

PENNSYLVANIA GAMING CONTROL BOARD
PUBLIC MEETING

WEDNESDAY, JULY 15, 2009, 12:15 P.M.

PUC-KEYSTONE BUILDING
HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

BEFORE :

GREGORY C. FAJT, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS
GARY A. SOJKA

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN FAJT: The counsel at the head table
2 can move back now. We're going to proceed with our
3 scheduled Public Meeting.

4 By way of announcements, the Board held an
5 Executive Session on July 14th in accordance with the
6 Sunshine Act.

7 The purpose of the Executive Session was to
8 discuss litigation matters, personnel-related issues,
9 and to conduct quasi-judicial deliberations relating to
10 matters pending before the Board.

11 Our first item of meeting business is the
12 approval of minutes and transcript of the Board's June
13 3rd, 2009 meeting.

14 COMMISSIONER SOJKA: Mr. Chairman, I move that
15 the Board approve the minutes and transcript of the June
16 3rd, 2009 meeting.

17 COMMISSIONER RIVERS: Second.

18 CHAIRMAN FAJT: All in favor?

19 COMMISSIONERS: Aye.

20 CHAIRMAN FAJT: Opposed?

21 Motion passes.

22 Moving on to New Business, I would like to have
23 Kevin O'Toole present the Executive Director's report.

24 Kevin?

25 MR. O'TOOLE: Good morning, Chairman,

1 Commissioners -- or good afternoon. Excuse me.

2 With only three weeks before the scheduled
3 first test night at the Rivers, a significant number of
4 our opening team have been on-site ensuring all aspects
5 of the facility will be ready to go.

6 One significant component of any casino opening
7 is the approval of the Licensee's Internal Control
8 Submission.

9 At this time, I would like Director Paul Resch
10 to present a Resolution pertaining to the Rivers
11 internal controls.

12 Paul?

13 MR. RESCH: Thank you, Kevin.

14 Chairman Fajt, Board members, with me today is
15 Patti Gustavson, our Compliance Manager. Before you for
16 your consideration is the approvals of Rivers Casino's
17 Internal Control and Audit Protocol Submission.

18 This submission was received by the Board on
19 April 24th, 2009 and met the requirement that it be
20 submitted 90 days prior to the commencement of slot
21 operations.

22 The Internal Control Submission consists of
23 jobs compendium, organizational charts, standard
24 operating procedures for various departments within the
25 casino, as well as the internal control wording itself

1 for the Board's various regulatory requirements.

2 This submission was reviewed by Board staff and
3 the recommendation is before you to consider Resolution
4 2009-5 approving the Rivers Casino Internal Control
5 Submission. I would be happy to answer any questions.

6 CHAIRMAN FAJT: Any questions?

7 May I have a motion?

8 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
9 move that the Board adopt Resolution 2009-5-BGO
10 approving the Rivers Casino Internal Control System and
11 Audit Protocols as described by the Bureau of Gaming
12 Operations.

13 COMMISSIONER McCABE: Second.

14 CHAIRMAN FAJT: All in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN FAJT: Opposed?

17 Motion passes.

18 Thank you, folks.

19 We'll now turn it over to David Rhen for our
20 regular financial update.

21 MR. RHEN: Good afternoon.

22 CHAIRMAN FAJT: Good afternoon.

23 MR. RHEN: Today's budget report focuses on
24 results through June fiscal year 2008-09. Expenditures
25 processed through the end of June total \$28.9 million.

1 This is composed of \$22.5 million expended on payroll
2 and \$6.5 million for operating expenditures.

3 During June, payroll totaled \$1.7 million and
4 operating expenditures were \$385,000. Expenditures for
5 the month totaled \$2.1 million.

6 The largest operating expenditures in June
7 included \$146,000 for services, \$65,000 for office
8 equipment and vehicle rentals, and \$61,000 for other
9 operating expenditures including database searches
10 utilized by the background investigations.

11 For the year, the largest category of operating
12 expenditures are \$2.1 million or 32 percent of its
13 operating expenditures for services, \$1.9 million or 30
14 percent for rentals, \$965,000 or 15 percent for other
15 operating expenditures, and \$647,000 or 10 percent for
16 telecommunications.

17 CHAIRMAN FAJT: Any questions by any of the
18 Board members?

19 Thank you very much, David.

20 Next up is our Director of Human Resources,
21 Claire Yantis.

22 MS. YANTIS: Good afternoon, Chairman, Board
23 members.

24 CHAIRMAN FAJT: Good afternoon.

25 MS. YANTIS: We have before you today a motion

1 to consider three actions relative to the hiring of
2 Casino Compliance Representatives in the Bureau of
3 Casino Compliance.

4 First, Joshua Hofritcher is being considered
5 for hire at the Meadows Racetrack and Casino.

6 Second, Katlyn Tortorice and Yvonne Reed are
7 both being considered for hire at the Rivers Casino.

8 All three of those individuals have completed
9 the PGCB interview process, background investigation,
10 and drug screening and are recommended for hire by
11 Director of Casino Compliance, Tom Sturgeon.

