

PENNSYLVANIA GAMING CONTROL BOARD

SEPTEMBER 12, 2007

GITTIS STUDENT CENTER
TEMPLE UNIVERSITY
PHILADELPHIA, PENNSYLVANIA

APPEARANCES:

MARY DiGIACOMO COLINS, CHAIRMAN
RAY ANGELI
JEFFREY COY
JAMES GINTY
KENNETH McCABE (via telephone)
SANFORD RIVERS
GARY SOJKA

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

I N D E X

1		
2	WITNESS	PAGE
3	Nanette Horner	11
4	Philip Satre	16
5	Melinda Tucker	39
6	Kim Hankins	40
7	Michael Izzo	53
8	Michael Walsh	55
9	Kevin Hayes	57
10	Richard Sandusky	59
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 CHAIRMAN DiGIACOMO COLINS: It is 10:00
2 a.m. I would like to call this meeting to order. If
3 everybody would have a seat. Everyone who is here to
4 attend the meeting -- very good.

5 Good morning. I'm Mary Colins. I'm
6 Chairman of the Pennsylvania Gaming Control Board. I
7 would like to welcome the Board and all of you to
8 this public meeting. Commissioner McCabe will be
9 joining us today via telephone conference. Is
10 Commissioner McCabe on the phone?

11 MR. PINSKY: We didn't have time to set up.

12 CHAIRMAN DiGIACOMO COLINS: All right.
13 Well then, we'll take a recess and set up the phone.
14 Let's do it. Could we make a call to his cell phone
15 and get him on speaker?

16 I want to welcome the students from Temple,
17 who are coming today to attend our meeting. Welcome.

18 By way of update, we are having technical
19 difficulties. As soon as we have Commissioner McCabe
20 we will get started. I ask for your patience, and we
21 will hopefully have this resolved shortly.

22 All right. We're going to begin the
23 meeting while we work on this problem with getting
24 Commissioner McCabe hooked up by telephone to the
25 meeting.

1 So what we'll do, let's just start. We'll
2 proceed with our agenda. When we get to the voting
3 issues, hopefully, he'll be on and we'll have a
4 quorum at this point. We'll see what happens as we
5 move forward.

6 The first thing I would like to do is to
7 ask us to rise and Pledge Allegiance.

8 (Pledge of Allegiance.)

9 CHAIRMAN DiGIACOMO COLINS: All right.
10 Thank you. The first order of business will be the
11 swearing in of our newly appointed Board Member James
12 Ginty, James B. Ginty, who has been appointed by
13 Governor Rendell.

14 I would like to ask Judge Victor DiNubile
15 from the Court of Common Pleas of Philadelphia County
16 who is here and Mr. Ginty to please come forward and
17 we'll have the swearing in now.

18 JUDGE DiNUBILE: Chairman Colins and
19 members of the Board, it's my pleasure and honor to
20 swear in Jim Ginty. He's a personal friend of mine.
21 He's an outstanding attorney, well respected member
22 in the business community.

23 He will add, I believe, not only competency
24 to the Board but integrity and honesty as well.

25 Jim, could you place your right hand on the

1 Bible. I'm sorry. Place your left hand on the Bible
2 and raise your right hand.

3 Do you swear to uphold the duties of your
4 office, the laws and the Constitution of the
5 Commonwealth of Pennsylvania and United States of
6 America, so help you God?

7 COMMISSIONER GINTY: I do.

8 JUDGE DiNUBILE: Thank you.
9 Congratulations.

10 CHAIRMAN DiGIACOMO COLINS: Thank you very
11 much.

12 (Applause.)

13 CHAIRMAN DiGIACOMO COLINS: Mr. Ginty, come
14 up.

15 Thank you very much. By way of
16 housekeeping, I would like to ask that all cell
17 phones and blackberries and other electronic devices
18 be turned off, if you could do that please.

19 Thank you. And if you don't do it,
20 hopefully your cell phone rings are very harmonic and
21 very charming.

22 All right. Let me begin with some opening
23 remarks because today is basically my first time to
24 Chair the Gaming Control Board meeting.

25 I want to welcome Jim Ginty, our newest

1 member. Judge DiNubile outlined for you some of
2 Jim's credentials, the former President of AT&T
3 Pennsylvania, former Chair of the Greater
4 Philadelphia Chamber of Commerce, an outstanding
5 civic and business leader and actually a former legal
6 officer for the US Supreme Court.

7 So, Commissioner Ginty brings so much to
8 this Board, and we welcome his expertise and his
9 professionalism and we all look forward to working
10 with him.

11 Now, as I lead this, my first meeting as
12 Chairman of the Gaming Control Board, I want to state
13 that the work that was started several years ago will
14 proceed with integrity and vision.

15 Five casinos are already opened and more
16 than \$8 billion has been wagered since Mohegan Sun
17 opened its doors last November.

18 More importantly, in conjunction with
19 licensing fees, this new industry has already
20 returned to the taxpayers more than \$820 million.

21 As this agency, and our Commonwealth,
22 partners with the Pennsylvania State Police and the
23 Department of Revenue, we will continue to work
24 pursuant to the provisions of Act 71, and as we
25 approach in the future a stabilized year, that is a

1 year when all 14 facilities will be operating, we
2 truly believe that the Governor's projections of \$1.7
3 billion a year in tax revenue will be realized.

4 Now, in addition to tax revenues, this new
5 industry has already created more than 3,000 new,
6 living wage jobs with an expectation of 7,000 more
7 jobs to follow.

8 In the more immediate future, there are
9 many tasks still ahead of us; the opening of six more
10 licensed facilities, the approval of three more
11 licenses, the transfer of two licenses involving
12 multi-billion dollar mergers, and the strict, but
13 fair, oversight of this industry that the public
14 expects and that the law mandates.

15 Now, to meet these oversight requirements,
16 we are prepared now to officially open our new gaming
17 lab in Harrisburg on September 25th.

18 This will be the best facility of its kind
19 in the nation, and it will enable our staff to
20 conduct rigorous tests to ensure the performance and
21 integrity of the slot machines at licensed
22 facilities.

23 We are deploying teams of professionals to
24 Mount Airy Casino and Resort in preparation of the
25 opening of the first stand alone Category 2 facility.

1 In order to meet the prime mandate of Act
2 71, to protect the public, the agency has developed
3 an intense training program for casino enforcement
4 agents, who monitor all gaming activities in each
5 casino.

6 While all of this is very positive, getting
7 to this point and beyond will not be an easy task.
8 We have brought our meeting to Philadelphia, in fact,
9 because we wanted those of you who are here today to
10 come and witness the type of items and issues that
11 come before this Board on a daily basis.

12 Today, we will not conduct only business of
13 a type that must be agreed on by our members in a
14 public setting; but we will also have some
15 presentations for the Board and the public which will
16 be of extreme interest and which are very integral
17 matters relating to gaming.

18 So it's my hope that with a full agenda,
19 such as we have today, that everyone present today
20 will be able to enjoy the information that is
21 provided and act with the proper decorum expected at
22 a public administrative hearing of this nature.

23 Now, by way of announcements, the Board
24 held Executive Sessions on September 5th, 6th, 10th,
25 and 11th, and this morning prior to the meeting, in

1 accordance with the Sunshine Act, to discuss
2 personnel issues, privileged agency business, and to
3 consult with counsel and other professional advisors
4 to the Board concerning current litigation or matters
5 in which complaints are expected to be filed.

6 Second matter of business, the Board is
7 also reopening the application period for the
8 2006-2007 Law Enforcement Grant Program authorized
9 under Section 1408 of the Act.

10 Under this program, the Board may award up
11 to \$5 million annually in grants to local law
12 enforcement agencies for the sole purpose of
13 enforcing and preventing the unlawful operation of
14 slot machines in the Commonwealth.

15 Applications will continue to be accepted
16 through October 1st. Applications and additional
17 information will also be available on the Board's
18 website.

19 Finally, I would also like to announce that
20 in light of the Horse Harness Racing Commission's
21 recent award of its final license to Valley View
22 Downs LP, we will be opening up the application
23 period for the last available Category 1 license.

