

PENNSYLVANIA GAMING CONTROL BOARD

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IN RE: PUBLIC MEETING

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NORTH OFFICE BUILDING

HEARING ROOM 1

COMMONWEALTH AND NORTH STREETS

HARRISBURG, PENNSYLVANIA

APRIL 19, 2007, 12:15 P.M.

* * * * *

BEFORE:

THOMAS DECKER, CHAIRMAN

RAYMOND ANGELI

MARY DiGIACOMO COLINS

JEFFREY W. COY

KENNETH McCABE

SANFORD RIVERS

GARY A. SOJKA

REPORTER: CYNTHIA PIRO SIMPSON

REPORTER - NOTARY PUBLIC

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1 CHAIRMAN DECKER:

2 My name is Tad Decker. I'm the Chairman
3 of the PA Gaming Control Board. I'd like to welcome a
4 couple of my fellow Board members in the public
5 meeting. A quorum of the present Board is present.
6 I'll confirm that Commissioner Gary Sojka is attending
7 by phone. Gary, can you hear me?

8 MR. SOJKA:

9 Yes, I can.

10 CHAIRMAN DECKER:

11 Joining us again today as the Treasury
12 Department's representative is Keith Welks. Keith is
13 Acting Deputy State Treasurer for Fiscal Operations.
14 And joining us in the audience as representatives of
15 Acting Revenue Secretary Tom Wolfe are Stacie Amsler
16 and Andrea Mead. Stacie and Andrea, are you here.
17 Thank you for joining us. As always, let me ask
18 members of the Board, and particularly me, and the
19 audience to turn off their cell phones, Blackberries.
20 They interfere with our sound system. And we'll
21 start, as usual with the Pledge of Allegiance. Please
22 join me.

23 PLEDGE OF ALLEGIANCE RECITED

24 CHAIRMAN DECKER:

25 By way of old business, we have two

1 announcements. First, we had an executive session
2 this afternoon to discuss various matters --- I'm
3 sorry, this morning, prior to the meeting today.
4 Discussed various personnel matters and other issues.
5 No business was conducted at these sessions.

6 Second, I want to clarify the
7 announcement that was made at our last meeting
8 regarding application period for Category III resort
9 licenses. This application period will open tomorrow,
10 Friday, April 20th, and remain open for ten weeks
11 through Friday, June 29th.

12 All right. Moving on. May I have a
13 motion to approve the transcript and minutes of our
14 March 15th meeting?

15 MR. ANGELI:

16 So moved.

17 CHAIRMAN DECKER:

18 Thank you.

19 MS. COLINS:

20 Second.

21 MR. SOJKA:

22 Second.

23 CHAIRMAN DECKER:

24 Any questions or comments? All in favor.

25 AYES RESPOND

1 CHAIRMAN DECKER:

2 Any opposed?

3 NO RESPONSE

4 CHAIRMAN DECKER:

5 Motion carries. All right. New
6 business. Let's start with --- Anne is already here.
7 She's anticipated. May I have your report, please.
8 That would be great.

9 MS. NEEB:

10 Good afternoon, Chairman Decker, members
11 of the Board. I have several agenda items for the
12 Board's consideration today, but before I move onto
13 those, I just want to give you all a brief update.

14 As Chairman Decker just stated, the
15 application period for Category III licenses will open
16 tomorrow, April 20th and stay open through June 29th.
17 Beginning tomorrow, these applications for the resort
18 licenses will be available on the Board's website
19 under the licensure tab. So if anyone's interested
20 that's where they would find that, the application.

21 The Bureau of Licensing has updated the
22 application to reflect the temporary regulation
23 amendments approved by the Board at your last meeting.

24 Director of Licensing, Susan Hensel and
25 her staff are available to answer any questions that

1 potential applicants may have as they go through the
2 Category III application process.

3 Also, in the Bureau of Licensing, I'd
4 like to update you on some developments involving
5 non-gaming employees. First, the new streamlined,
6 slots link application for non-gaming employees is now
7 available at each of the operating facilities and has
8 been well received.

9 Secondly, as you know, the Bureau of
10 Licensing implemented a temporary registration
11 process, and this was in response to feedback from the
12 facilities and has received its first request for
13 temporary registrants.

14 The new process allows certain non-gaming
15 employees to begin working while undergoing their
16 background investigation.