12 Third and finally, we are aware the Rivers
13 Casino is scheduled to open at the beginning of August.
14 Because it is likely that this opening will occur prior
15 to the next PGCB Board meeting, we are faced with the
16 need to hire additional staff in the interim to ensure
17 adequate PGCB staff coverage in time for the opening.

18 To date, with the approval of Miss Tortorice
19 and Miss Reed, we will have four individuals ready to
20 start at the Rivers Casino.

21 We also have two individuals currently in the
22 background process that we anticipate being ready for
23 hire in the next week or two.

24 Therefore, we ask the Board to consider a
25 motion: Mr. Hofritcher, Miss Tortorice, and Miss Reed

1 and in order to avoid potential staffing issues
2 associated with the Rivers Casino opening to consider
3 delegating authority to the Personnel Committee to
4 effectuate the hiring of the two individuals currently
5 in the background process, contingent upon the
6 candidate's successful completion of that investigation
7 and with the understanding that the Board will ratify
8 those hires at the Board's next Public Hearing.

9 CHAIRMAN FAJT: Any questions from the Board?
10 May I have a motion?

11 COMMISSIONER COY: Mr. Chairman, I will try to
12 make the motion. Hopefully, it is not nutty.

13 Mr. Chairman, I move that the Board approve the
14 hiring of agency staff as proposed on the condition that
15 all employees have completed the necessary investigation
16 and drug testing.

17 Additionally, I would ask the Board to delegate
18 the authority to the Personnel Committee to effectuate
19 the hiring of two other individuals currently in the
20 background as described by the Director of Human
21 Resources.

22 COMMISSIONER McCABE: Second.

23 CHAIRMAN FAJT: All in favor?

24 COMMISSIONERS: Aye.

25 CHAIRMAN FAJT: Opposed?

1 Motion passes.

2 Thank you, Claire.

3 MS. YANTIS: Thank you.

4 CHAIRMAN FAJT: Office of Chief Counsel (OCC)
5 is next, Doug Sherman.

6 Richard, how are you?

7 MR. SHERMAN: Good afternoon, Chairman Fajt and
8 members of the Board.

9 Our first couple of agenda items relate to
10 Proposed Regulations and Final-form Regulations.

11 Director of Regulatory Review Richard Sandusky
12 will address those.

13 MR. SANDUSKY: Good afternoon.

14 The first Proposed Rulemaking is Rulemaking
15 125-103. This package is an omnibus package or a
16 housekeeping package, if you will, which contains a
17 number of amendments designed to improve the clarity of
18 our Regulations and also make some changes that will
19 give the Slot Machine Licensees a little more
20 flexibility while still ensuring the integrity of
21 gaming.

22 The details of those changes were included in
23 the materials that were sent to you previously. I would
24 be happy to answer any questions that you have on
25 specific matters; and if there are no questions, I would

1 ask for a motion for approval.

2 CHAIRMAN FAJT: Any questions?

3 I will entertain a motion.

4 COMMISSIONER McCABE: Mr. Chair, I move that
5 the Board adopt the Proposed Regulation No. 125-103,
6 that the Board establish a public comment period of 30
7 days, and the Proposed Regulation be posted on the
8 Board's website.

9 COMMISSIONER SOJKA: Second.

10 CHAIRMAN FAJT: All in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN FAJT: Opposed?

13 Motion passes.

14 Next?

15 MR. SANDUSKY: The next Proposed Rulemaking is
16 Rulemaking 125-105. This represents a rather
17 comprehensive rewrite of the Jackpot Payout Regulations.

18 We have been in discussions with the industry
19 for the past several months discussing ways that they
20 could improve the efficiency of this process and still
21 maintain all of the integrity and cross checks.

22 Because of changes in technology, a lot of the
23 processes that are currently used really are redundant
24 and aren't necessary.

25 If there are any specific questions on the

1 rulemaking, I would be happy to answer them. Otherwise,
2 we would ask for a motion on the adoption.

3 CHAIRMAN FAJT: Any questions?

4 Entertain a motion.

5 COMMISSIONER GINTY: Mr. Chairman, I move that
6 the Board adopt the Proposed Regulation 125-105 and that
7 the Board establish a public comment period of 30 days
8 and that the Proposed Regulation be posted on the
9 Board's website.

10 COMMISSIONER COY: Second.

11 CHAIRMAN FAJT: All in favor?

12 COMMISSIONERS: Aye.

13 CHAIRMAN FAJT: Opposed?

14 Motion passes.

15 MR. SANDUSKY: The third item is a Final-form
16 Rulemaking, and Troy will present that one.

17 MR. BEAVERSON: Good afternoon.

18 We have Final-form Rulemaking No. 125-97. This
19 Final-form Rulemaking amends Section 437a.9 to consider
20 a process by which the Bureau of Licensing can rescind
21 permission given to a Vendor Applicant to do business
22 with a Slot Machine Licensee prior to being certified or
23 registered.

