

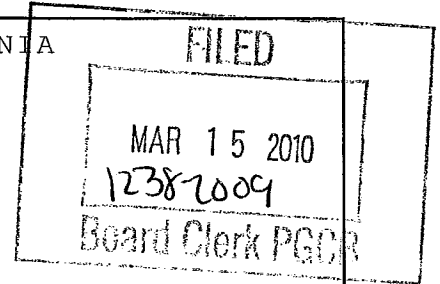
COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC HEARING

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BEFORE: LINDA LLOYD, PRESIDING OFFICER
KENNETH I. TRUJILLO, MEMBER

HEARING: Wednesday, February 3, 2010
10:08 a.m.

LOCATION: Bethlehem Town Hall
10 East Church Street
Bethlehem, PA 18018

WITNESSES: Mayor John Callahan, Robert DeSalvio,
Holly Eicher, Fred Kraus, Jeff Parks, Nan Davenport,
John Evans, Nanette Horner, Gerald Stoll,
Katie Higgins, Michael Rosenberry, Olga Negrón,
Roger Hudak, Donna Taggart, Lisa Witomski

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P R O C E E D I N G S

PRESIDING OFFICER:

Good morning, everyone. My name is Linda Lloyd, and I'm the Presiding Officer assigned by the Board today for this portion of the license renewal hearing for Sands Bethworks Gaming, LLC, referred to as the Sands. Before we begin, if everybody could turn off or turn to vibrate their cell phones, Blackberries, that kind of thing, please.

As a Presiding Officer, I call this hearing to order. The date is February 3, 2010, and the time is 10:08. The location is the Bethlehem Town Hall, 10 East Church Street, Bethlehem, Pennsylvania, 18018. This license renewal hearing is convened by the Pennsylvania Gaming Control Board pursuant to the authority found in Section 1326 (b) of the Gaming Act and the Board's regulations at 58 Pa.C.S. 4918.8. This public hearing was advertised on the Board's website, was announced at prior Board public meetings and was advertised in local newspapers.

We have one Board member present here today for the hearing, Commissioner Trujillo, sitting behind Office of Enforcement Counsel's (OEC) counsel table. The Board would like to thank, and its staff

1 would like to thank the City of Bethlehem and its
2 staff for making this space available today for this
3 hearing.

4 We'll begin the hearing today with some
5 comments from Mayor Callahan. And after he is
6 finished with his comments, we will then turn to the
7 Sands for their presentation. After the close of the
8 Sands' presentation or at the end of each of their
9 witnesses' testimony, whatever the preference is of
10 OEC Counsel, they will have the opportunity to cross
11 examine the witnesses. Redirect will be permitted and
12 so forth until all the parties are satisfied that the
13 all the questions have been asked and answered. After
14 Sands has concluded its presentation, the OEC will
15 make its presentation, again with opportunity for
16 Cross Examination and Redirect until all questions are
17 asked and answered.

18 After close of the testimony and evidence
19 from both parties, those individuals who have
20 registered to speak today at the hearing during the
21 public comment period will be heard as their name is
22 called. Elected officials will have approximately ten
23 minutes. Representatives from community groups will
24 have approximately five minutes, and individuals will
25 have approximately three minutes to speak. Following

1 the close of the public comment period, Sands and OEC
2 will have the opportunity to each provide a short
3 closing statement. This is an official administrative
4 hearing, so please treat this as if you were attending
5 a court proceeding. All witnesses please speak loudly
6 and clearly into the microphone, so that our recording
7 equipment will be able to record your voice and so
8 that others here can hear what you have to say. And
9 also if the spectators can refrain from making loud
10 noises so our recording equipment picks up the
11 speakers, we would appreciate that. So, let's begin
12 by having all the witnesses from Sands, the OEC and
13 the Mayor please stand to be sworn in.

14 -----
15 WITNESSES SWORN EN MASSE
16 -----

17 PRESIDING OFFICER:

18 So, we begin with the comments from the
19 Mayor.

20 MAYOR CALLAHAN:

21 Good morning. And I want to thank you
22 all for allowing me the opportunity to speak today. I
23 welcome everybody to the City of Bethlehem and to Town
24 Hall. I see we cued up just the right amount of snow
25 to create the bright, picturesque setting for this

1 morning's proceedings. The last time that I addressed
2 this body, the issue of where a standalone license
3 would go hung in the balance. Sands developed a
4 proposal promising to design and construct a resort
5 that would honor Bethlehem's industrial heritage and
6 set the stage in the standard by which all regional
7 casino projects would be judged. They pledged that if
8 awarded the license their resort would transform an
9 old steel mill into a new and vibrant multi-use
10 commercial destination that would attract people from
11 all over the east coast.