17 We will continue to make this process
18 available, as new facilities come online.

19 Okay. I'd like to now turn our attention
20 to operation issues at the casinos. The first agenda
21 item that I have today is approval of the internal
22 control submitted by Harrah's Chester. I'll turn it
23 over now to our assistant chief counsel, Kevin Hayes
24 for further explanation of this item. I'm sorry, and
25 Denyse Miskin, who is the director of the Bureau of

1 Corporate Compliance and Internal Controls.

2 CHAIRMAN DECKER:

3 Denyse, thank you.

4 MS. MISKIN:

5 I would like to present for the Board's
6 consideration the internal control system and audit
7 protocols submitted by conditional Category I slot
8 machine licensee Chester Downs and Marina, LLC, doing
9 business as Harrah's Chester.

10 The internal control systems which
11 Harrah's Chester has designed and submitted to the
12 Board meet the minimum requirement set forth in
13 Section 1322 of the Act, including minimum design
14 standards for safeguarding assets and revenues,
15 retaining accurate and reliable financial records and
16 ensuring complete connectivity to the central computer
17 system.

18 As part of its initial internal control
19 submission, Harrah's Chester provided surveillance
20 system specifications, which provide adequate and
21 effective surveillance of activities inside and
22 outside the facility.

23 On September 27th, 2006, the Board
24 approved Harrah's Chester's application for a
25 conditional Category I slot machine license. As a

1 condition to its license, Harrah's Chester's
2 acknowledged that its initial submission of internal
3 controls are reviewed and approved in concept form,
4 and expressly agreed to immediately implement any
5 procedural revisions in its system, as requested by
6 the Board, which we've been doing over the past
7 several weeks with them.

8 After careful and full consideration of
9 the proposed internal controls the Board authorized
10 Harrah's Chester to commence operations on January
11 22nd, 2007.

12 I would like now to request that the
13 Board entertain a motion to adopt the formal
14 resolution, approving the internal control systems and
15 audit protocol for a conditional Category I slot
16 machine licensee, Chester Downs and Marina, LLC.

17 CHAIRMAN DECKER:

18 Thank you, Denyse. May I have a motion
19 to that effect, please?

20 MS. COLINS:

21 Mr. Chairman, I move that the Board
22 approve the initial internal control systems and audit
23 protocols submitted by Chester Downs and Marina, LLC.

24 CHAIRMAN DECKER:

25 Do we have a second?

1 MR. SOJKA:

2 Second.

3 CHAIRMAN DECKER:

4 Thank you. Any questions or comments?

5 Hearing none, all those in favor?

6 AYES RESPOND

7 CHAIRMAN DECKER:

8 Any opposed?

9 NO RESPONSE

10 CHAIRMAN DECKER:

11 The motion carries. Thank you.

12 MS. NEEB:

13 Thanks, Chairman. The next item before
14 the Board would allow amendments to the Gaming floor
15 plans to be approved by delegated authority. Kevin
16 Hayes, who's with our Office of Chief Counsel, who
17 heads up the casino opening team will provide
18 additional details on this item.

19 ATTORNEY HAYES:

20 Thank you, Anne. Mr. Chairman, members
21 of the Board, good morning. I'd like to present to
22 the Board for their consideration an order which
23 delegates the authority to the executive director to
24 approve any changes or revisions to the square footage
25 of the gaming floor or the number of slot machines on

1 the floor of a slot machine licensee pursuant to
2 Section 467.1 of the Board's regulations.

3 This delegation is to be exercised
4 following a determination by the executive director in
5 consultation with BIE, the Office of Chief Counsel,
6 the Gaming Laboratory and the Department of Revenue
7 that the proposed change to the gaming floor conforms
8 to all the technical requirements mandated in the
9 Board's regulations, including those provisions
10 relating to complete surveillance camera coverage of
11 the floor, minimum security staffing and complete
12 connectivity to the central control computer system.

13 This delegation is further subject to the
14 requirement that the executive director present to the
15 Board at periodic intervals, a summary of the
16 approvals granted pursuant to this delegation.

17 With that said, I now respectfully
18 request that the Board entertain a motion adopting the
19 order, which delegates authority to the executive
20 director for approving all requested changes to the
21 gaming floor of slot machine licensees. Thank you.