24 The Proposed Rulemaking was adopted by the
25 Board on December 18th, 2008 and was published in the

1 Pennsylvania Bulletin on February 21st, 2009 with a
2 30-day public comment period.

3 Under the Final-form Regulation, if the Office
4 of Enforcement Counsel (OEC) issues a Notice of
5 Recommendation for denial to an Applicant for Vendor
6 Certification or Registration, the Bureau of Licensing
7 may rescind permission granted to the Applicant to
8 conduct business with a Slot Machine Licensee during the
9 pendency of its Application.

10 If there are no questions, I would ask for a
11 motion to adopt Final-form Regulation 125-97.

12 CHAIRMAN FAJT: Any questions or comments from
13 the Board?

14 COMMISSIONER SOJKA: Are we sure about that
15 designation? Is it 97 or 99.

16 MR. BEAVERSON: 97.

17 CHAIRMAN FAJT: 99 I think is next.

18 I'll have a motion.

19 COMMISSIONER COY: Mr. Chairman, I move that
20 the Board adopt the Final-form Regulation 125-97 and
21 that the Final-form Regulation be posted on the Board's
22 website.

23 COMMISSIONERS ANGELI: Second.

24 CHAIRMAN FAJT: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN FAJT: Opposed?

2 Motion passes.

3 MR. SANDUSKY: The final Regulation for the
4 Board's consideration today is Final-form Regulation
5 125-99. This was an omnibus package of amendments
6 similar to the package 103 that we adopted as proposed
7 this morning.

8 There was very little comment on this. In
9 fact, there was only one public commenter and they
10 thanked us for the opportunity to provide comment but
11 they didn't have any comments for us.

12 Similarly, the Independent Regulatory Review
13 Commission notified us that they had no comments,
14 recommendations, or objections to this Regulation.

15 The staff has not made any changes to the
16 Proposed Rulemaking for the Final-form Rulemaking and we
17 would ask for an adoption of the Final-form Rulemaking.

18 CHAIRMAN FAJT: Any questions or comments?

19 A motion please.

20 COMMISSIONERS ANGELI: Mr. Chairman, I move
21 that the Board adopt the Final-form Regulation 125-99
22 and that the Final-form Regulation be posted on the
23 Board's website.

24 COMMISSIONER SOJKA: Second.

25 CHAIRMAN FAJT: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN FAJT: Opposed?

3 Motion passes.

4 Thank you, Richard and Troy.

5 MR. SHERMAN: There is one Petition that is on
6 the Board's agenda today and that relates to the
7 Holdings Acquisition matter, which the Board conducted a
8 hearing on earlier today.

9 If the Board is so inclined, the Board could
10 entertain a motion relative to that Petition.

11 COMMISSIONER SOJKA: Mr. Chairman, maybe to
12 move this along, I would offer the following motion: I
13 move that based on the information that we received
14 today and the progress attested to by both parties
15 toward the resolution that may be just around the corner
16 that we table this matter or take it under advisement.

17 I would like to add that in order to indicate
18 the kind of timetable I think many of us are looking at,
19 I think we should see a report from both parties sent to
20 us in one week and to make sure we understand the dates
21 certain, that would be Wednesday, July 22nd.

22 CHAIRMAN FAJT: Any discussion or comments from
23 the Board?

24 Is there a second to the motion?

25 COMMISSIONER RIVERS: Second.

1 CHAIRMAN FAJT: All in favor?

2 COMMISSIONERS: Aye.

3 CHAIRMAN FAJT: Opposed?

4 Motion passes.

5 MR. SHERMAN: The remaining agenda items will
6 be presented by Deputy Chief Counsel Steve Cook.

7 CHAIRMAN FAJT: Steve?

8 MR. COOK: Good afternoon. The first matter
9 would be withdrawals. The Board has received nine
10 unopposed Petitions to Withdraw, which include 21 Key
11 Employee Applications, Principal Applications, Vendor
12 Applications, or Personal History Disclosure Statements.

13 The individuals subject to these Petitions are
14 as follows: Helen M. Brancazio, Paul Charles Cautley,
15 Betty J. Gerhart, Scott Henry, Jeanne Jackson,
16 Bruckmann, Roser, Sherrill & Company, II, LP, Jacob A.
17 Organek, SPC Services, Inc., Vacation Charters, Limited,
18 the Employee Stock Ownership Plan for Vacation Charters,
19 Limited, Barbara Kalins, Shelly Kalins, W. Jack Kalins,
20 Joseph DelRosso, Cheryl Jones, Charles Dickinson, Stacey
21 Kalins, David London, Janet Wheeler, Samuel L. Arnett,
22 Merrill N. Foster, Jr.

23 I would note that everyone that I listed after
24 Vacation Charters Limited were Principals of that
25 Category 3 Application, which withdrew its Application.

1 These Petitions are presently before the Board
2 for consideration. The OEC has indicated that they have
3 no objections, that the withdrawals would be without
4 prejudice.

5 CHAIRMAN FAJT: Any questions or comments
6 before the Board?

7 May I have a motion?

8 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
9 move that the Board issue an Order to approve the
10 withdrawal or surrenders as described by the OCC.