12 As Mayor, backing the construction of a
13 casino was not an easy decision. And initially it was
14 met with some uncertainty in the community. However,
15 I think it's safe to say that once the Sands laid out
16 its vision, the community rallied to support the
17 project. It was clear that the resort would become a
18 catalyst to help Bethlehem realize its larger
19 community vision of breathing new life into old steel.

20 Today, I'm asking that the Sands license
21 be renewed. Financially, the casino has been a
22 success, steadily performing as the State's third
23 busiest casino. The benefits of the project for the
24 entire Lehigh Valley cannot be overstated. The host
25 fee alone is helping to stabilize the budgets for

1 Allentown and Bethlehem along with two counties. The
2 Northampton County Gaming Authority is in place and
3 preparing to dispense a portion of the county funds in
4 the form of grants to two contiguous municipalities
5 for specific projects. And once table games are up
6 and running, the city of Easton will also share in
7 those host fees. The local revenue sharing agreement
8 is, I believe, one of the finest examples of regional
9 cooperation in the state and will be seen in the
10 future here in this community as a watershed moment
11 for government cooperation in the Lehigh Valley.

12 More importantly, for individuals
13 throughout the Lehigh Valley, this project created
14 hundreds of much needed construction jobs built under
15 a Project Labor Agreement. When it opened in May, it
16 generated about 1,000 direct jobs, jobs that were
17 needed to operate the property and produce the
18 opportunity for hundreds of indirect jobs, to provide
19 ancillary support for the property at a time again
20 when the people of the Lehigh Valley desperately
21 needed them. And now table games, we hope and we
22 anticipate, will bring even more new jobs.

23 The over \$750 million investment that the
24 Sands made in an old ore pit of the steel site, the
25 most difficult portion of the Brownfield site to

1 construct, is truly remarkable. It is a first class
2 casino. The building honors Bethlehem's tremendous
3 industrial heritage, and the quality of the
4 construction certainly matches the pledge of the Sands
5 to deliver a casino for the Commonwealth by which all
6 others would be judged. Unlike in many instances when
7 a casino is introduced into a community and it seems
8 sort of out of place, almost like a spaceship that
9 landed from a different planet and doesn't relate at
10 all to the community around it, the Sands Bethlehem
11 casino blends in flawlessly with the buildings on the
12 site, relating both in scale and in style. So much so
13 that some visiting the casino for the first time
14 wonder whether the building is, in fact, a remnant of
15 an old machine shop rehabilitated as a part of the
16 project.

17 The Sands has also been an excellent
18 addition to the Lehigh Valley as a corporate citizen.
19 The company donates to the local charities and is a
20 major sponsor of Musikfest. They provided land to
21 ArtsQuest, the National Museum of Industrial History
22 and PBS 39 to help further their projects on the site.
23 They've also entered into a cooperation agreement with
24 Northampton Community College for job training and
25 workforce development. They have lit the old blast

1 furnaces and have even helped to complete a portion of
2 the Greenway in Bethlehem. All of these efforts were
3 above and beyond and should be commended, and I
4 anticipate that Sands and I hope that Sands will
5 continue to be an excellent corporate citizen in the
6 community.

7 With the Sands investment in the
8 property, what was once a community dream finally has
9 the potential to become a reality. For its part, the
10 City works with the Sands to ensure the land
11 development process moved seamlessly, especially when
12 the Sands asked to move up the opening date, something
13 that we were all happy to oblige. While the
14 construction was underway, the City worked to maximize
15 the potential positive impacts of the project and
16 minimize any potential negative consequences. Not
17 only did the City ensure that there was proper
18 infrastructure like sewer, water and road networks in
19 place to accommodate the additional visitors, but the
20 City also hired additional police officers and fire
21 fighters to ensure that city services were not
22 impacted upon the opening of the new casino. These
23 proactive steps have paid off. Even with the
24 increased visitors to the City brought by the casino,
25 crime has actually dropped again this year in the

1 City, marking the third straight year that crime is
2 down in Bethlehem. In fact, violent crime is down 19
3 percent overall in 2009 and overall crime fell by nine
4 percent.

5 But this project was sold to the
6 community and to you as so much more than a slots
7 parlor. The approved plan included a mall, convention
8 space and a hotel with the casino as a mere component
9 of this destination resort. The overall vision of the
10 project was a major reason why I and the community
11 supported it. And it is important to remember that
12 all of these promises were made long before table
13 games were even a possibility. In fact, when the
14 application was made it was never a foregone
15 conclusion that table games would come at all.