22 CHAIRMAN DECKER:

23 May I have a motion, please?

24 MR. RIVERS:

25 Yes. Mr. Chairman, I move that the Board

1 adopt the order delegating authority to the executive
2 director for approving amendments to the licenses and
3 gaming floor plan as presented.

4 CHAIRMAN DECKER:

5 Second?

6 MR. MCCABE:

7 Second.

8 CHAIRMAN DECKER:

9 Thank you. Any questions or comments?
10 I'm sorry, Kevin, let me ask you a question about
11 that. That wouldn't include a major expansion or ---

12 ATTORNEY HAYES:

13 Correct.

14 CHAIRMAN DECKER:

15 --- a change, a major material change in
16 the current plans upon which we condition the license;
17 correct?

18 ATTORNEY HAYES:

19 No. Under our regulations, any expansion
20 or major revision to the site plan must be submitted
21 to the Board ---

22 CHAIRMAN DECKER:

23 Right. Okay. Just to clarify.

24 ATTORNEY HAYES:

25 --- accompanied with the petition to the

1 Board.

2 CHAIRMAN DECKER:

3 Any other questions? All those in favor,
4 please indicate by saying aye.

5 AYES RESPOND

6 CHAIRMAN DECKER:

7 Any opposed?

8 NO RESPONSE

9 CHAIRMAN DECKER:

10 The motion carries. Thank you.

11 MS. NEEB:

12 Thank you, Chairman. The next item and
13 the final item I have today is consideration of the
14 Shuffle Master product as an approved slot machine
15 gaming device. We have here today, Michael Cruz, who
16 is the senior manager in our gaming lab, and he will
17 present this item with an explanation for your
18 consideration. Michael?

19 CHAIRMAN DECKER:

20 Welcome, Michael.

21 MR. CRUZ:

22 Thank you, Anne. Good afternoon,
23 Chairman Decker and members of the Board. I'd like to
24 take some time to give you a brief overview of the
25 prototype review that the lab submitted for your

1 approval in regards to use of the Shuffle Master TMS
2 300 slot machine with the use of a Royal Match 21
3 Blackjack game theme.

4 I'm not here to regurgitate the prototype
5 report that I submitted to you, I'm just here to give
6 you a brief overview of the particular points that are
7 integral to the review of this product and to
8 determine that it is a slot machine in this
9 jurisdiction.

10 I'd like to begin that every so often a
11 manufacturer will develop a product that pushes the
12 technological envelope in the gaming industry. The
13 lab believes that this Shuffle Master product fits the
14 bill and that it will be a vital part of the growth of
15 gaming in this jurisdiction.

16 Before I begin in reviewing what we ---
17 what the lab did to review this product, I just want
18 to mention that this product in certain versions, was
19 approved in Nevada and by also independent test labs
20 for use in other jurisdictions. It was the lab
21 determination that we would do a full review of this
22 product, given the nature of it in this jurisdiction.

23 Among all of the gaming lab tests, that
24 the lab expects --- there's a particular minimum
25 design standard that all slot machines must pass.

1 Chapter 461.7(b)(2) states that all possible
2 combinations in a slot machine cycle shall be
3 independent of each other and of all possible
4 combinations from cycles and other slot machines.

5 Translated, this basically means that the
6 play of one patron cannot affect the play of another.
7 For example, you have a bank of ten slot machines,
8 simple three reel sevens and bars slot machine bank.
9 I hit three sevens on one game, that should have no
10 effect on that person sitting next to me, their
11 ability to hit those three sevens. So this is a rule
12 that must be met by all slot machines to be considered
13 for approval in this jurisdiction.

14 In addition to this standard, as opposed
15 to a true table game, an electronic table game, based
16 off of the blackjack game theme where depending on the
17 player's position that the odds and probabilities are
18 not equal for every patron. This is evident in a
19 single deck game of blackjack where the first patron
20 gets dealt a card, that affects every single other
21 person's ability to achieve that same hand further
22 down the line. So there's dependencies. And this is
23 what we use to distinguish a slot machine from a table
24 game.

25 So what Shuffle Master has done, they

1 have redesigned their software to preserve the
2 independent nature and meet our regulation, preserving
3 independent outcomes for all patrons and to preserve
4 identical probability and odds for every single patron
5 standing at that machine.