24 As has been our practice, we will open the
25 application period for approximately 60 days

1 beginning Monday, September 17th, 2007 and closing
2 November 19th, 2007.

3 Now, I will move to the transcript and the
4 minutes.

5 Commissioner McCabe, are on you?

6 He's behind me.

7 Commissioner McCabe, are you on the line?

8 COMMISSIONER McCabe: Yes, I am. Can you
9 hear me?

10 CHAIRMAN DiGIACOMO COLINS: Yes. We can
11 hear you fine. Thank you very much.

12 That being the case, a quorum is now
13 present; and we will continue with business of the
14 Board.

15 I'll ask for a motion regarding the
16 approval of the transcript and the minutes from the
17 last meeting.

18 COMMISSIONER ANGELI: Madam Chairman, I
19 move that we approve the minutes of the last meeting.

20 CHAIRMAN DiGIACOMO COLINS: All right. May
21 have a second?

22 COMMISSIONER SOJKA: Second.

23 CHAIRMAN DiGIACOMO COLINS: All in favor?

24 COMMISSIONERS: Aye.

25 CHAIRMAN DiGIACOMO COLINS: Any opposed?

1 Motion carries.

2 All right. Now, let's move to the new
3 business and the first matter that the Board will
4 hear will be information from our Director of
5 Compulsive and Problem Gaming and that would be Nan
6 Horner. Nan, I believe, will have some information
7 for us and then be introducing a guest speaker.

8 MS. HORNER: Thank you.

9 First question, Dave, is the projector on?

10 Good morning, Chairman Colins and members
11 of the Board. I would like to present to you a
12 statement of policy regarding disclosure of
13 information on the Board's Self-Exclusion List.

14 The Board's Self-Exclusion List is not open
15 to public inspection; and pursuant to our
16 regulations, the information about individuals on the
17 Self-Exclusion List is deemed confidential.

18 The confidential nature of the
19 Self-Exclusion List does not, however, preclude the
20 Board from releasing general data about the number of
21 individuals on the list, their gender, age range,
22 etc. in order to raise public awareness of the
23 program and to provide information related to its
24 efficacy.

25 The Board is not prevented from releasing

1 data for the purpose of administration of compulsive
2 and problem gambling programs.

3 In the future, we may want to participate
4 in a study of our programs, such as the one that was
5 recently published in the Journal of Gambling Studies
6 in June 2007 entitled Missouri Casino Self-Excluders:
7 Distributions Across Time and Space.

8 For the study, the Missouri Gaming
9 Commission provided a redacted version of their
10 self-exclusion list to the researchers in order to
11 prevent possible individual identification of
12 self-excluders.

13 The findings of such research could have
14 important implications for the development of our
15 program and for treatment for problem gamblers.

16 The release of data does not alter or
17 compromise the practice of the Office of Compulsive
18 and Problem Gambling to refuse to confirm or deny the
19 existence of an individual's name or identity on the
20 Self-Exclusion List.

21 Are there any questions on the policy?

22 CHAIRMAN DiGIACOMO COLINS: All right.

23 Very well, could I have a motion then?

24 MS. HORNER: Yes. If there are no
25 questions, I would respectfully request that Board

1 Member Ginty read the statement of policy into the
2 record and then have a motion to approve the policy.

3 COMMISSION GINTY: I'm happy to do so. I
4 think it is extremely important that if we expect the
5 citizens of the Commonwealth and other people to take
6 advantage of the program that they be assured every
7 aspect of confidentiality.

8 So Madam Chairman, I'm pleased to have this
9 as my first motion on the Board.

10 The Pennsylvania Gaming Control Board
11 (Board), at its September 12, 2007, public meeting,
12 adopted guidelines for the disclosure of information
13 related to individuals on the Board's self-exclusion
14 list.

15 Section 1516(d) of the Pennsylvania Race
16 Horse Development and Gaming Act, 4 Pa.C.S. Section
17 1516(d) (relating to list of persons self excluded
18 from gaming activities) provides that the Board's
19 list of self-excluded persons may not be open to
20 public inspection.

21 However, since the creation of the Board's
22 self-exclusion program, the Board has received a
23 variety of requests for information relating to
24 individuals who are or are not on the self-exclusion
25 list and to provide guidance to the general public as

1 to when information relating to individuals who are
2 or are not on the self-exclusion list will be
3 released.

4 Consistent with its current practice, the
5 Board will not disclose to the public the identity of
6 individuals who are on the Board's self-exclusion
7 list.

8 The Board will not disclose to the public
9 the identity of individuals who are on the PGCB
10 Self-Exclusion List.

11 However, in an effort to provide reasonable
12 transparency related to the Self-Exclusion List and
13 to provide information regarding the efficacy of the
14 Self-Exclusion Program, it is hereby the policy of
15 the Board:

16 One, to periodically release to the public
17 general data and demographics related to individuals
18 on the Self-Exclusion List (such as the total number
19 of individuals on the list, gender breakdown, age
20 range, types of gambling engaged in, etc.)

21 Two, to make selected data available upon
22 request for the limited purpose of assisting in the
23 proper administration of responsible gaming programs.

24 And third, to refuse to confirm or deny the
25 existence of an individual's name or identity on the

1 PGCB Self-Exclusion List.

2 Madam Chairman, I move that this be adopted
3 as an official policy of the Board.

4 CHAIRMAN DiGIACOMO COLINS: May I have a
5 second?

6 COMMISSIONER RIVERS: Second.

7 CHAIRMAN DiGIACOMO COLINS: All in favor.

8 COMMISSIONERS: Aye.

9 CHAIRMAN DiGIACOMO COLINS: Any opposed?
10 Motion carries.

11 Thank you very much.

12 MS. HORNER: Thank you. Pathological
13 gambling was officially recognized in 1980 with the
14 publication of the third edition of the Diagnostic
15 and Statistical Manual of Mental Disorders, DSM-III,
16 which is published by the American Psychiatric
17 Association.

18 It classified pathological gambling as an
19 impulse control disorder. The first volume of the
20 Journal of Gambling Behavior now known as the Journal
21 of Gambling Studies was published in 1985.

22 Even though treatment of problem gamblers
23 has existed for over several decades, most of the
24 research that we now use has been published in the
25 last ten years.

1 In 1996, the National Center for
2 Responsible Gaming was founded. It's the only
3 national organization exclusively devoted to
4 independent research on pathological and youth
5 gambling and defined methods of effective treatment.

6 Research outcomes allow us to create best
7 regulatory practices, prevention programs, and
8 educational materials.

9 Clinical research guides treatment
10 professionals in providing the best possible
11 treatment to problem gamblers.

12 I would like to introduce Philip Satre,
13 the Chairman of the NCRG. Mr. Satre is a retired
14 Chairman and CEO of Harrah's Entertainment
15 Incorporated.

16 He is widely recognized in the gaming
17 industry as an early pioneer in creating responsible
18 gaming programs.

19 Mr. Satre has been the recipient of
20 numerous awards in the industry and in 1990 was
21 awarded the first annual Robert L. Custer Award from
22 the National Council on Problem Gambling for his
23 leadership role in addressing problem gambling.

24 Mr. Satre will present to you an overview
25 of the NCRG and their advances in pathological

1 gambling research, treatment, and prevention.

2 MR. SATRE: Madam Chairman, members of the
3 Commission, it's a pleasure to be here before you.
4 With your indulgence, I would like to take you
5 through a PowerPoint presentation that gives you some
6 background on the National Center for Responsible
7 Gaming.

8 You have a kit in front of you, some
9 materials in front of you, I should say, that has a
10 copy of this PowerPoint as well. So if I need to
11 speed through some of this, there will be some
12 reference materials for you about that which I'm
13 about to present.

14 And I would be happy to answer any
15 questions as we go through this, if that's all right,
16 Madam Chairman?

17 CHAIRMAN DiGIACOMO COLINS: Thank you.
18 Please go on.

19 MR. SATRE: The first thing I have to do is
20 to figure out which arrow moves this along. As
21 Nanette said, I'm the Chairman for the National
22 Center for Responsible Gaming. I was involved in the
23 gaming industry for 25 years in Nevada and New Jersey
24 and other parts of the country and retired from
25 Harrah's in 2005.

