOYER: Yes, two more, Mr. Chairman.
3 This one also involves a key employee qualifier of
4 Crossroads and key employee qualifier Michael A.
5 Serluco.

6 The terms of this consent agreement
7 basically because of timing and paperwork, they
8 weren't included in the same consent agreement. The
9 consent agreement for Mr. Serluco provides for a
10 \$1,000 payment by Mr. Serluco and the same remedial
11 measures against Crossroads but no additional
12 financial penalty for Crossroads.

13 CHAIRMAN DECKER: May I have a --

14 COMMISSIONER MARSHALL: Mr. Chairman, I
15 move that the Board approve the consent agreement
16 entered into between the Bureau of Investigation and
17 Enforcement and Category II slot machine applicant,
18 Crossroads Gaming Resort and Spa, LP, and key
19 employee qualifier applicant Michael A. Serluco.

20 CHAIRMAN DECKER: Can I have a second,
21 please?

22 COMMISSIONER McCABE: Second.

23 CHAIRMAN DECKER: Thank you.

24 Any additional questions? All of those in
25 favor, please indicate by saying aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN DECKER: Motion carries also, Mr.
3 Schwoyer.

4 MR. SCHWOYER: The final consent agreement
5 I have for presentation this morning or afternoon
6 involves Riverwalk Casino, LP, a Category II
7 applicant.

8 As the Board, I'm sure, recalls, Riverwalk
9 entered into a consent agreement that was approved by
10 the Board in its last meeting.

11 These are two additional key employee
12 qualifiers again and the paperwork is coming before
13 you now.

14 The terms of this proposed consent
15 agreement did not include any additional penalty
16 against the entity applicant Riverwalk, but do
17 include \$1,000 fines against key employee qualifier
18 Samuel Staten, Sr. and key employee qualifier Joseph
19 T. Ashdale.

20 In the case of Mr. Staten, in between the
21 date of his application and when the contribution
22 stopped, he was having weekly payroll deductions.
23 Same with Mr. Ashdale. Mr. Staten's total is \$60 and
24 Mr. Ashdale's total is \$66.

25 CHAIRMAN DECKER: What was the amount of

1 the fines again?

2 MR. SCHWOYER: \$1,000 each.

3 CHAIRMAN DECKER: Are there any --

4 COMMISSIONER DIGIACOMO COLINS: Before I
5 make a motion, may I ask, is the applicant, is
6 Riverwalk part of this consent?

7 MR. SCHWOYER: Yes, ma'am. The remedial
8 measures are identical to the remedial measures in
9 the prior consent agreement.

10 COMMISSIONER DIGIACOMO COLINS: Okay. I
11 wasn't clear. Thanks.

12 CHAIRMAN DECKER: May I have a motion to
13 that effect, please?

14 COMMISSIONER DIGIACOMO COLINS: Yes. I
15 move that the Board approve the consent agreement
16 entered into by the Bureau of Investigations and
17 Enforcement and the Category II slot machine
18 applicant Riverwalk Casino, LP, Joseph Ashdale and
19 Samuel Staten, Sr.

20 CHAIRMAN DECKER: Thank you.

21 May I have a second, please?

22 COMMISSIONER MARSHALL: Second.

23 CHAIRMAN DECKER: Thank you.

24 Any questions for Mr. Schwoyer?

25 All of those in favor, please indicate by

1 saying aye.

2 COMMISSIONERS: Aye.

3 CHAIRMAN DECKER: Any opposed?

4 Motion carries.

5 Thank you, Mr. Schwoyer, very much.

6 All right. Next up is Susan Hensel with
7 our regular report from the Bureau of Licensing.

8 Susan?

9 MS. HENSEL: Thank you, Chairman Decker and
10 Members of the Board. I have two items to bring
11 before you today.

12 The first matter is a motion to approve an
13 order concerning the report from the Bureau of
14 Licensing on the issuance of temporary key employee
15 credentials.

16 Prior to this meeting, the Bureau of
17 Licensing provided you with a list of 39 individuals
18 who the Bureau of Licensing has provided with
19 temporary credentials under the authority delegated
20 to the Director of Licensing. I ask that you
21 consider a motion.

22 COMMISSIONER COY: Mr. Chairman?

23 CHAIRMAN DECKER: Please.

24 COMMISSIONER COY: I move that the Board
25 adopt an order accepting the report of the Bureau of

1 Licensing regarding the issuance of temporary key
2 employee credentials.

3 CHAIRMAN DECKER: Thank you. May I have a
4 second, please?

5 COMMISSIONER DIGIACOMO COLINS: Second.

6 CHAIRMAN DECKER: Thank you.

7 Are there any questions for Susan about
8 this? We have done this in the past.

9 All of those in favor, please indicate by
10 saying aye.

11 COMMISSIONERS: Aye.

12 CHAIRMAN DECKER: Any opposed?

13 Motion carries. Thank you, Susan.

14 MS. HENSEL: The second matter that I have
15 to bring before you is a motion approving an order
16 concerning the report from the Bureau of Licensing on
17 key employees, gaming, and non-gaming employees.