11 COMMISSIONER McCABE: Second.

12 CHAIRMAN FAJT: All in favor?

13 COMMISSIONERS: Aye.

14 CHAIRMAN FAJT: Opposed?

15 Motion passes.

16 Next?

17 MR. COOK: Next before the Board for
18 consideration are three Report and Recommendations
19 received from the Office of Hearings and Appeals (OHA)
20 relative to two Non-Gaming Employees and one Gaming
21 Permit holder.

22 These Report and Recommendations along with the
23 evidentiary record for each hearing have been provided
24 to the Board in advance of the meeting.

25 Additionally, in each case, the Applicant has

1 been notified that the Board is considering her Report
2 and Recommendation today and that she has the right to
3 be present to address the Board. By the way, all of
4 these individuals are female.

5 If any of these individuals are present today,
6 they should come before the Board when their name is
7 announced.

8 First is Lauren Harris. The underlying facts
9 as described in the Report and Recommendation with
10 respect to Miss Harris are as follows:

11 Miss Harris is currently employed as a beverage
12 receiver at Mohegan Sun. On September 30th, 2008,
13 Miss Harris was seen on surveillance video going through
14 another employee's purse.

15 Miss Harris denied taking anything but does
16 admit looking through the purse. The person whose purse
17 was involved reported missing several prescription drug
18 tablets.

19 As a result of this conduct, OEC reviewed the
20 matter and filed an Enforcement Action against
21 Miss Harris alleging that she stole Xanax pills from the
22 coworker's purse.

23 Miss Harris filed an Answer to the enforcement
24 matter and a hearing was held on April 6th, 2009, which
25 Miss Harris appeared and represented herself.

1 Subsequently, on June 4th, 2009, a Report and
2 Recommendation was issued by the OHA. The Report and
3 Recommendation concluded that Miss Harris, by taking the
4 aforementioned actions, failed to maintain suitability
5 as a Non-Gaming Employee and should, therefore, have her
6 license either revoked or suspended at the discretion of
7 the Board.

8 That matter is now before the Board and is ripe
9 for action.

10 CHAIRMAN FAJT: Any questions or comments from
11 the Board?

12 Seeing none, I will entertain a motion.

13 COMMISSIONER McCABE: Mr. Chair, I move that
14 the Board issue an Order to adopt the Report and
15 Recommendation of the OHA relating to the Non-Gaming
16 Employee Registration of Lauren Harris as described by
17 the OCC.

18 I further recommend that the Board revoke
19 Miss Harris' Non-Gaming Employee Registration.

20 COMMISSIONER GINTY: Second.

21 CHAIRMAN FAJT: All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN FAJT: Opposed?

24 Motion passes.

25 MR. COOK: The second Report and Recommendation

1 before the Board today pertains to Melissa Raymond.
2 Ms. Raymond sought work as an operations attendant at
3 Philadelphia Park.

4 Related thereto, she submitted a Non-Gaming
5 Employee Application to the Bureau of Licensing on March
6 11th, 2009.

7 On March 31, 2009, the OEC issued a Notice of
8 Recommendation of Denial due to nondisclosures made on
9 Raymond's Application as well as her failure to
10 subsequently cooperate in Bureau of Investigations and
11 Enforcement (BIE) background investigation.

12 Specifically, Miss Raymond failed to disclose
13 two prior arrests despite both arrests having resulted
14 in dismissal of all criminal charges.

15 Upon hearing of this information, the BIE gave
16 Miss Raymond the opportunity to amend her Application to
17 include this information, yet she failed to do so,
18 thereby failing to cooperate in her background
19 investigation.

20 Additionally, despite requesting a hearing in
21 this matter, Miss Raymond failed to appear for that
22 hearing and was conducted thereafter in absentia.

23 Based upon Miss Raymond's nondisclosures, her
24 failure to cooperate in her investigation, and her
25 failure to appear at the hearing, the OCC recommends to

1 the Board to adopt the Report and Recommendation of the
2 Hearing Officer, which recommends denial of Miss
3 Raymond's Non-Gaming Employee Application.

4 CHAIRMAN FAJT: Any questions or comments from
5 the Board?

6 May I have a motion?

7 COMMISSIONER GINTY: Mr. Chairman, I move that
8 the Board issue an Order to adopt the Report and
9 Recommendation of the OHA relating to the Non-Gaming
10 Employee Registration of Melissa Raymond as described by
11 the OCC.

12 COMMISSIONER COY: Second.

13 CHAIRMAN FAJT: All in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN FAJT: Opposed?

16 Motion passes.

17 MR. COOK: The last Report and Recommendation
18 before the Board today is Norma Robinson. Miss Robinson
19 sought work in the Security Department at Harrah's
20 Chester Casino and Racetrack.

21 On March 18th, 2009, OEC issued a Notice of
22 Recommendation of Denial due to Miss Robinson's failure
23 to disclose her complete criminal history, which
24 includes a 1990 felony conviction for which received a
25 ten-year probation sentence.