1 I became the Chairman of the National
2 Center for Responsible Gaming a couple of years ago.
3 I have been on the Board of that center since its
4 inception in 1996 and responsible gaming and programs
5 for responsible gaming have been a strong interest of
6 mine since the mid-1980s when I became president and
7 CEO of Harrah's.

8 The National Center was established in 1996
9 to help individuals and families that are affected by
10 gambling disorders.

11 We do that by supporting the finest peer
12 reviewed scientific research into pathological and
13 youth gambling.

14 As Nanette Horner indicated, there was
15 virtually no research on this subject before 1996.
16 So the decisions that we, as operators, and I was one
17 of them at that point in time, regulators like
18 yourself in many of the states that were adopting
19 forms of gambling in the 1990s and going back to New
20 Jersey in 1978 were really making their decision on
21 responsible gaming programs in somewhat of a vacuum
22 in terms of scientific peer reviewed research to give
23 them guidance on what works and what doesn't work.

24 The other thing that we are trying to do is
25 to encourage practical applications of these research

1 findings to improve prevention, diagnosis,
2 intervention, and treatment strategies and finally,
3 to advance public education about gambling disorders
4 and about responsible gaming.

5 That decade, since we formed the National
6 Center for Responsible Gaming, has been a decade of
7 significant accomplishments.

8 We have transformed the field. We have
9 done that because, as many of you on this
10 distinguished panel know that are in education,
11 research follows money that supports research.

12 In order for scientists to be able to
13 conduct their research, somebody has to fund them.
14 Prior to 1996, there was virtually no private or
15 public source of funding for research on pathological
16 gambling and on responsible gaming programs.

17 The NIH had done virtually no funding, the
18 National Institutes of Health. So when we began to
19 fund this in 1996, we really began to give an
20 opportunity for researchers at universities around
21 the United States and in Canada the opportunity to
22 apply for grants and to build upon those grants.

23 For example, we have one grant, I think,
24 that is a very good example that we applied for
25 \$50,000 grants on the effect of a drug called

1 Naltrexone on compulsive behavior.

2 That \$50,000 grant led to a study that led
3 to a \$500,000 grant from the National Institutes of
4 Health and that's how we have tried to build on our
5 research agenda at the NCRG.

6 We established the first university-based
7 center dedicated exclusively to gambling studies.
8 That's at the Harvard Medical School, and I will talk
9 about that later.

10 We made a dramatic expansion of education
11 and public awareness programs. We've received
12 unprecedented support.

13 Since 1996, more than \$15 million has been
14 committed to the NCRG through contributions from
15 commercial casino companies, such as my own when I
16 was in the industry, Harrah's Entertainment and
17 related companies that supply us slot machines and
18 other things. That has all gone to research on
19 gambling disorders.

20 Now, we were very aware at the time we
21 created the national center that it might look like
22 the foxes in the hen house.

23 So we took a lot of steps to make sure that
24 the contributors that have grown from the small list
25 to the large list that you see now were not

1 influencing either decisions on who received a grant
2 for research or what they published.

3 We were well aware of some of the issues
4 that had occurred in the tobacco industry where some
5 of that research was alleged to have been scripted.

6 So on the integrity of research, we created
7 firewalls to protect that integrity. We created
8 independent peer reviewers, who made the funding
9 decisions.

10 No one in the gaming industry or employed
11 in the commercial industry were involved in those
12 decisions. The findings were not available to the
13 national center, myself, and other people involved in
14 it until those findings were finally published.

15 We established a research center to carry
16 out the grant making. The proposals are solicited
17 from leading research institutions, and we use the
18 same criteria as the National Institutes of Health to
19 determine scientific merit.

20 We took another step in 2000. We entered
21 into an agreement with the Harvard Medical School and
22 their division on addictions to establish an
23 institute. That institute is the first in the US
24 that is focused on gambling disorders. It's called
25 the Institute on Research on Pathological Gambling

1 and Related Orders. The Executive Director is here
2 with me today, Christine Reilly.

3 It is basically run by a man by the name of
4 Dr. Howard Shaffer, who is a leading researcher on
5 addictions, both gambling and other types of
6 addictions.

7 One third of the awards that are made by
8 that institute go to other institutions, about two
9 thirds goes to Harvard and it is modeled on the
10 National Institutes of Health.

11 This is a list of some of the research that
12 we have funded and the publications, which have been
13 published.

14 Again, as many of you in education know, it
15 is very hard to get your research published. It is
16 very competitive, about 10 percent of all research
17 gets published.

18 We have been very successful in getting
19 research on pathological and problem gambling
20 published in many of these journals, some of them
21 Nanette Horner referred to in her opening remarks.

22 Some of the key research findings that
23 we've -- the first, the reliable estimates of how
24 many people have a pathological gambling disorder and
25 that continues to be the most cited estimates in the

1 field.

2 The first significant evidence of a genetic
3 component on gambling disorders, very important to
4 healthcare providers because they can now -- when
5 they interview someone that comes to see them that
6 has a problem with gambling, they can use some of
7 this information to determine whether there is a
8 genetic problem.

9 Support for cognitive therapy as a
10 treatment strategy. The first national study on
11 college campuses that found that gambling behaviors
12 of college students are closer to adult rates than
13 previously thought. There were some concerns about
14 that.

15 I am going to talk a little bit more about
16 some of our research on college campuses, since we
17 are on the campus of Temple University, a little bit
18 later in my remarks.

19 Some other key research findings: More
20 sophisticated understanding of the brains reward
21 system and how that contributes to somebody's ability
22 or inability to control their impulse to gamble, a
23 new model for understanding addiction as a syndrome,
24 the first longitudinal study of casino employees,
25 which found that gambling disorders are more dynamic

1 than previously assumed.

2 This is a very important part of our
3 research. I want to just pause for a moment. When
4 you're in a new state like the Commonwealth of
5 Pennsylvania that is opening up so many new jobs as
6 you pointed out in your opening remarks, Madam
7 Chairman, one of the biggest concerns I think
8 regulators, such as yourself, communities, and the
9 employers in the casino industry have is what is
10 going to happen to your employees who have had very
11 little exposure to gambling, who suddenly find
12 themselves working in the casino environment five or
13 six days a week, getting off work in a casino
14 environment, what is going to happen to their ability
15 to make good judgments about gambling or not gambling
16 because they're surrounded by it all day long. It's
17 a part of their employment.

18 We undertook this very extensive study to
19 understand the impact of gambling on employees, not
20 only in mature states like Nevada where our employees
21 have worked for many, many years in this industry but
22 also in new states.

23 You'll find some encouraging results on
24 that. One of the things that I'll just, again, I'll
25 digress for a moment is in a situation of new

1 employment, casino employees find in the beginning
2 that they are attracted to gambling and they gamble
3 too much.

4 And then over time in about a three-year
5 period, they appear to self correct, most of them,
6 not all of the them. So it's very important that
7 your licensees have employee assistance programs for
8 their employees who need help with gambling problems
9 because of their own exposure to it.

10 It's also important, I think, that all of
11 your licensees have programs, of course, to reach out
12 to the community; and we'll cover that a little bit
13 more. I know that that's something that you're
14 involved in looking at.

15 As I mentioned earlier, the first -- one of
16 our other key research findings was the first
17 significant evidence that the drug Naltrexone holds
18 promise as a treatment strategy, so a medication that
19 may help people.

20 A new model for measuring the impact of new
21 gaming venues on communities, another important issue
22 for you. All of this is available, all of this
23 information, I should say, is available on our
24 website, the studies, and the background on these
25 studies.

1 This is an important thing, I think, for
2 the customers who visit casinos. We've been talking
3 about the employers. We've been talking about the
4 employees in the community, but one of the reasons
5 that it was important to begin research in
6 pathological gambling was to help the individuals who
7 have a problem.

8 One of the things that we have developed is
9 a tool kit for gamblers who need to begin thinking
10 about changing their behavior. It's called the First
11 Step to Change. It's discussed extensively on our
12 website. I encourage you to take a look at that. We
13 are doing research on that.