16 Today, when asked about the timing for
17 restarting construction, we often hear about frozen
18 credit markets and debt covenants. All of which are
19 true, but Bethlehem, its residents and the Gaming
20 Control Board deserve a more definitive answer to the
21 question about when the construction of the resort
22 will restart. The answer is especially frustrating
23 when the Miami Herald is reporting that Las Vegas
24 Sands is positioning itself potentially to construct a
25 \$3 billion resort in Miami, Florida.

1 What I'm asking for is I'm asking the
2 Gaming Control Board to use this opportunity to set a
3 firm timeline for restarting construction on the
4 unfinished portion of the project. At this point, it
5 is my belief that you are the governmental entity in
6 the best position to put pressure on the Sands to
7 complete the project. As you well know, Bethlehem and
8 the State invested a great deal in this project, as
9 did the Sands, and are entitled to a firmer timetable
10 for restarting construction. Today, the City's
11 non-profits, ArtsQuest, the National Museum of
12 Industrial History and PBS are moving forward their
13 projects along with the City to revitalize the western
14 portion of the site, yet the Sands project is stalled
15 with no plan in place to complete it.

16 With the recent legislation of table
17 games, setting a definitive timeline should be easier.
18 Both the owner of the parent company and the president
19 of Sands Bethlehem have remarked that table games
20 would re-start the project. In fact, at the grand
21 opening of the slots portion of the project back in
22 June, Sands Chairman and CEO noted to the Governor
23 that if permitted to construct an integrated resort
24 that included table games, the Sands would not only
25 complete the 300 rooms, but would expand the project

1 to include an additional 600 to 1,000 rooms with
2 additional resort amenities that would benefit
3 everyone, the City, the State and the Sands.
4 Bethlehem is not asking for 1,000 hotel rooms. We are
5 simply asking that the Sands live up to its commitment
6 to you and to Bethlehem to finish the project.

7 The Sands promised us much. In the last
8 year, some of those promises have certainly turned
9 into real economic investment and new jobs. But I
10 think we all recognize that all of those commitments
11 have not been fulfilled. Completing this project will
12 create more jobs and more economic investment, both of
13 which are sorely needed. And until construction is
14 restarted, I'm asking that you, the Gaming Control
15 Board, would provide the City a monthly status report
16 that would summarize the Financial Suitability Task
17 Force meetings that you hold with the Sands discussing
18 restarting the stalled project.

19 I promised you and more importantly the
20 residents of the City of Bethlehem that if you awarded
21 the license to Sands, the project when completed would
22 make us all proud. It would be the one project that
23 everyone in Pennsylvania could point to and say that
24 this is why we approved gaming, that Bethlehem and the
25 Sands got it right. I'm certainly proud of what's

1 been accomplished thus far. I have not lost faith in
2 Sands' ability to deliver on its promises, which is
3 why I certainly support the renewing of the license
4 for this project. And I want to be clear; I do
5 support the renewal of the license. But I want to see
6 the job finished, as they do, and more jobs created as
7 soon as possible.

8 We have a lot of work left to do to make
9 sure that this project lives up to its promise, and I
10 want to do everything in my power to ensure that it
11 does and I know that you do as well.

12 So I appreciate being here, and I
13 appreciate the opportunity to address the Board.
14 Thank you.

15 PRESIDING OFFICER:

16 Thank you very much. I noticed you were
17 reading. If you'd like to leave your written comments
18 with us, that would be helpful for transcription. And
19 to that end, we are going to take a minute or two for
20 our audio/video person to check the recording.

21 SHORT BREAK TAKEN

22 PRESIDING OFFICER:

23 The President of the City Council of
24 Bethlehem, Mr. Robert Donchez, he wanted to speak
25 today, but he was ill. So he has submitted his

1 comments for the record. If OEC or the Sands --- do
2 you have any objection to these two hearing exhibit?

3 ATTORNEY DAVENPORT:

4 No objection.

5 PRESIDING OFFICER:

6 Then we will move on with the Sands'
7 presentation.

8 MR. DESALVIO:

9 Good morning, Director Lloyd. And good
10 morning, Commissioner Trujillo. Thank you for coming
11 out today. My name is Robert DeSalvio. I'll spell it
12 for the record. It's Robert D-E, capital S-A-L-V-I-O.
13 I am President of the Sands Casino Resort in
14 Bethlehem. And I'm actually joined today by Fred
15 Kraus, who I'm sure many of you know as our corporate
16 counsel from Las Vegas, and Holly Eicher, our general
17 counsel here in Bethlehem. Thank you for members of
18 the public that came out to witness this hearing, and
19 we really appreciate the opportunity to talk about the
20 history of our project and how the Sands has
21 integrated into the community. And I know, Director
22 Lloyd, you have a copy of this. You can follow along,
23 because we're going to be working off the PowerPoint
24 behind you.