1 That probation sentence expired in 2000 thereby
2 making her ineligible for permitting as a Gaming
3 Employee under the Act, which requires 15 years from the
4 expiration of a sentence before someone would be
5 eligible for such permitting.

6 Based upon Miss Robinson's nondisclosures and
7 the fact that 15 years have not yet elapsed from the
8 felony charge sentence, the OCC recommends that the
9 Board adopt the Report and Recommendation of the Hearing
10 Officer, which recommends the denial of Miss Robinson's
11 Application.

12 CHAIRMAN FAJT: Any questions or comments?

13 Can I have a motion, please?

14 COMMISSIONER COY: Mr. Chairman, I move that
15 the Board issue an Order to adopt the Report and
16 Recommendation of the OHA relating to the Gaming
17 Employee Permit of Norma Robinson as described by the
18 OCC.

19 COMMISSIONERS ANGELI: Second.

20 CHAIRMAN FAJT: All in favor?

21 COMMISSIONERS: Aye.

22 CHAIRMAN FAJT: Opposed?

23 Motion passes.

24 MR. COOK: The last matter under the OCC's
25 report is consideration of an Emergency Order to suspend

1 the Gaming Employee Permit of Todd Aldrich.

2 Mr. Aldrich was issued a Gaming Employee Permit
3 on December 27, 2006. He is employed as a slot
4 technician at Presque Isle Downs and Casino.

5 Mr. Aldrich notified the Board that he was
6 arrested on May 29, 2009 and charged with possession of
7 a controlled substance and possession of drug
8 paraphernalia.

9 BIE's subsequent investigation confirmed that a
10 Criminal Complaint was issued by the PA Office of
11 Attorney General.

12 The Affidavit of Probable Cause attached to
13 that Complaint alleges that on May 12th, 2009 a warrant
14 was executed on a residence Mr. Aldrich shares with
15 another individual.

16 At that residence, officers confiscated a
17 digital scale, drug paraphernalia, a lock box containing
18 cash, steroids, a loaded handgun, and several large
19 empty containers with the odor and residue of marijuana.

20 As a result of these charges, the OEC filed a
21 request for an Emergency Order of Suspension of Mr.
22 Aldrich's Gaming Employing Permit on June 22nd, 2009.
23 That Order was signed by the Executive Director on that
24 day.

25 Board Regulations now require that the

1 Temporary Emergency Order be presented to the Board for
2 a full evidentiary hearing or in the alternative, the
3 matter can be referred to the OHA for a full evidentiary
4 hearing and a subsequent submission of a Report and
5 Recommendation to the Board.

6 In this case, the OCC recommends that the
7 matter be referred to the OHA for that hearing and
8 subsequent consideration by the Board of a Report and
9 Recommendation.

10 Additionally, we would ask that the Emergency
11 Order remain in place until this matter comes before the
12 Board in such a fashion.

13 CHAIRMAN FAJT: Any question or comments?

14 May I have a motion?

15 COMMISSIONERS ANGELI: Mr. Chairman, I move
16 that the Board issue an Order to extend the Emergency
17 Suspension of Todd Aldrich and that matter be referred
18 to the OHA for a hearing to determine the validity of
19 the OEC's request for a suspension.

20 COMMISSIONER SOJKA: Second.

21 CHAIRMAN FAJT: All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN FAJT: Opposed?

24 Motion passes.

25 That concludes the OCC's report.

1 Thank you, Doug and Steve.

2 Susan Hensel our Director of the Bureau of
3 Licensing is next.

4 Susan?

5 MS. HENSEL: Thank you, Chairman Fajt and
6 members of the Board.

7 There are several Licensing matters to bring
8 before you for consideration today.

9 First is Lightning Poker, Inc., a Manufacturer
10 Applicant that is up for initial licensure.

11 The BIE has completed its investigation and the
12 Bureau of Licensing has provided you with a background
13 investigation and suitability report.

14 No issues were identified by the BIE or the
15 Bureau of Licensing that would preclude licensure. I
16 have provided you with a Draft Order approving a
17 Manufacturer License for Lightning Poker and ask that
18 the Board consider the Order.

19 CHAIRMAN FAJT: Any questions or comments from
20 Enforcement Counsel?

21 MR. PITRE: No objection to licensure.

22 CHAIRMAN FAJT: Any questions or comments from
23 the Board?

24 May I have a motion?

25 COMMISSIONER SOJKA: Mr. Chairman, I move that

1 the Board approve an Order issuing a Manufacturer
2 License to Lightning Poker, Inc., as described by the
3 Bureau of Licensing.

4 COMMISSIONER RIVERS: Second.

5 CHAIRMAN FAJT: All in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN FAJT: Motion passes.

8 MS. HENSEL: Next, we have MicroFirst
9 Associates, Inc., a Manufacturer Licensee that is up for
10 renewal.

11 The BIE has completed its investigation and the
12 Bureau of Licensing has provided you with a background
13 investigation and suitability report.

14 No issues were identified by either the BIE or
15 Licensing that would preclude licensure. I have
16 provided you with a Draft Order for MicroFirst
17 Associates, Inc., and ask that you consider the Order.