14 We're looking at the effectiveness of this
15 booklet both in Nevada, where it's used, and we
16 partnered with the University of Nevada and the
17 Nevada Department of Health and Human Services to
18 look at the effectiveness of this tool kit,
19 particularly with some of the rural communities in
20 Nevada where there is fewer healthcare providers. We
21 are also studying the effectiveness of this tool kit
22 in the State of Massachusetts.

23 We have many education and outreach
24 programs, one that I just want to point out quickly
25 is called PEER, which is called Partnership for

1 Excellence in Education and Responsible Gaming
2 Programs.

3 That is to address the need for many
4 companies and other types of organizations to develop
5 comprehensive programs and resources to promote
6 responsible gaming.

7 I'm going to go through these slides rather
8 rapidly, but it was developed as a response to the
9 Code of Conduct that was developed by the American
10 Gaming Association in 2003.

11 We use it to reach out to organizations
12 that conduct gambling operations, whether they are
13 lotteries, indian gaming operations, or commercial
14 gaming operations such as those that you deal with
15 here in the Commonwealth of Pennsylvania.

16 One of the special components of PEER is a
17 management, executive, and employee responsible
18 gaming education program called EMERGE. It's a
19 web-based program that allows all employees of a
20 casino to go on and learn about the dynamics and to
21 educate themselves about the issues around
22 responsible gaming and problem gambling in their
23 particular environment.

24 It's customized for particular employees,
25 and it allows the employee who goes on to that site

1 to understand problem gambling and to be tested on it
2 and ultimately certified that they are capable of
3 dealing with that issue in their place of employment.

4 It was developed by the Harvard Medical
5 School faculty. It's broadcast -- it's developed for
6 the broadest possible audience; that is, we took
7 scientific findings and tried to reduce some of the
8 scientific, lack of a better word, I'll say
9 gobbledegook because it's so difficult to read some
10 of these reports.

11 COMMISSION GINTY: That's a good word.

12 MR. SATRE: Pardon to my educators on the
13 panel. That's a word of art, I think, in science.
14 In any event, what we tried to do is to bring it down
15 to a level that all of our employees, some of whom do
16 not have college educations or even high school
17 educations, we wanted them all to understand it.

18 We developed it along those lines. It was
19 led by Howard Shaffer, one of the foremost
20 researchers on gambling and addictions.

21 We made it so that any particular
22 organization that uses it, for example, we have used
23 it in Iowa on a test basis. We used it at the
24 Bellagio in Las Vegas on a test basis.

25 Right now, we're testing it at Station

1 Casinos in Las Vegas to see how their employees use
2 it, how we can improve it, and then we carry it out
3 later this year to all organizations.

4 They can subscribe to a EMERGE, and they
5 can be certified that their employees have gone
6 through a EMERGE training.

7 We have a commitment to education, and we
8 hold a conference annually in Las Vegas. This will
9 be our eighth one this year. It's the focal point of
10 our education initiatives.

11 We have had more than 2,200 attendees. The
12 attendees include regulators, legislators, industry
13 participators, operators of casinos, healthcare
14 providers, and researchers.

15 It's very broadly attended. It includes
16 about one quarter of our attendees who come from
17 outside the United States.

18 I think it is recognized as the leading
19 conference on responsible gaming and on pathological
20 gambling. The study of that last year, we had about
21 400 attendees.

22 I mentioned earlier about youth and college
23 gambling. One of the things that we asked for as the
24 board of the NCRG is that the scientists develop a
25 more easily readable monographs for people who are

1 laymen, such as myself, to understand the broad
2 research that has been done.

3 In youth and college gambling, we have done
4 five different studies at the NCRG. We had them put
5 that into a booklet that is a synopsis of all of
6 those studies. It's called Youth and College
7 Gambling, increasing the odds that you're Going to
8 understand gambling disorders. That's one of the
9 first monographs we have developed.

10 The second one will be coming out in
11 November of 2007, and that's on methods of recovery.
12 It's called Roads to Recovery.

13 Finally, the last thing I want to spend
14 some time on is letting you know that we're going to
15 continue our work.

16 As I mentioned at the outset, we have had
17 \$15 million worth of support in the first ten years.
18 One of my jobs as Chairman of the NCRG was to go back
19 to the supporters who have given us their financial
20 support over the first ten years and say to them that
21 I need another five-year commitment.

22 I went back to those companies and we have
23 received \$7.6 million through 2012 for continued
24 research. So you, as regulators, can continue to
25 look to the NCRG for continued educational materials,

1 responsible gaming materials, and research on this
2 very important subject.

3 Some of the companies that have supported
4 that in the first initial round are many of the
5 companies that are now involved in commercial
6 gambling here in the Commonwealth of Pennsylvania.

7 We will continue to do some of the things I
8 have talked about earlier; high quality comprehensive
9 research, translational research that helps us
10 convert this research to practical applications in
11 the clinic with treatment providers in the workplace,
12 in the legislature, and on the regulatory
13 commissions.

14 We will be debuting some of the other
15 programs I talked about and will continue with our
16 conference this fall out in Las Vegas. This year's
17 theme is Testing Conventional Wisdom. It will be
18 November 11 through the 13th in Las Vegas. We would
19 be delighted to have any one of you or all of you
20 attend.

21 That concludes my presentation, Madam
22 Chairman. I would be happy to entertain any
23 questions, if there are any.

24 CHAIRMAN DiGIACOMO COLINS: Thank you very
25 much.

1 Are there any questions?

2 Commissioner Sojka?

3 COMMISSIONER SOJKA: Madam Chairman, thank
4 you.

5 Just a couple of quick questions. First of
6 all, thank you for your presentation; and also, thank
7 you for your efforts to address this important issue.

8 A number of us that have had experience
9 with research hospitals or research organizations
10 that sometimes are sites for research funded by, for
11 example, the pharmaceutical industry, and fully
12 understand the difficulty in demonstrating true
13 independence of the research from the funding source.

14 I am pleased that you addressed that early
15 on in your presentation. I think the nature of the
16 problem means that you will be left with the
17 necessity to constantly address that.

18 One point that might make me feel a little
19 bit better and you may or may not have the data for
20 it, if we could focus on the Harvard Institute that
21 you mentioned, which I assume was initiated by
22 seminal grants from the NCRG.

23 Could you tell me now, what percentage of
24 the funding of that institute comes from other
25 sources, such as the NIH or Harvard, or maybe even

1 the NSF, which would be a kind of endorsement, I
2 think of what is happening there?

3 MR. SATRE: Commissioner Sojka, I don't
4 have the answer; but if it's all right with you, I
5 would ask Christine Reilly, who is the Executive
6 Director of the institute to address that. She is
7 more familiar with the breakdown of their particular
8 financial structure.

9 COMMISSIONER SOJKA: Thank you.

10 MS. REILLY: I don't have the percentage,
11 but we do have -- for example, we have an NIH grant
12 right now to study the tool kit.

13 We have used our NCRG money to do pilot
14 data so that we can. We also have grants from other
15 foundations and other -- another gaming entity in
16 Europe that is not connected with the people here.

17 So I would say that even though the
18 institute is still the largest source of our gambling
19 research, I would say that probably 30 to 40 percent
20 of it is now going to be coming from other sources.
21 Our ultimate goal is to get Federal money to get
22 larger scale studies.

23 COMMISSIONER SOJKA: Right. Which would
24 not in any way be affected by the gaming industry.

25 MS. REILLY: Exactly.

1 COMMISSIONER SOJKA: Thank you.

2 CHAIRMAN DiGIACOMO COLINS: Commissioner
3 Rivers?

4 COMMISSIONER RIVERS: No.

5 CHAIRMAN DiGIACOMO COLINS: Commissioner
6 Coy?

7 CHAIRMAN DiGIACOMO COLINS: Commissioner
8 Angeli?

9 COMMISSIONER ANGELI: No.

10 CHAIRMAN DiGIACOMO COLINS: Commissioner
11 Ginty?

12 COMMISSION GINTY: Just one question. I
13 was most impressed by the study you have done on
14 youth and college gambling.

15 Is there a program to reach out to the
16 various counseling facilities at colleges and
17 universities to educate them on youth gambling?

18 MR. SATRE: We are beginning to develop
19 that. I have been making this presentation across
20 the country this week. So I have been in Las Vegas
21 and in Kansas City.