6 If the Shuffle Master product that was
7 submitted and approved in other jurisdictions of the
8 country was submitted to the Pennsylvania Gaming
9 Control Board, it would fail these tests. That's why
10 Shuffle Master redesigned their software.

11 The lab was engaged with Shuffle Master
12 in discussions for over a year so that when the time
13 came for them to submit their product for our review
14 in the lab, it would pass without any major surprises
15 from our lab.

16 The lab gave a demonstration to the Board
17 members and executive staff of how Shuffle Master
18 complies with our regulations during the executive
19 session, although I cannot explain in detail due to
20 proprietary information on the design of the game.

21 The lab was able to confirm that the
22 software submitted to Pennsylvania was unique and
23 meets all of our regulations regarding minimum design
24 standards of a slot machine.

25 Once Shuffle Master was able to pass this

1 vital test of independent play between each patron,
2 the lab continued to perform its test that it performs
3 on every single prototype slot machine, which includes
4 but not limited to a thorough random number generator
5 analysis, forced emulation of game plan, game outcome,
6 the proper communication to the in-house slot
7 monitoring systems, as well as proper communication to
8 the state run central computer system, and full
9 accounting reconciliation.

10 We test accounting reconciliation between
11 the game itself, the in-house slot monitoring system
12 reports and the GTECH central computer system reports.

13 In addition to the full accounting
14 reconciliation, each station on the Shuffle Master
15 product is addressed individually to the slot
16 monitoring system and to the GTECH central computer
17 system, so that each station --- there's five stations
18 on the product, has a direct communication line to
19 both of the accounting systems, that it's not just a
20 sum of the one machine being transmitted to the
21 systems.

22 So to break it down even more
23 fundamentally, Shuffle Master has joined five
24 identical slot machines together so that each patron
25 can play on a common play area and have a video

1 representation of a dealer interact, depending on what
2 situation arises during the game play, whether it's a
3 hit, stand, what have you.

4 So fundamentally, it's just five slot
5 machines put together. As I mentioned before, we were
6 engaged in conversation with Shuffle Master for almost
7 a year, so that when the time came that they could
8 submit their product to our lab, we can turn around
9 and review that product in a timely manner, because
10 with new technology in the gaming industry, one of the
11 biggest concerns for regulators, manufacturers and
12 casino operators is the turnaround time from
13 submission of product to approval.

14 Shuffle Master has informed me that a
15 version of this product took about a year to be
16 approved in Nevada, which includes a 60-day field
17 trial that they required due to their standards.
18 Shuffle Master submitted their product to independent
19 test labs, which took approximately three months to
20 approve the product, given the various jurisdictional
21 standards that they must go through.

22 The Pennsylvania Gaming Control Board lab
23 took approximately --- including the one year that we
24 were in discussion with them, from the time that an
25 official submission was made to our lab, took three

1 months to review this product.

2 For comparison, a regular game theme that
3 is submitted to our lab takes approximately one to two
4 weeks between submission to approval. So three months
5 might seem very short, but in the grand scheme of
6 things, with all games that come through our lab, it
7 was a very thorough review process.

8 And included in this three-month period,
9 the lab was able to discover three deficiencies in the
10 product that required immediate software revision to
11 the Shuffle Master product and resubmission so that we
12 can re-test these deficiencies so that the product
13 will be --- will conform to our regulations.

14 So this goes to show that knowing our lab
15 can outperform state labs, we can compete against most
16 private independent testing labs in the turnaround
17 time, and at the same time, ensuring the integrity and
18 competitive advantage of gaming in Pennsylvania.

19 Given the lab's review of the Shuffle
20 Master products, the lab does not interpose an
21 objection to the use of this product in the
22 Pennsylvania jurisdiction. It complies with all
23 regulation standards in defining a slot machine in
24 Pennsylvania.

25 I'd like to thank you for your time today

1 and yesterday, and review of the product. And if you
2 have any questions, please feel free to ask.

3 CHAIRMAN DECKER:

4 It's a great comprehensive report,
5 Michael. May I have a motion on the lines of what
6 Michael just suggested to approve this product?

7 MR. MCCABE:

8 Mr. Chairman, after consideration of the
9 report submitted by the Bureau of Gaming laboratory
10 operations, I move that the Board approve the
11 prototype described as TMS 300, using the Royal Match
12 21 Blackjack game theme manufactured by Shuffle
13 Master's, Inc.