25 Just a brief history about the Sands in

1 Pennsylvania. We were awarded our gaming license back
2 in December 20th, 2006. And that followed shortly
3 thereafter, May 14th of '07, with the ground breaking
4 in Bethlehem. The project, as you can see from our
5 timeline, took nearly two years to complete. We
6 opened on May 22nd. That was after two successful
7 test days during that week. And the initial phase of
8 the project included 3,000 slot machines, electronic
9 table games, four restaurants, including Emeril
10 Lagasse's first restaurant in the northeast, two bars,
11 including an entertainment lounge. We immediately
12 began construction on and expansion right after our
13 initial opening in May. And we were allowed to expand
14 the casino portion six months after the original
15 opening. So on November 22nd, 2009, we added two
16 additional restaurants, including Emeril Lagasse's
17 first-ever burger restaurant, and we brought in the
18 Carnegie Deli from New York City, both of those which,
19 by the way, have proven to be extremely popular. We
20 added another lounge called Infusion, and the Board at
21 that time granted us the right to bring in an
22 additional 250 slot machines on the floor.

23 A little bit about our company, Las Vegas
24 Sands Corp. We're the leading international developer
25 of multi-use integrated resorts. The company is based

1 in Las Vegas, Nevada. And we have the Venetian Resort
2 Hotel and Casino, the Palazzo Resort Hotel and Casino,
3 the Sands Expo Center all in Las Vegas. We have the
4 Venetian Macao Resort Hotel that was opened in Macau.
5 The Sands Macau also in the People's Republic of China
6 Special Administrative Region of Macau, the Four
7 Seasons Hotel Macao. We are currently developing the
8 Marina Bay Sands integrated resort in Singapore, and
9 it's scheduled to open sometime this year, and of
10 course the project here in Bethlehem.

11 The next slide shows you a graphic, a
12 little bit about the company. From any of you that
13 have been in Las Vegas, our property is quite an
14 iconic structure on the strip. You see it on the top
15 left-hand corner. And below that you see the Sands
16 Macau. Below that you see the Palazzo, which was
17 opened in 2007 as a complement to the Venetian right
18 next door on the Las Vegas strip. On the top
19 right-hand side of the slide, it's a rendering of the
20 Marina Bay Sands which, as I mentioned, will open this
21 year. Below that, the Four Seasons Macao which opened
22 in 2008. And the bottom right-hand side of the slide
23 is the Venetian Macao which is very similar, as you
24 can see, to the property that we have on the Las Vegas
25 strip, and that project opened in 2007.

1 The question we're asked quite a bit is,
2 why did we choose Bethlehem as our preferred location
3 for our project. Well, there are a number of reasons,
4 including a large local population, over 800,000
5 people that are over 21 within a 25-mile radius. It's
6 the third largest metropolitan area in the
7 Commonwealth; that is the Lehigh Valley. Access to
8 northern New Jersey and New York markets were only 81
9 miles from the City. Twenty-one (21) million people
10 live within 100-mile radius of our facility. As you
11 heard this morning from Mayor Callahan, we have the
12 support of the local government and the community.
13 The site is incredibly unique, the iconic Bethlehem
14 Steel site. It was really an honor and a privilege
15 for our company to help participate in, really, the
16 country's largest Brownfield redevelopment site, as
17 the Mayor had mentioned. And also this area was
18 highly popular in tourism long before the Sands
19 arrived here. Tremendous roots here with the
20 Musikfest, with just a number of different events that
21 happen throughout the area. They've got a Bach
22 Festival here that's over a hundred years old, and
23 it's a wonderful region for tourism.

24 The next slide shows actually what we
25 have currently built. You can see on the right-hand

1 side of the slide is our parking garage. We left the
2 iconic ore crane out in front of the property which
3 hosts the Sands sign. Immediately to the left of the
4 garage is the casino structure. The site is
5 intersected by the road bridge called the Minsi Trail
6 Bridge. And then on the left-hand side of the bridge
7 on this slide is the shell of the retail mall which
8 has been completed from the outside and the shell of
9 the ten-story hotel and the event center which stand
10 behind the mall portion of the building.

11 On the next slide we move inside of the
12 casino floor, show some slides of the floor itself.
13 The casino is almost three football fields large,
14 139,000 square feet, again, opened in May of 2009 with
15 3,000 machines, electronic table games. We added the
16 additional slots, as I mentioned, in November, as well
17 as some additional electronic table games.