22 In Kansas City yesterday, I spent time on a
23 conference call with an individual who for the
24 University of Missouri coordinates all of their
25 responsible gaming and college gaming activities.

1 You'll see in the materials that you
2 pointed out to, Commissioner Ginty, that we did some
3 research and about 20 percent of universities across
4 the United States and colleges have a policy on
5 campus gambling.

6 Now, that needs to change because 100
7 percent of them have a policy on the consumption of
8 alcohol on campus and other activities that are
9 important to college campuses.

10 But there is a dearth of programs and
11 policies that are devoted to gambling on college
12 campuses. It's not as if it hasn't been there for a
13 long time. It certainly was when I was on a college
14 campus in the 1960s.

15 But now as you have commercial gambling
16 much more proximate to college campuses and this
17 began to emerge when we started developing riverboat
18 casinos in Chicago, in St. Louis, and in Kansas City.

19 The one thing, I think, we're going to try
20 to do is come up with a recommended college or
21 university policy on responsible gambling and
22 resource guide for universities that they can use.

23 We're going to work with the University of
24 Missouri, which has been doing this for sometime now;
25 but we're going to try to have a template that can be

1 used by college campuses across the United States.

2 I think it's important that all college
3 campuses have a policy on gambling on campus whether
4 it's for people underage or people who are over the
5 age of 21.

6 COMMISSION GINTY: You are to be commended
7 and NCRG is to be commended for those efforts.

8 MR. SATRE: Thank you, Commissioner, I
9 appreciate it.

10 CHAIRMAN DiGIACOMO COLINS: Thank you.

11 Any other questions?

12 COMMISSIONER COY: Well, madam Chairwoman,
13 I will try one.

14 Thank you for being here. Maybe it's
15 because of my current assignment, but I have noticed
16 in certain ads that I hear on television lately
17 advertising for certain drugs and I can't remember
18 the names of them, prescription drugs, a disclosure
19 at the end about some effect that this drug may have
20 on compulsive gaming.

21 Is this a new thing? Are people paying
22 more attention to this, drug companies; or am I just
23 hearing it now and I didn't use to hear it before?
24 Does that make sense?

25 MR. SATRE: Actually, that's interesting

1 that you point that out. I think that is very, very
2 new. I can't remember the name of the drug right
3 offhand.

4 MS. HORNER: Requip.

5 MR. SATRE: Requip, yeah. There is a drug
6 that people have discovered that they have been
7 taking that has led to a significant compulsion to
8 gamble.

9 It's very new that there has been some
10 discovery of that. So there now is a disclosure at
11 the bottom of those ads about that. It's the first
12 time I'm aware of that.

13 COMMISSIONER COY: Do you think that the
14 drug companies are paying more attention to this as a
15 possibility?

16 MR. SATRE: On side effects, I believe they
17 are.

18 COMMISSIONER COY: Thank you.

19 CHAIRMAN DiGIACOMO COLINS: Thank you very
20 much. We appreciate you being here today, sharing
21 this very important information with us.

22 I know that Nan Horner has been in contact
23 with you and your organization on an ongoing basis.
24 I hope we can continue with that cooperative process.
25 Thank you very much.

1 MR. SATRE: Thank you, Madam Chairman. I
2 would just mention one thing, we do have press kits
3 if there's some press that wants some of this
4 information. We'll have it back over there.

5 CHAIRMAN DiGIACOMO COLINS: Excellent.
6 Thank you very much.

7 AUDIENCE MEMBER: Is the solution to
8 increase gambling problems to build new casinos?

9 CHAIRMAN DiGIACOMO COLINS: I'm sorry.
10 We're not taking comments or questions from the
11 audience. Thank you very much.

12 AUDIENCE MEMBER: I would like the
13 opportunity to speak as allowed by the Pennsylvania
14 Constitution.

15 CHAIRMAN DiGIACOMO COLINS: Please have a
16 seat, sir.

17 AUDIENCE MEMBER: We haven't had a chance
18 to speak. It's been 15 months.

19 CHAIRMAN DiGIACOMO COLINS: I addressed
20 this issue. We are going to proceed with our agenda.
21 Have a seat, please, sir. Thank you.

22 Our next order of business --

23 AUDIENCE MEMBER: Madam Chairwoman, will
24 you --

25 CHAIRMAN DiGIACOMO COLINS: Mr. Goppelt, I

1 spoke to you at the beginning when you addressed me.

2 AUDIENCE MEMBER: Please excuse this
3 interruption.

4 CHAIRMAN DiGIACOMO COLINS: Just a moment.

5 AUDIENCE MEMBER: I and others asked you in
6 writing for a chance --

7 CHAIRMAN DiGIACOMO COLINS: All right.
8 We're going to take a recess so we can continue with
9 our project. Let's recess.

10 (Recess.)

11 CHAIRMAN DiGIACOMO COLINS: We'll call the
12 meeting to order again, please.

13 Ken, are you there? Ken?

14 COMMISSIONER McCABE: Yes, I'm still here.
15 Can you hear me?

16 CHAIRMAN DiGIACOMO COLINS: Yes, we hear
17 you. We're going to continue with the meeting now.
18 I would like to ask Melinda Tucker to come forward.

19 MS. TUCKER: Good morning, Chairman Colins.

20 CHAIRMAN DiGIACOMO COLINS: Good morning.

21 Melinda has some introductions and updates
22 regarding racetrack gaming.

23 Please proceed.

24 MS. TUCKER: Good morning, Chairman Colins
25 and members of the Board. Congratulations and

1 welcome to our newest member, Mr. Ginty. It's nice
2 to have a full complement on the Board.

3 Today, we welcome representatives of the
4 Harness and Thoroughbred Horsemen's Organizations,
5 who will be giving you a report how Act 71 has
6 impacted racing at the respected pari-mutuel
7 facilities.

8 First to present today and we'll try to get
9 through this fairly quickly is Kim Hankins, who I
10 welcome. He is the Executive Director of the Meadows
11 Standardbred Owners Association, which is located at
12 the Meadows in Washington, Pennsylvania. I believe
13 Kim can give you a little bit of his background.

14 He's a newcomer to Pennsylvania coming to
15 us from Illinois with a very sterling background in
16 the harness racing industry. We're very fortunate to
17 have him and to have him here today to make this
18 presentation.

19 CHAIRMAN DiGIACOMO COLINS: Good. Thank
20 you for being here, sir.

21 MR. HANKINS: Thank you, Melinda.

22 Thank you for the opportunity to speak to
23 you this morning. Again, my name is Ken Hankins.
24 I'm the Executive Director of the Meadows
25 Standardbred Owners Association.

1 Melinda's brief history of mine was
2 somewhat accurate, but I came from California after
3 being there for three years. Then I lived in
4 Chicago, in the Illinois area for all of a lifetime.

5 I can tell you specifically that it's very
6 nice to be in Pennsylvania where there is slot
7 legislation. California and Illinois are dying on
8 the vine, the horse racing industry, because of the
9 lack of support from the legislation.

10 As I have told Melinda before, this is the
11 most amazing piece of legislation I have ever seen
12 that benefits the agri-business of horse racing and
13 breeding.

14 Right now, we're going through a
15 construction time at the Meadows. We do have our
16 temporary casino going, which is doing very well. I
17 will give you some numbers here in a second.

18 We're in the process of demolishing the
19 grandstand where the permanent facility will start
20 hopefully in early 2009.

21 Since the inception of gaming at the
22 Meadows, the Racehorse Development Fund has benefited
23 at the Meadows specifically by \$6.2 million. That
24 equates to \$5 million into the overnight purses and
25 \$250,000 in the health and retirement program.

1 So there's been a direct benefit to the
2 local horsemen at the meadows of \$5.2 million.
3 Currently, we have paid off a loan that was a
4 pre-gaming loan from Millennium and Magna of \$750,000.

5 We paid the last three weeks of overnight
6 purses from the Gaming Purse Account exclusively of
7 \$1 million.

8 We expect to start back, after the
9 demolition of the grandstand, to racing on October
10 17th, hopefully; and at that time, we should have
11 somewhere around \$5.2 million in surplus to spread
12 over the next hopefully 18 months or so until the
13 permanent casino comes into effect.