18 CHAIRMAN FAJT: Cyrus, any comments?

19 MR. PITRE: No objection.

20 CHAIRMAN FAJT: Any comments from the Board?

21 May I have a motion, please?

22 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
23 move that the Board approve an Order renewing the
24 Manufacturer License of MicroFirst Associates, Inc., as
25 described by the Bureau of Licensing.

1 COMMISSIONER McCABE: Second.

2 CHAIRMAN FAJT: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN FAJT: Opposed?

5 Motion passes.

6 MS. HENSEL: The next matter for your
7 consideration is Key Employee Licenses.

8 Prior to this meeting, the Bureau of Licensing
9 provided you with a Proposed Order for five Key Employee
10 Licenses for employees at Philadelphia Park and Penn
11 National Hollywood Casino. I ask that the Board
12 consider the Order granting these Licenses.

13 MR. PITRE: No objection.

14 CHAIRMAN FAJT: Any questions or comments from
15 the Board?

16 Seeing none, may I have a motion?

17 COMMISSIONER McCABE: Mr. Chair, I move that
18 the Board issue an Order to approve the issuance of Key
19 Employee Licenses as described by the Bureau of
20 Licensing.

21 COMMISSIONER GINTY: Second.

22 CHAIRMAN FAJT: All in favor?

23 COMMISSIONERS: Aye.

24 CHAIRMAN FAJT: Opposed?

25 Motion passes.

1 MS. HENSEL: We also have routine withdrawal
2 requests for Key Employee Applications. In each case,
3 the Application is no longer required due to such
4 circumstances as the employee having accepted a job that
5 does not require a Key License, a job offer being
6 rescinded, or the employee failing to report to work.

7 Earlier this year, the Board delegated
8 Authority to the Director of Licensing to approve
9 routine Key Employee withdrawal requests provided that
10 the Director regularly presents a list of withdrawals to
11 the Board for approval.

12 For today's meeting, I have provided the Board
13 with a list of five withdrawals for approval and I ask
14 that the Board consider the Order approving those
15 withdrawals.

16 MR. PITRE: No objection.

17 CHAIRMAN FAJT: Thank you.

18 Any questions or comments from the Board?

19 If not, may I have a motion, please?

20 COMMISSIONER GINTY: Mr. Chairman, I move that
21 the Board issue an Order to approve the withdrawal of
22 the Key Employee Applications as described by the Bureau
23 of Licensing.

24 COMMISSIONER COY: Second.

25 CHAIRMAN FAJT: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN FAJT: Opposed?

3 Motion passes.

4 MS. HENSEL: The next matter for your
5 consideration is the issuance of Temporary Key Employee
6 Licenses to 118 individuals.

7 Prior to this meeting, the Bureau of Licensing
8 provided you with an Order regarding the issuance of the
9 Temporary Key Employee Licenses. I ask that the Board
10 consider the Order approving these Licenses.

11 MR. PITRE: No objection.

12 CHAIRMAN FAJT: Any questions or comments
13 before the Board?

14 May I have a motion, please?

15 COMMISSIONER COY: Mr. Chairman, I move that
16 the Board issue an Order approving the issuance of
17 Temporary Key Employee Licenses as described by the
18 Bureau of Licensing.

19 COMMISSIONERS ANGELI: Second.

20 CHAIRMAN FAJT: All in favor?

21 COMMISSIONERS: Aye.

22 CHAIRMAN FAJT: Opposed?

23 Motion passes.

24 MS. HENSEL: Next are Gaming and Non-Gaming
25 Permits and Registrations. Prior to this meeting, the

1 Bureau of Licensing provided you with a list of 589
2 individuals, including 366 initial and 223 renewals who
3 the Bureau has granted Occupation Permits to and 545
4 individuals who the Bureau has granted Registrations to
5 under the authority delegated to the Bureau of
6 Licensing. I ask that the Board adopt a motion
7 approving the Order.

8 MR. PITRE: No objection.

9 CHAIRMAN FAJT: Questions or comments from the
10 Board?

11 May I have a motion, please.

12 COMMISSIONERS ANGELI: Mr. Chairman, I move
13 that the Board issue an Order to approve the issuance of
14 Gaming Permits and Non-Gaming Registrations as described
15 by the Bureau of Licensing.

16 COMMISSIONER SOJKA: Second.

17 CHAIRMAN FAJT: All in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN FAJT: Opposed?

20 Motion passes.

21 MS. HENSEL: In addition, we have
22 Recommendations of Denial for one Gaming and two
23 Non-Gaming Employees.

24 Prior to this meeting, the Bureau of Licensing
25 provided you with Orders addressing these Applicants who

1 the BIE has recommended for denial.

2 In each case, the Applicant failed to request a
3 hearing within the specified time period. I ask that
4 the Board consider the Order denying the Gaming and
5 Non-Gaming Applicants.