14 MS. COLINS:

15 Second.

16 CHAIRMAN DECKER:

17 Thank you. Any questions or comments
18 from the Board?

19 MR. MCCABE:

20 I'd like to discuss a little --- I'll
21 dummy it down. It's a slot machine where you're
22 playing against the dealer ---

23 MR. CRUZ:

24 Yes.

25 MR. MCCABE:

1 --- not against each other?

2 MR. CRUZ:

3 It's five individual slot machines where
4 you're playing as a dealer. So it's player one versus
5 the dealer, player two versus the dealer, player three
6 versus ---.

7 MR. MCCABE:

8 So it's possible that if there are five
9 players there, we could all get a king of hearts, an
10 ace of diamonds, all five us get the same card?

11 MR. CRUZ:

12 The way Shuffle Master designed the
13 program to meet our definitions of a slot machine,
14 that is possible.

15 CHAIRMAN DECKER:

16 You're really playing against the
17 machine; aren't you?

18 MR. CRUZ:

19 You're playing against the machine. It's
20 a random number generator that's in ---.

21 CHAIRMAN DECKER:

22 It's a machine, it just happens to have a
23 person's face on it?

24 MR. CRUZ:

25 Yeah. The dealer itself is just a video

1 clip, and it is just a video clip that's run in
2 correspondence to what's happening during the game.
3 That dealer has no effect on game play. It's the
4 player versus the computer, the random number
5 generator.

6 MR. MCCABE:

7 So in this three-month period that we
8 took to approve the machine, you didn't take any
9 shortcuts or compromise security or our standards or
10 regulations or integrity?

11 MR. CRUZ:

12 Oh, no. In fact, we went over this
13 product a lot more thorough than we would just a
14 regular prototype to ensure that every T is crossed,
15 every I is dotted. And it shows that we found issues
16 with the original software submission to our lab that
17 other labs have not found yet. That just goes to show
18 you the depth of our review of the product.

19 The product that was submitted to our lab
20 was version 2.15. We are approving 2.17. So it went
21 through two major revisions within our lab in order
22 for it to comply with our regulations and the Act
23 itself.

24 MR. MCCABE:

25 And the final point, I guess, is we're

1 not considering it as one slot machine, we're
2 considering it as five?

3 MR. CRUZ:

4 That's correct. As I said during the
5 accounting testing phase, even in the setup of the
6 accounting, it's five individual slot machines. So
7 when you run a report on the in-house system, when you
8 run a report on the state run central computer system,
9 you load it as five separate assets. And you can view
10 accounting information individually of every station
11 on that machine.

12 MR. MCCABE:

13 Thank you.

14 CHAIRMAN DECKER:

15 Any other questions?

16 MR. SOJKA:

17 For what it's worth, I've had an
18 opportunity to look at a preliminary, purely
19 statistical analysis of the program, and just perusing
20 that, it's clearly a very, very thorough and
21 impressive statistical analysis of the machine that's
22 being looked at today.

23 MR. CRUZ:

24 Manish (phonetic) Pruitt, the manager of
25 Siskel Review, did a very thorough RNG analysis. This

1 is probably the most thorough RNG analysis that their
2 product has gone through, and these are the steps that
3 we took to ensure that this product, when it's
4 approved in Pennsylvania, is basically the best that
5 it can be.

6 CHAIRMAN DECKER:

7 Okay. Any other questions or comments.
8 Thank you, Gary, for that comment. Hearing none, all
9 those in favor?

10 AYES RESPOND

11 CHAIRMAN DECKER:

12 Any opposed?

13 NO RESPONSE

14 CHAIRMAN DECKER:

15 The motion carries. Thank you. Thanks
16 to the whole team for that.

17 MS. NEEB:

18 Thank you, Michael. That concludes my
19 report, Mr. Chairman, and I'd be happy to answer any
20 questions the Board has.

21 CHAIRMAN DECKER:

22 Any questions for Anne? Thanks, Anne.

23 MS. NEEB:

24 Okay.

25 CHAIRMAN DECKER:

1 Next up is Eileen McNulty, our chief
2 financial officer. I believe Eileen's going to give
3 us a report on our finances, financial reports.
4 Eileen?