14 In regards to our expenditures -- that was
15 our income. Our expenditures for the admin fees for
16 the health and retirement fund have been \$29,600 in
17 attorney fees, accounting, and fund managers. That
18 equates to about 1 percent so far. So we're staying
19 well under the 15 percent.

20 Our health insurance is coming along very
21 quickly now. For a while, it was taking a while to
22 get quotes. We had to go through a census and
23 questionnaire to our membership. We finally got a
24 quote from HealthAssurance.

25 Our projected start-up will be January 1st,

1 and we project somewhere between 100 and 150 horsemen
2 will be covered by this health insurance.

3 We are working also on a highly subsidized
4 program for the grooms right now. We're trying to
5 decide what to do with the 4 percent money, how much
6 of it goes to retirement, how much it goes to health
7 benefits themselves.

8 Retirement plan, we had submitted that. We
9 have some conversations with staff over some
10 recommendations that they have. Melinda will talk to
11 you later about that also.

12 Right now, we're receiving the funds and
13 putting them in a separate account where they are
14 drawing interest.

15 I want to say that we have very excellent
16 relations with Millennium Gaming, our operator.
17 We're very excited about the appointment of new
18 Director of Administration, Mike Janoy. Mike brings
19 a long time experience in this business.

20 He's been with the Meadows a long time and
21 he knows racing and he is interested in horsemen's
22 concerns.

23 With that and also, the advent of the
24 approval by the PHRC of Valley View Downs is very
25 exciting to us. The possibility of having another

1 track in western Pennsylvania is obviously a great
2 boom to our industry if approved by your Board.

3 Finally, I just have to say that harness
4 racing has a bright future in western Pennsylvania.
5 I'm here to answer any questions that you may have.

6 CHAIRMAN DiGIACOMO COLINS: Commissioner
7 Sojka, do you have a question?

8 COMMISSIONER SOJKA: Thank you for that,
9 but you may not have an answer to this; but I have a
10 lingering issue or interest in this -- in the success
11 of your industry and that has to do with its impact
12 of farmland preservation. Do you have any data on
13 that at all? If you don't, can you start collecting
14 it?

15 MR. HANKINS: I presently don't, but as I
16 mentioned in my presentation, we realized that we are
17 an agri-business. We will start.

18 The predecessors in my position did not see
19 the benefit of working with the future farmers, the
20 land conservation people.

21 I come from a rural area, and my brother is
22 on the Board of Conservancy for the ground there and
23 I believe in that and I believe in the grassroots at
24 the county fair. So I go from the top to bottom on
25 all of the issues. I just got here. So we're

1 learning through the process.

2 CHAIRMAN DiGIACOMO COLINS: Commissioner
3 Rivers?

4 COMMISSIONER RIVERS: Yes. You made
5 reference to a loan from Millennium. What was the
6 purpose of that loan and the total amount? Did you
7 say 700,000?

8 MR. HANKINS: Yes. 500,000 was loaned to
9 our purse account by Millennium Gaming and 500,000 by
10 Magna Entertainment Corporation.

11 It was an agreement that they put forth
12 with us at our request to try to keep our purses --
13 raise our purses where we would be in a competitive
14 level with other racetracks such as Pocono, Chester,
15 and some of the New York tracks.

16 We were losing our horse base at that time
17 to those other tracks. We needed to keep our horses
18 close to home so that when the good times come that
19 they are still there.

20 At that time, we were generating by
21 pari-mutuel only \$45,000 a night for purses. So when
22 they gave us that loan, it equated to about \$65,000
23 per night. It kept our horsemen and horses at the
24 Meadow and gave them a jump start on what was to
25 come.

1 COMMISSIONER RIVERS: Since the advent of
2 slot machines at the Meadows, your population has
3 gone from what to where?

4 MR. HANKINS: Our horse population?

5 COMMISSIONER RIVERS: Yes.

6 MR. HANKINS: I think it has stayed fairly
7 flat line. The reason being that we had this break
8 coming up from August 11th to October 17th. There
9 was a lot of horsemen that didn't quite know what to
10 do during that time.

11 The one thing we did see during the last
12 three to four weeks of our meet was that the quality
13 of racing improved greatly. We were actually paying
14 out \$88,000 per night at that point. We overpaid our
15 purses because we had better horses there and the
16 level of quality moved up substantially.

17 We weren't moving up the lower class horses
18 as much. Of course, in realty, those were tired
19 horses, too. They had raced all year long.

20 You saw the movement of horsemen to go out
21 and find better horses, you know, during this time;
22 and then like I said, we got a two-month break there.

23 Our goal is to try and help out the local
24 horsemen that have gone through very tough times over
25 the last 10 to 15 years over a certain amount of time

1 and let them benefits from this first wave of benefit
2 that has come in, so that they can upgrade their
3 stock and eventually improve the product just like
4 they did at the end of this meet over the long haul
5 and be able to compete when we open the doors and say
6 it's free competition.

7 We do feel strongly as a horsemen's
8 organization that we need those people that have gone
9 through tough times.

10 COMMISSIONER RIVERS: Thank you.

11 CHAIRMAN DiGIACOMO COLINS: Thank you.

12 Commission Coy?

13 COMMISSIONER COY: No questions. Thank
14 you.

15 CHAIRMAN DiGIACOMO COLINS: Commissioner
16 Angeli?

17 COMMISSIONER ANGELI: No.

18 CHAIRMAN DiGIACOMO COLINS: Commissioner
19 Ginty?

20 COMMISSION GINTY: No questions.

21 CHAIRMAN DiGIACOMO COLINS: I have just a
22 couple of questions. Before the passage of Act 71,
23 was there a coordinated health insurance program
24 available for the horsemen?

25 MR. HANKINS: There was one that took out 2

1 and a half percent from the total amount of the
2 income of the purses that were generated by
3 pari-mutuel gaming. That came to about 250,000.

4 The previous program did not -- did not
5 subsidize enough for horsemen to be able to afford
6 it. So many them went off and are not on the -- on
7 any program right now.

8 So that's what I'm really gratified about
9 is to create a program where those people who
10 couldn't afford it at the very minimally subsidized
11 price to subsidizing at least to 50 percent so that
12 they can afford it and get back on a program because
13 we don't want anybody not covered.

14 CHAIRMAN DiGIACOMO COLINS: How about
15 pension and retirement plans? Is this a new
16 phenomenon as a result of the funding from the slots?

17 MR. HANKINS: Absolutely. There have been
18 no previous plans nor programs for retirement and
19 this set aside -- that's another thing that I want to
20 say about the legislation.

21 The way that it is crafted to help the
22 overnight purses, the breeders, the sire stakes, and
23 then set aside money for the health and retirement
24 programs is not only novel but it's so exciting
25 because most of the others that have casino gaming --

1 New York and some of the others, Indiana, Ontario
2 don't have that set aside but it's important that we
3 do that.

4 Most of us horsemen representatives know
5 that horsemen have not always been the best business
6 people, but now they're having a program so that we
7 can make it easy for them to stay covered.

8 CHAIRMAN DiGIACOMO COLINS: All right.
9 Thank you.

10 AUDIENCE MEMBER: Madam Chair, I'm from
11 Fishtown. This is a public meeting and there's no
12 room for public comment.

13 CHAIRMAN DiGIACOMO COLINS: You are
14 interrupting the program.

15 AUDIENCE MEMBER: I would like to share
16 with the Board --

17 CHAIRMAN DiGIACOMO COLINS: I'm going to
18 ask you once again politely to observe the decorum of
19 this meeting.

20 AUDIENCE MEMBER: You're acting more as a
21 private board instead of a public board.

22 CHAIRMAN DiGIACOMO COLINS: Have a seat,
23 please. Sir, I'm going to ask you one more time.
24 Have a seat.

25 AUDIENCE MEMBER: Philadelphia --

1 CHAIRMAN DiGIACOMO COLINS: Then we're
2 going to recess again and take up everyone's time.
3 One more recess.

4 (Recess.)