6 MR. PITRE: We would support that.

7 CHAIRMAN FAJT: Thank you.

8 Questions from the Board?

9 May I have a motion?

10 COMMISSIONER SOJKA: Mr. Chairman, I move that
11 the Board issue an Order to approve the denial of Gaming
12 Permits and Non-Gaming Registrations as just described
13 by the Bureau of Licensing.

14 COMMISSIONER RIVERS: Second.

15 CHAIRMAN FAJT: All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN FAJT: Opposed?

18 Motion passes.

19 MS. HENSEL: We also have withdrawal requests
20 of Gaming and Non-Gaming Employee Applications. Like
21 the Key Employee Withdrawals discussed earlier, in each
22 case, the Occupation Permit or Registration is no longer
23 required due to a change in the employee's
24 circumstances.

25 For today's meeting, I have provided the Board

1 with a list of 48 withdrawals for approval. I ask that
2 the Board consider the Order approving those
3 withdrawals.

4 MR. PITRE: No objection.

5 CHAIRMAN FAJT: Any questions from the Board?
6 May I have a motion, please?

7 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
8 move that the Board issue an Order to approve the
9 withdrawal of Gaming and Non-Gaming Employee
10 Applications as described by the Bureau of Licensing.

11 COMMISSIONER McCABE: Second.

12 CHAIRMAN FAJT: All in favor?

13 COMMISSIONERS: Aye.

14 CHAIRMAN FAJT: Opposed?

15 Motion passes.

16 MS. HENSEL: In addition, we have three Orders
17 regarding Vendors. The first is to certify the
18 following ten Vendors: Alfa Video and Audio, Inc.,
19 Beverage Management Systems, Inc., DeAndera Brothers
20 Concrete Company, Inc., Eastern Time, Inc., Hale Trailer
21 Brake and Wheel, Inc., JP Phillips, Inc., Keppler's
22 Seafood, Inc., Phyllis Enterprises, Thermal Solutions
23 Contracting, LLC, and Varsity, Inc.

24 I ask that the Board consider the Order
25 approving these Vendors for Certification.

1 MR. PITRE: No objection.

2 CHAIRMAN FAJT: Questions or comments.

3 May I have a motion?

4 COMMISSIONER McCABE: Mr. Chairman, I move that
5 the Board issue an Order to approve the Applications for
6 Vendor Certification as described by the Bureau of
7 Licensing.

8 CHAIRMAN FAJT: Second?

9 COMMISSIONER GINTY: Second.

10 CHAIRMAN FAJT: All in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN FAJT: Opposed?

13 Motion passes.

14 MS. HENSEL: Next, the Bureau of Licensing
15 provided you with an Order and an attached list of 23
16 Registered Vendors. I ask that the Board adopt a motion
17 approving the Order registering these Vendors.

18 CHAIRMAN FAJT: Enforcement Counsel have any
19 objections?

20 MR. PITRE: No objection.

21 CHAIRMAN FAJT: Any questions from the Board?

22 May I have a motion, please?

23 COMMISSIONER GINTY: I move that the Board
24 issue an Order to approve the Applications for Vendor
25 Registration as described by the Bureau of Licensing.

1 COMMISSIONER COY: Second.

2 CHAIRMAN FAJT: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN FAJT: Opposed?

5 Motion passes.

6 MS. HENSEL: The Bureau of Licensing also
7 provided you with Orders, the approval of which would
8 result in the following eight Vendors being added to the
9 Prohibited Vendors List: Fisher Fire Protection, Energy
10 Propane, LLC, the Currant Group, Cringle Quaker City
11 Corporation, Pat Iodina Corporation, Pen Perry, Inc.,
12 Plus Relocation Services, Inc., and Tom Brown
13 Contracting.

14 These Vendors have done business with the Slot
15 Machine Operator, Licensee, or Applicant but have failed
16 to submit or complete an Application.

17 I ask that the Board consider the Orders adding
18 the named Vendors to the Prohibited Vendors List.

19 MR. PITRE: No comments.

20 CHAIRMAN FAJT: Questions from the Board?

21 May I have a motion.

22 COMMISSIONER COY: So moved.

23 COMMISSIONER SOJKA: Second.

24 CHAIRMAN FAJT: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN FAJT: Opposed?

2 Motion passes.

3 Susan, thank you.

4 MS. HENSEL: Thank you.

5 CHAIRMAN FAJT: Next up is Cyrus Pitre, our
6 Enforcement Counsel.

7 Cyrus?

8 MR. PITRE: We have one consent agreement today
9 to present for the Board. Would counsel for Movado
10 please come forward. Michael Roland will represent OEC
11 in this matter.

12 MR. ROLAND: Good afternoon, Mr. Chairman,
13 members of the Board. Mike Roland from the OEC.

14 I believe Movado Group is the last item that is
15 before you today. It is a Consent Agreement that is
16 proposed between Movado and the OEC.

17 A little bit of background, Movado Group, Inc.,
18 is a publicly traded company that manufactures
19 timepieces, primarily wristwatches.

20 They entered into a contractual agreement with
21 Downs Racing to sell some of those timepieces or provide
22 some of those timepieces.