5 MS. MCNULTY:

6 Thank you, Mr. Chairman, and good
7 afternoon, members of the Board. Today I'm going to
8 present to you a combined statement of revenue and
9 expenditures for the Pennsylvania Gaming Control Board
10 for fiscal year '06/'07 through March 31st of 2007.
11 This statement was last presented through January 29th
12 of 2007. So I'll be discussing the differences
13 between this statement and the previous statement.

14 The combined statement shows revenues of
15 \$30.3 million as of the end of the third fiscal
16 quarter. This is an increase of \$7.8 million since
17 the end of January, when we last presented.

18 The increase occurred in three areas.
19 Charges to our licensees, Section 1401 accounts began
20 during this period and totaled \$6.14 million.
21 Investigative deposits and application fees increased
22 by \$1.3 million, and \$218,000 was collected from
23 licensees to reimburse the State Police for the cost
24 of fingerprinting and photographing equipment located
25 at the venues for use in the employee background

1 investigation process.

2 Expenditures, as of the end of the third
3 fiscal quarter were \$21.6 million. Of this amount,
4 \$12.2 million represented personnel costs, and \$9.4
5 million were operating expenditures.

6 Personnel expenditures increased \$2.7
7 million from the end of January to the end of March,
8 while operating expenses increased by \$2.1 million.

9 Revenues exceed expenditures after nine
10 months by \$8.7 million. After reserving for
11 encumbered expenditures and transfers to the State
12 Police, the remaining budgetary balance is \$5.3
13 million. That concludes my report.

14 CHAIRMAN DECKER:

15 Can I ask a question, Eileen?

16 MS. MCNULTY:

17 Yes.

18 CHAIRMAN DECKER:

19 What caused the operating expenses to ---
20 it was over what period, \$2.3 million over ---?

21 MS. MCNULTY:

22 From the end of January to the end of
23 March?

24 CHAIRMAN DECKER:

25 Oh, so it's an accumulation, it's

1 not ---?

2 MS. MCNULTY:

3 Yes.

4 CHAIRMAN DECKER:

5 I thought you were saying it was \$2.3
6 million versus the amount spent in January.

7 MS. MCNULTY:

8 No.

9 CHAIRMAN DECKER:

10 Okay. I understand now. Thank you.

11 MS. MCNULTY:

12 Thank you.

13 CHAIRMAN DECKER:

14 Questions for Eileen before we let her
15 off the hook here? Okay. Thanks, Eileen, very much.
16 Okay. Next up is Mike Walsh, our director of
17 administration. I think you have one item today,
18 Michael.

19 MR. WALSH:

20 Mr. Chairman, members of the Board, there
21 are four candidates that we present for your
22 consideration today. Two are in the Bureau of Gaming
23 laboratory operations and two in the Bureau of
24 Licensing.

25 In gaming labs, we have Robert Allan, as

1 an engineer, and Adam Thompson as an engineer. And in
2 the Bureau of Licensing, we have Jennifer Carosi and
3 Jeannette Hartwick. And pursuant with our agency
4 policy, all candidates have undergone a background
5 investigation and a drug screening. And we would
6 appreciate a motion to adopt --- to approve their
7 hiring today. Thank you.

8 CHAIRMAN DECKER:

9 May I have a motion to authorize this
10 hiring?

11 MR. RIVERS:

12 Yes. Mr. Chairman, based on the
13 recommendation of the director of administration, I
14 move that we approve the hiring of the four
15 individuals mentioned.

16 CHAIRMAN DECKER:

17 Is there a second, please?

18 MR. ANGELI:

19 Second.

20 MR. SOJKA:

21 Second.

22 CHAIRMAN DECKER:

23 Thank you. Any questions or comments to
24 Mike? All those in favor?

25 AYES RESPOND

1 CHAIRMAN DECKER:

2 Any opposed?

3 NO RESPOSNE

4 CHAIRMAN DECKER:

5 The motion carries. Thank you, Mike.

6 MR. WALSH:

7 Thank you.

8 CHAIRMAN DECKER:

9 Next up is our Chief Counsel, Frank
10 Donaghue.

11 ATTORNEY DONAGHUE:

12 Good afternoon, Mr. Chairman and members
13 of the Board. I'm also joined this morning by
14 Assistant Chief Counsel, Don Shiffer.