5 CHAIRMAN DiGIACOMO COLINS: Would our next
6 guest come up?

7 AUDIENCE MEMBER: Madam Chairman, I want to
8 know if you're going to address the grievance of the
9 taxpayers?

10 CHAIRMAN DiGIACOMO COLINS: Sir, I'm not
11 going to allow you to speak. Have a seat.

12 AUDIENCE MEMBER: Why aren't you going to
13 allow us to speak.

14 CHAIRMAN DiGIACOMO COLINS: No. You can
15 all pop up and continue with this, and we'll just go
16 in the back again.

17 AUDIENCE MEMBER: Madam Chair, would you
18 address the grievance of the taxpayers of
19 Philadelphia?

20 CHAIRMAN DiGIACOMO COLINS: I would ask you
21 to have a seat please so we can continue with our
22 meeting.

23 MS. TUCKER: Madam Chairman, I would like
24 to say that the horsemen's organizations have come
25 here today. They have spent approximately six weeks

1 preparing for this meeting and would like to have the
2 opportunity to address the Board as they have been
3 requested to do --

4 CHAIRMAN DiGIACOMO COLINS: Thank you,
5 Melinda.

6 MS. TUCKER: -- without interruption.

7 CHAIRMAN DiGIACOMO COLINS: Thank you.
8 Have a seat, please.

9 AUDIENCE MEMBER: Would you address the
10 grievance of the taxpayers of Philadelphia --

11 CHAIRMAN DiGIACOMO COLINS: Sir, I will ask
12 you to have a seat to we can continue with our public
13 meeting. Please, have a seat.

14 AUDIENCE MEMBER: Madam Chair, I would like
15 to know if you can address the grievance of the
16 Philadelphia taxpayers?

17 CHAIRMAN DiGIACOMO COLINS: I'm going to
18 repeat myself again, sir. Have a seat so we can
19 continue with our public agenda.

20 AUDIENCE MEMBER: Will there be a public
21 comment period?

22 CHAIRMAN DiGIACOMO COLINS: Sir, have a
23 seat. As I explained to Mr. Goppelt, who approached
24 me last week, there are pending petitions involving
25 the Philadelphia licensees before this Board. We

1 will not have discussion regarding those licensees.

2 Have a seat.

3 AUDIENCE MEMBER: Will we ever have
4 discussions about the --

5 CHAIRMAN DiGIACOMO COLINS: Have a seat,
6 please. We will adjourn the meeting one more time.
7 Another recess.

8 (Recess.)

9 CHAIRMAN DiGIACOMO COLINS: We're going to
10 -- no. We're going to attempt to continue with this
11 hearing. I want to this make -- I want to outline
12 the law that governs the conduct of these hearings
13 according to the Sunshine Act.

14 The Pennsylvania Sunshine Act, 65 PA
15 Consolidated Statute Section 701 through 716 ensures
16 that all meetings involving a quorum of its members
17 who are gathered for the purpose of taking official
18 action are open to the public.

19 While Section 710.1 of the Sunshine Act
20 requires the Board or council of a political
21 subdivision or of an agency created by a political
22 subdivision to provide a reasonable opportunity for
23 comment at its meetings, as an independent
24 administrative agency of the Commonwealth, the PGCB
25 is not a Board or Council of a political subdivision

1 and is, therefore, not required to allow for public
2 comment at its meetings.

3 And therefore, today, we are continuing
4 with the format that we have established for our
5 public meetings since the inception of the Board.

6 The Board will continue to accept written
7 comments and requests for public records pursuant to
8 the Right-to-Know Act cited at 65 PS Section 61.1 to
9 66.9.

10 Now, I would like to continue with the next
11 guest.

12 AUDIENCE MEMBER: Madam Chair, will you be
13 open --

14 CHAIRMAN DiGIACOMO COLINS: Sir, either
15 abide by the rules of this meeting and our decorum
16 requirements or leave.

17 AUDIENCE MEMBER: Under the Pennsylvania
18 Constitution, we have a right.

19 CHAIRMAN DiGIACOMO COLINS: Sir, did you
20 hear what I said? Either abide by the rules or
21 leave. Now, have a seat.

22 AUDIENCE MEMBER: We're acting in an
23 orderly way.

24 CHAIRMAN DiGIACOMO COLINS: Have a seat.
25 No. Have a seat. Have a seat. No.

1 AUDIENCE MEMBER: We only want to be heard.

2 CHAIRMAN DiGIACOMO COLINS: Have a seat.

3 AUDIENCE MEMBER: 80 percent of the
4 taxpayers --

5 CHAIRMAN DiGIACOMO COLINS: Let's continue,
6 sir. Would you state your name? Because they're
7 being so obstructionist, we will try to proceed if we
8 can.

9 MR. IZZO: That's fine.

10 AUDIENCE MEMBER: Madam Chair --

11 CHAIRMAN DiGIACOMO COLINS: Go on, sir.

12 MR. IZZO: Chairman Colins, members of the
13 Board. My name is Mike Izzo. I'm with the
14 Pennsylvania Harness Horesmen's Association. I'm
15 their Chief Financial Officer. I'm here to give you
16 the horsemen's view of the state of racing at Mohegan
17 Sun and Harrah's Chester Downs.

18 I can sum it really, really quickly by
19 saying life ain't good. It's really good. We have
20 found it to be a great time for us racing at Chester
21 Mohegan Sun.

22 First, I will comment on our relationship
23 with the track management at both places. Our
24 relationship is more than can be expected from
25 anything that we have seen before.

1 As you know, Poconos is going through a
2 construction process --

3 CHAIRMAN DiGIACOMO COLINS: Sir, you know
4 what is dawning on me? I think this is really a
5 disservice to you and those of you who have come to
6 provide us with all of the updated information about
7 the horsemen's associations.

8 So I'm going to apologize to you for these
9 interruptions, ask you if you would take a seat
10 because I think it's an unfair.

11 What we would like to do is proceed with a
12 couple of the matters that we -- other matters that
13 we have on the agenda and then we'll get back to you,
14 if you would. If you would just be patient with us,
15 please.

16 I would like to ask Mike Walsh to come
17 forward, please.

18 AUDIENCE MEMBER: Madam Chair, if you could
19 only --

20 CHAIRMAN DiGIACOMO COLINS: I'm going to
21 ask you, once again, to sit down and stop being
22 disruptive.

23 AUDIENCE MEMBER: We're not being
24 disruptive. If you would allow us to speak --

25 CHAIRMAN DiGIACOMO COLINS: Mr. Walsh?

1 Mr. Walsh, would you tell us what business you have
2 for us?

3 MR. WALSH: Thank you, Madam Chair, members
4 of the Board. There are three items that I have this
5 morning for consideration.

6 CHAIRMAN DiGIACOMO COLINS: All right.

7 MR. WALSH: They are three candidates for
8 the position of Casino Enforcement Agent with our
9 Bureau of Investigations and Enforcement. Walter
10 Sokolowski, Mark Hemak, and Nicholas Valvano.

11 These candidates would all work as Casino
12 Enforcement Agents at the Mount Airy Casino. I would
13 respectfully request a motion -- excuse me. I have
14 one more. I have a fourth person. I apologize.
15 Tobey Forseman as a web design and developer in the
16 Bureau of Administration. I apologize. Four
17 candidates. I would respectfully request a motion by
18 the Board to hire these employees.

19 CHAIRMAN DiGIACOMO COLINS: All right. May
20 I have a motion?

21 COMMISSIONER RIVERS: Yes, Madam Chairman.
22 I move that we approve the four names mentioned by
23 the Director of Administration for hiring
24 immediately. They have passed all of the necessary
25 checks. So I so move.

1 COMMISSIONER COY: I second the motion.

2 CHAIRMAN DiGIACOMO COLINS: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: All opposed?

5 Motion carries.

6 Thank you very much.

7 Any further business, sir?

8 MR. WALSH: Just the appointment of Cyrus

9 Pitre as the Chief Enforcement Council of the agency.

10 As you know, Cyrus worked previously with the New

11 Jersey Casino Control Commission and with the

12 Louisiana Gaming Control Board. We are delighted to

13 announce his appointment.