23 On September 16th, 2008, Movado completed the
24 Vendor Registration as required under Section 437(a)(1).

25 In January of 2009, Movado was notified by our

1 Bureau of Licensing that there were some deficiencies in
2 its Application process.

3 On February 18th, 2009 Movado filed a Petition
4 with the OHA to withdrawal their Application, which was
5 then answered by the OEC through our Answer in New
6 Matter where we are not opposed to the withdrawal of the
7 Application. However, we asked that it be done with
8 prejudice because the Application had not been
9 completed.

10 There was actually a hearing that was scheduled
11 on May 20th of 2009. At both parties request, that
12 hearing was postponed so this Consent Agreement could be
13 presented before you today.

14 The Consent Agreement -- basically, the main
15 problem that I believe Movado ran into is the agreement
16 that they entered into with Downs Racing has already
17 been completed.

18 There is really no catalyst for them to
19 continue with the Application process. I believe they
20 probably grossed about \$50,000 over the course of this
21 agreement. I think it is just slightly over that, which
22 obviously is much closer to the \$15,000 threshold for a
23 Registered Vendor than it would be for the \$200,000
24 threshold for a Certified Vendor.

25 In light of that, they asked if possibly they

1 would be permitted to withdraw their Application without
2 prejudice with the assumption that they would not do
3 business in the Commonwealth for the next two years.
4 That means they would not conduct business nor reapply
5 for another License before you for a two-year period.

6 The OEC agreed that they could withdraw their
7 request without prejudice; and if in the future, Movado
8 then decided to do business again, they would have to go
9 through the Application process and would fully comply.

10 I believe they also agreed to pay off any fees
11 or any dues that may still be owed during the review of
12 their first Application process.

13 I know counsel is now available. I apologize.
14 I have not yet met him; but certainly, if you have any
15 questions for myself, I would be more than happy to take
16 those at this point.

17 CHAIRMAN FAJT: Any questions for Mike from the
18 Board?

19 COMMISSIONER SOJKA: This is a day in which we
20 have worried a great deal about clarifications. I want
21 to make sure I understood that completely.

22 The two-year prohibition would not be against
23 doing business in Pennsylvania but only with Licensed
24 Slot Operators in Pennsylvania?

25 MR. ROLAND: That is correct.

1 COMMISSIONER SOJKA: I assume that also means
2 only those located within the confines of the borders of
3 Pennsylvania regardless of their corporate structure?

4 MR. ROLAND: That is correct.

5 CHAIRMAN FAJT: Just for purposes of the
6 record, if you could please introduce yourself?

7 MR. FIKRY: Good afternoon, Mr. Chairman,
8 members of the Board. My name is Eric Fikry, F-i-k-r-y,
9 representing Movado.

10 CHAIRMAN FAJT: Thank you.

11 Any questions for Mr. Fikry?

12 Okay. Could I have a motion, please?

13 COMMISSIONERS ANGELI: Mr. Chairman, I move
14 that the Board approve the Consent Agreement between OEC
15 and Movado Group, Incorporated.

16 COMMISSIONER SOJKA: Second.

17 CHAIRMAN FAJT: All in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN FAJT: Opposed?

20 Motion passes.

21 MR. PITRE: That concludes our business.

22 CHAIRMAN FAJT: Thank you.

23 Thank you, Mr. Fikry.

24 That concludes our meeting. Looking ahead, the
25 Board will hold its next Public Meeting on Friday,

1 August 28th at 10:00 a.m. Note the change in our normal
2 day. That is a Friday, as I said, in the North Office
3 Building, Hearing Room 1.

4 We will have an Executive Session on Thursday,
5 August 27th, 2009 at 3:00 p.m. in the offices of the
6 Gaming Control Board.

7 In other business, I would like to also
8 announce a Public Hearing regarding the Application for
9 renewal of the License for Mohegan Sun at Pocono Downs
10 Casino.

11 That Public Hearing will take place in Plains
12 Township Municipal Building No. 2 located at 50 Second
13 Street behind the firehouse in Plains Township.

14 The hearing date is August 19th at 10:00 a.m.
15 Public comment, both oral and written, will be accepted.
16 A special link will be set up on our website to register
17 any residents, community groups, or elected officials
18 that wish to present testimony at that hearing.

19 Additionally, those who cannot attend but would
20 like to submit written comments for the record can do so
21 prior to the hearing.

22 Written comments can be submitted by using the
23 same link or by mailing the comments to the Pennsylvania
24 Gaming Control Board in care of Mickey Kane, Board
25 Secretary, P.O. Box 69060, Harrisburg 17106.

1 The record created at this hearing will be
2 forwarded to the full Board for its review and
3 consideration at a future Board meeting.

4 Any final comments or questions from the Board?

5 If not, may I have a motion to adjourn?

6 COMMISSIONER COY: So moved.

7 COMMISSIONER RIVERS: Second.

8 CHAIRMAN FAJT: The meeting is adjourned.

9 Thank you.

10 (The meeting concluded at 12:52 p.m.)

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

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Hillary M. Hazlett, Reporter
Notary Public

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