15 CHAIRMAN DECKER:

16 Welcome.

17 ATTORNEY DONAGHUE:

18 Today the Board is being presented with
19 exceptions to a report and recommendation filed by
20 Susan Moran, an applicant for a gaming employee permit
21 at Mohegan Sun at Pocono Downs.

22 The recommendation for denial was made by
23 our Bureau of Investigations and Enforcement due to a
24 non-disclosure issue in the application. Following a
25 hearing, the hearing officer recommended Ms. Moran's

1 application be denied.

2 Ms. Moran filed exceptions to that report
3 and recommendation. The matter, including a full
4 evidentiary record below has been presented to the
5 Board for a documentary hearing pursuant to the Board
6 regulations, and is now right for your consideration.

7 Based upon your receipt of the
8 evidentiary record, it is suggested that it is
9 appropriate for this Board to now entertain a motion
10 to act on the instant exceptions.

11 CHAIRMAN DECKER:

12 Thank you. Is there a motion to that
13 effect, please?

14 MR. COY:

15 Mr. Chairman, after consideration of the
16 evidentiary record, the hearing officer's report and
17 the recommendations and the exceptions to the report
18 and recommendation, I move the Board overrule the
19 exceptions and approve an order to deny the
20 application of Susan A. Moran for a gaming employee
21 permit.

22 CHAIRMAN DECKER:

23 Is there a second, please?

24 MR. MCCABE:

25 Second.

1 CHAIRMAN DECKER:

2 Any questions concerning the order?

3 Hearing none, all those in favor?

4 AYES RESPOND

5 CHAIRMAN DECKER:

6 Any opposed?

7 NO RESPONSE

8 CHAIRMAN DECKER:

9 The motion carries. Thank you.

10 ATTORNEY DONAGHUE:

11 Secondly, today the Board is being
12 presented with a report and recommendation by the
13 Bureau of Hearings and Appeals for Joseph Trainor, an
14 applicant for a non-gaming employee permit.

15 A recommendation for denial was made by
16 our Bureau of Investigations and Enforcement due to a
17 non-disclosure issue in the application. Following a
18 hearing, the hearing officer recommended that Mr.
19 Trainor be granted 14 days to amend his application.

20 Based on your receipt of the evidentiary
21 record, it is suggested that it is appropriate for
22 this Board to entertain a motion to act on this
23 recommendation.

24 CHAIRMAN DECKER:

25 May I have a motion from the Board for

1 the Board to approve an order in regard to this
2 particular matter?

3 MR. MCCABE:

4 Mr. Chairman, after consideration of the
5 evidentiary record and the hearing officer's amended
6 report and recommendation, I move that the Board
7 approve an order granting Joseph F. Trainor 14 days in
8 which to amend his non-gaming employee permit
9 registration application, at which time the Bureau of
10 Licensing shall promptly review and act upon the
11 application.

12 CHAIRMAN DECKER:

13 Thank you.

14 MR. COY:

15 Second.

16 CHAIRMAN DECKER:

17 Any questions or comments concerning the
18 proposed order? All those in favor?

19 AYES RESPOND

20 CHAIRMAN DECKER:

21 Any opposed?

22 NO RESPONSE

23 CHAIRMAN DECKER:

24 Motion carries. Thank you. Is there
25 anything else, Frank?

1 ATTORNEY DONAGHUE:

2 Mr. Chairman, you'll be happy to know
3 that I have no regulations to present to the Board
4 today.

5 CHAIRMAN DECKER:

6 All right. Next up is Susan Hensel, who
7 will now give the Bureau of Licensing's report and
8 present two items for our consideration.

9 MS. HENSEL:

10 Thank you, Chairman Decker and good
11 afternoon, members of the Board. I have two licensing
12 matters to bring to the Board's attention this
13 afternoon. The first item concerns the recommendation
14 of denials for 32 non-gaming employee registration
15 applications.

16 Prior to this meeting, the Bureau of
17 Licensing provided you with 32 orders addressing each
18 of the individual applicants, who the Bureau of
19 Investigations and Enforcement has recommended for
20 denial.

21 As stated in each order, each applicant
22 received a recommendation of denial letter from the
23 PGCB. In the letter, the applicants were given ten
24 days in which to request a hearing regarding the
25 denial. In each case, more than ten days has passed

1 since the applicant received the letter, and the
2 applicant has failed to request a hearing.