14 CHAIRMAN DiGIACOMO COLINS: Thank you, sir.

15 MR. WALSH: Thank you.

16 CHAIRMAN DiGIACOMO COLINS: Appreciate it.

17 All right. Next matter to come before the

18 Board, Kevin Hayes.

19 MS. LaCOUR NEEB: Chairman Colins --

20 CHAIRMAN DiGIACOMO COLINS: Kevin, good

21 morning to you.

22 MR. HAYES: Good morning, Madam Chair.

23 CHAIRMAN DiGIACOMO COLINS: How are you

24 today?

25 MR. HAYES: Very well.

1 CHAIRMAN DiGIACOMO COLINS: Good. I'm glad
2 to hear it, Kevin.

3 MR. HAYES: Thank you.

4 CHAIRMAN DiGIACOMO COLINS: Kevin, what do
5 you have for the Board today?

6 MR. HAYES: Mountainview Thoroughbred
7 Racing Association has submitted a request -

8 CHAIRMAN DiGIACOMO COLINS: I think you
9 have to speak up a little bit, Kevin.

10 MR. HAYES: It seems like there's a little
11 background noise. Mountainview Thoroughbred Racing
12 Association, an entity which was approved for a
13 Category 1 slot machine license has requested to take
14 possession of slot machines in order to begin
15 training its employees.

16 I would request that the Board entertain a
17 motion adopting the resolution which authorizes
18 Mountainview Thoroughbred Racing Association to take
19 possession of slot machines.

20 CHAIRMAN DiGIACOMO COLINS: Very good. May
21 I have a motion as Kevin has requested?

22 COMMISSIONER SOJKA: Yes, Madam Chairman.
23 I move to approve the resolution which authorizes
24 Mountainview Thoroughbred Racing Association, an
25 entity which has been approved for Category 1 slot

1 machine license to take possession of slot machines
2 for the purpose of maintaining them for use,
3 training, or operation and compliance with the
4 requirements of Chapter 463a of the Board's
5 regulations subject to compliance with all applicable
6 requirements pertaining to the possession,
7 transportation, and security of slot machines.

8 CHAIRMAN DiGIACOMO COLINS: Thank you.

9 May have a second?

10 COMMISSIONER RIVERS: Second.

11 CHAIRMAN DiGIACOMO COLINS: All in favor?

12 COMMISSIONERS: Aye.

13 CHAIRMAN DiGIACOMO COLINS: Opposed?

14 The motion carries.

15 MR. HAYES: Thank you, Madam Chairman.

16 CHAIRMAN DiGIACOMO COLINS: Thank you very
17 much.

18 Richard Sandusky. Welcome. Richard,
19 regarding the motions you have to offer, a brief
20 summary and we can do it in a quick motion.

21 MR. SANDUSKY: Yes, Madam Chairman. We
22 have three regulatory items for you today. The first
23 is the adoption of a final-form regulation for
24 Chapters 429a, 433a, 435a, 437a, 441a --

25 CHAIRMAN DiGIACOMO COLINS: Just one

1 moment. I'm just going to ask you one more time.
2 You've been interrupting us now for about -- we have
3 had to recess four times. In addition, you've been
4 interrupting this Board's business for about 10 to 15
5 minutes.

6 I'm going to ask you one more time. Would
7 you please have a seat and would you please remain
8 silent, sir, so that we can continue?

9 AUDIENCE MEMBER: If you give us a turn to
10 speak, we will not --

11 CHAIRMAN DiGIACOMO COLINS: I told you, you
12 will not have a chance to speak.

13 AUDIENCE MEMBER: Will we ever have a
14 chance to speak?

15 CHAIRMAN DiGIACOMO COLINS: Have a seat,
16 sir. I read you the law. I suggest you consult
17 counsel regarding the Sunshine Act if you disagree.

18 AUDIENCE MEMBER: We have also consulted
19 the Pennsylvania Constitution.

20 CHAIRMAN DiGIACOMO COLINS: Continue,
21 Richard.

22 MR. SANDUSKY: These regulations were
23 published as proposed rulemakings. Comments were
24 received from four of the licensed entities and the
25 Independent Regulatory Review Commission.

1 You have been sent revised regulations,
2 which incorporate a number of the suggestions in
3 those comments or respond to them.

4 At this point, we would ask for a motion
5 for adoption of the Final-form regulation.

6 COMMISSIONER COY: Madam Chair -- can you
7 hear me, Hillary? Good. I can barely hear myself.

8 Madam Chair, I move that we adopt the
9 proposed Final-form regulations for Chapters 429a,
10 433a, 435a, 437a, and 441a and that they be published
11 and placed on the Board's website.

12 CHAIRMAN DiGIACOMO COLINS: May I have a
13 second.

14 COMMISSIONER RIVERS: Second.

15 CHAIRMAN DiGIACOMO COLINS: All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN DiGIACOMO COLINS: All opposed?

18 Motion carries.

19 And now the next order of business, please.

20 MR. SANDUSKY: We have a set of proposed
21 regulations amending Chapters 421a and 423a. We
22 would ask for a motion for adoption of this proposed
23 rulemaking, which will be published in the
24 Pennsylvania Bulletin with a 30-day comment period.

25 CHAIRMAN DiGIACOMO COLINS: That's fine.

1 Thank you.

2 COMMISSIONER ANGELI: Madam Chairman, I
3 move that the Board adopt the Proposed Regulation No.
4 125-72 amending Chapters 421a and 423a and that the
5 Board establish a public comment period of 30 days
6 and that the Board post the proposed regulations on
7 the Board's website.

8 CHAIRMAN DiGIACOMO COLINS: Thank you.

9 Second?

10 COMMISSIONER McCABE: Second.

11 CHAIRMAN DiGIACOMO COLINS: All in favor?

12 COMMISSIONERS: Aye.

13 CHAIRMAN DiGIACOMO COLINS: Opposed?

14 Thank you.

15 The motion carries.

16 And the record will clearly reflect at this
17 point the continuing disruption on the part of now
18 three individuals who are standing and disrupting the
19 meeting and who have been asked to leave because they
20 cannot comply with our rules and yet refuse to leave.
21 Nonetheless, the Board will continue with its
22 business.

23 AUDIENCE MEMBERS: You asked us to sit
24 down.

25 CHAIRMAN DiGIACOMO COLINS: Richard, are

1 you finished, sir.

2 MR. SANDUSKY: We have one more proposed
3 rulemaking for your action today --

4 CHAIRMAN DiGIACOMO COLINS: Then let's have
5 a motion regarding that.

6 MR. SANDUSKY: -- for Chapters 405a and
7 461A.

8 CHAIRMAN DiGIACOMO COLINS: May we have a
9 motion.

10 COMMISSIONER COY: Madam Chair, I move that
11 the Board adopt the proposed regulations regarding
12 Chapters 405a and 461a and that they be posted on the
13 Board's website and adopted as proposed regulations
14 today.

15 CHAIRMAN DiGIACOMO COLINS: May I have a
16 second?

17 COMMISSIONER RIVERS: Second.

18 CHAIRMAN DiGIACOMO COLINS: All in favor?

19 COMMISSIONERS: Aye.

20 CHAIRMAN DiGIACOMO COLINS: Opposed?

21 Motion carries.

22 MR. SANDUSKY: Thank you.

23 CHAIRMAN DiGIACOMO COLINS: Very good. Is
24 there further business?

25 MS. LaCOUR NEEB: Madam Chairman, we have

1 other motions on the agenda that have been submitted
2 to the Board for review and can be taken up at
3 another meeting, if you so choose.

4 CHAIRMAN DiGIACOMO COLINS: All right. At
5 this point, what I would like to do is, once again,
6 apologize to our guests, who came to update us on
7 this very important information.

8 Also, I would like to indicate for the
9 record that there were matters that this Board was
10 not able to contemplate and continue with today
11 because of these disruptions.

12 Nonetheless, I believe it's in the best
13 interest of all of us who are here today to
14 peacefully adjourn this meeting and to reconvene our
15 business at another time pursuant to the Sunshine
16 Act. Thank you. Meeting is adjourned.

17 (The meeting adjourned at 11:37 a.m.)

18

19

20

21

22

23

24

25

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.

5

6

7

Hillary M. Hazlett, Reporter
Notary Public

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