18 Prior to this meeting, the Bureau of
19 Licensing provided you with a list of 11 individuals,
20 who the Bureau of Licensing has granted key employee
21 licenses to; 206 individuals, who the Bureau has
22 granted occupation permits; and 201 individuals, who
23 the Bureau has granted non-gaming registrations to
24 under the authority delegated to the Director of
25 Licensing.

1 I ask that the Board consider a motion.

2 COMMISSIONER ANGELI: Mr. Chairman, I move
3 that the Board approve a Board Order accepting the
4 report of the Bureau of Licensing regarding the
5 issuance of employee licenses, permits, and
6 registration.

7 COMMISSIONER COY: Second.

8 CHAIRMAN DECKER: Thank you.

9 Any questions for Susan?

10 Hearing none, all of those in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN DECKER: Any opposed?

13 Motion carries.

14 Thank you, Susan.

15 MS. HENSEL: Thank you.

16 CHAIRMAN DECKER: Next is Richard
17 Williamson here?

18 Donald again. Richard, you look very
19 different. You've changed a lot. Don is going to
20 stand in for our Director of Gaming.

21 Don, please.

22 MR. SHIFFER: Good afternoon, Chairman
23 Decker and Members of the Board. I have before you
24 for consideration this afternoon a request by
25 Washington Trotting Association to authorize the

1 possession of slot machines at their temporary
2 facility.

3 Washington Trotting is requesting to house
4 these machines and related equipment in a warehouse
5 facility located in the basement level of their
6 temporary facility.

7 Washington Trotting agrees to comply with
8 all of the statutory and regulatory protocols
9 pertaining to the possession and the transportation
10 of these machines.

11 The Bureau of Investigations and
12 Enforcement has conducted an inspection of the
13 facility where the machines will be housed, and it
14 has not found any outstanding security issues that
15 would indicate that the proposed warehouse is
16 unsuitable to possess and store these machines.

17 So at this time, I would ask you to
18 entertain a motion for Washington Trotting.

19 CHAIRMAN DECKER: Is there a motion?

20 COMMISSIONER RIVERS: Mr. Chairman, based
21 on the recommendation of Assistant Chief Counsel, I
22 move to approve Resolution 2006-41-GL, possession of
23 slot machines by Washington Trotting Association,
24 Inc.

25 COMMISSIONER MARSHALL: Second.

1 CHAIRMAN DECKER: Don -- are there any
2 questions for Don?

3 I might have one. Do you know the
4 projected date or does anyone know the projected date
5 for them to open what they're talking about
6 downstream? I forget.

7 MR. SHIFFER: I don't have that
8 information.

9 CHAIRMAN DECKER: Can anyone remember that?

10 AUDIENCE MEMBER: May of 2007.

11 CHAIRMAN DECKER: May of 2007. Thank you.

12 MR. SHIFFER: The possession date for this
13 January 15th --

14 CHAIRMAN DECKER: This would be January
15 15th.

16 MR. SHIFFER: January 15th, yes.

17 CHAIRMAN DECKER: All right. Fine.

18 Any questions for Don?

19 All of those in favor, please indicate by
20 saying aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN DECKER: Any opposed?

23 Motion carries.

24 Thank you for sitting in again, Don.

25 MR. SHIFFER: Thank you, Mr. Chairman.

1 CHAIRMAN DECKER: Anne, one question -- is
2 Anne here? Do you have any hires today or am I wrong
3 about that?

4 MS. LaCOUR NEEB: No, no personnel issues.

5 CHAIRMAN DECKER: Nobody is ready yet?

6 COMMISSIONER ANGELI: No.

7 CHAIRMAN DECKER: Okay. No problem. Okay.
8 Our next public meeting will be held in the
9 auditorium of the Forum Building on Walnut Street on
10 Wednesday, December 20th at 10:00 a.m. Please note
11 that this is a different location from what we had
12 planned originally.

13 At this meeting, we expect to vote on the
14 19 permanent operator license applications now before
15 the Board.

16 Like all of our meetings, this one is open
17 to the public and we look forward to seeing all of
18 you there.

19 Is there any other business to come before
20 the Board?

21 Otherwise, may I have a motion to adjourn?

22 COMMISSIONER ANGELI: Yes.

23 CHAIRMAN DECKER: Second?

24 COMMISSIONER MARSHALL: Second.

25 CHAIRMAN DECKER: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN DECKER: Any opposed?

3 Motion carries. We are adjourned.

4 (The meeting concluded at 2:04 p.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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