3 I ask that the Board adopt a motion
4 approving the denial orders for the 32 non-gaming
5 applicants.

6 CHAIRMAN DECKER:

7 Thank you. May I have a motion for the
8 Board to approve the orders as described by Susan,
9 please?

10 MS. COLINS:

11 Mr. Chairman, I move that the Board adopt
12 the orders denying the non-gaming employee
13 registrations, as described by the Director of
14 Licensing.

15 CHAIRMAN DECKER:

16 Can I have a second, please?

17 MR. MCCABE:

18 Second.

19 CHAIRMAN DECKER:

20 Thank you. Any questions or comments?

21 All those in favor?

22 AYES RESPOND

23 CHAIRMAN DECKER:

24 Any opposed?

25 NO RESPONSE

1 CHAIRMAN DECKER:

2 Motion carries. Susan?

3 MS. HENSEL:

4 The second matter concerns the first
5 certified vendor applicants to come before the Board.
6 Certified vendors are those companies doing business
7 with facilities in excess of \$200,000 in a 12-month
8 period, or who are working in a restricted area or on
9 the gaming floor.

10 Prior to this meeting, the Bureau of
11 Licensing provided you with an order and an attached
12 list of the following eight vendors. A.J. Grack
13 Business Interiors, Inc., C.W. Beal, Inc., Caps Lock,
14 Inc., Commercial Appliance Contracts, Inc., Erie
15 Petroleum, Inc., John V. Potero Enterprises, Inc., Ram
16 Acoustical Corporation and Total Control Systems, Inc.

17 I've consulted with the Chief Enforcement
18 Counsel, Dale Miller and BIE has no objections to the
19 certification of the eight companies.

20 Should you vote to approve their
21 certification, the companies would be listed on the
22 Board's approved vendor list, which will be available
23 on the Board's website.

24 The certifications are good for four
25 years. I ask that the Board adopt a motion approving

1 the order certifying the eight vendors.

2 CHAIRMAN DECKER:

3 Thank you. May I have a motion for the
4 Board concerning these vendors?

5 MR. ANGELI:

6 Mr. Chairman, I move that the Board adopt
7 the order and the attached list regarding the approval
8 of applications for a vendor certification.

9 CHAIRMAN DECKER:

10 Thank you. Second?

11 MR. COY:

12 Second.

13 CHAIRMAN DECKER:

14 Thank you. Any questions or comments?
15 All those in favor?

16 AYES RESPOND

17 CHAIRMAN DECKER:

18 Any opposed?

19 NO RESPONSE

20 CHAIRMAN DECKER:

21 Motion carries. Susan, thank you very
22 much.

23 MS. HENSEL:

24 Thank you.

25 CHAIRMAN DECKER:

1 Before we adjourn, I just wanted to note
2 that Nick Hays, our Director of Communications, is
3 going to be leaving us. He's resigned for another
4 position. And that's terrific. We're very happy for
5 Nick. Nick was one of --- the reason I mentioned it
6 this way, is that Nick is one of the individuals who
7 joined us almost two and a half years ago, foolishly,
8 in the face of litigation to disband the Board. The
9 challenge on the constitutionality. I think Mike
10 Walsh and Susan and a few others were also foolish.

11 But I want to note Nick's many
12 contributions to the Board, and I know I speak on
13 behalf of the entire Board in that respect, and we
14 wish him very well in his next position.

15 As a reminder before we adjourn, our next
16 public meeting will be held in the State Museum
17 Auditorium at 11:00 a.m. on Tuesday, May 1st. Like
18 all of our meetings, it is open to the public and we
19 look forward to seeing you all there. Do any of the
20 Board members have any final questions or comments?
21 Hearing none, may I have a motion to adjourn?

22 MR. MCCABE:

23 So moved.

24 CHAIRMAN DECKER:

25 Thank you. Second?

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MR. COY:

Second.

CHAIRMAN DECKER:

All in favor?

AYES RESPOND

CHAIRMAN DECKER:

Any opposed?

NO RESPONSE

CHAIRMAN DECKER:

The motion carries. We are adjourned.

Thank you.

* * * * *

HEARING CONCLUDED AT 12:37 P.M.

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