18 The next slide depicts Emeril's Chop
19 House. We've been very pleased with the results of
20 the affiliation we have with Emeril. We've been
21 working with Emeril in Las Vegas for over ten years.
22 His steakhouse here is already widely acclaimed. It
23 was his first restaurant in the northeast. It opened
24 the day that we opened, and it accommodates 230
25 guests.

1 The next slide shows our St. James Gate
2 Irish Pub concept that was created by our culinary
3 team. It opened, again, on day one, May 22nd. It has
4 150 seats. It has traditional pub fare, roasted
5 meats, carvery and features live entertainment on four
6 nights a week and also has been extremely popular.

7 The Cobalt Café, it's our 24-hour coffee
8 shop type operation. It's got a wide selection of
9 cuisine. It's open, as I mentioned, 24 hours. It
10 also has a buffet option, and it's operated by a local
11 Lehigh Valley entrepreneur who is excited to join our
12 team and open a restaurant at the property.

13 The Market Gourmet Express is our food
14 court style operation. It's run by Villa Enterprises.
15 Villa's based in New Jersey and has about 300
16 locations around the company (sic). They're a
17 nationwide operator and an international operator of
18 food courts. We seat 330 guests. We have stations
19 for everything from coffee and pastry, smoothies,
20 Italian station, hamburgers, Asian sushi style wraps,
21 so it's got quite a large complement of items for our
22 guests.

23 Next is the Molten Lounge. It features
24 live entertainment on most nights or a DJ. That
25 opened on day one. It accommodates 133 guests, and we

1 have some really neat specialty drinks that we feature
2 in that.

3 Coil Lounge also opened on day one. It's
4 a lounge that really acts as our center meeting
5 location in the casino. It's got 123 seats, has some
6 gaming equipment in the bar area, and it features
7 specialty cocktails.

8 The next slide depicts Burgers and More
9 by Emeril. It was his first restaurant concept,
10 opened November 22nd when we expanded the casino. It
11 accommodates 90 guests, and it's got really a unique
12 concept of a build-your-own-burger, create-a-burger,
13 been very widely acclaimed and has received great
14 response from our guests.

15 And also the Carnegie Deli opened as part
16 of the expansion on November 22nd, seats 150. There
17 are the famous eight-inch-high sandwiches which are
18 tough for one person. We have a lot of people that
19 share or take them home. We do a lot of takeout
20 business. It's only one of three locations in the
21 country for the Carnegie Deli.

22 Also, on November 22nd, we opened the
23 Infusion Lounge. It's more of an ultra-lounge, a
24 little bit different. We wanted to create three
25 different lounge opportunities and different styles

1 for our guests, also have been well received. It
2 accommodates about 58 guests, a little smaller than
3 our other lounges.

4 Sands & Company is our homegrown gift
5 shop location right inside the main entrances, has a
6 wide variety of merchandise, everything from Emeril
7 Lagasse books and cookware to local items that we got
8 from local vendors, saluting the history of Bethlehem
9 to traditional logo wear and gift items, very popular.
10 We do significant numbers through that gift shop.

11 Slide 18 features our parking operation.
12 We have a public garage. It has 3,400 covered spots.
13 A surface lot for 1,300 cars, and we have valet
14 parking available 24 hours a day. This particular
15 shot was taken from the north side to give you an idea
16 of the expansiveness of the surface lots in the garage
17 in the top left-hand side of the slide.

18 Traffic and road improvements, we spent
19 over \$20 million investing in the infrastructure in
20 and around our property. We expanded Route 412 to
21 four lanes, as you can see depicted in the slide. We
22 built the internal roadways. There is three different
23 entrances into the property. We installed new traffic
24 signals, and we're continuing to do work this spring
25 as finish all of the roadwork. Some minor work

1 remains to be done on some resurfacing work and the
2 finish up of the expansion of Minsi Trail Bridge that
3 connects to 412. So we think a very significant
4 investment was made in local infrastructure to ease
5 traffic in and out of the property.

6 A little bit about what the casino has
7 had as far as local impact. This slide depicts the
8 tax revenue generated through December 31st from our
9 opening. It grand totals \$81 million, and it's spread
10 according to the legislative formula, with 34 percent
11 going to the State and then various local and County
12 portions, as well as money going into the Race Horse
13 Development Fund and the Economic Development Fund; so
14 a very significant \$81 million in the half year that
15 we were open.

16 Jobs created, as mentioned by the Mayor
17 earlier, about 1,000 construction jobs with a
18 Pennsylvania contractor comprising over 75 percent of
19 that list, and then hundreds of casino positions with
20 over 90 percent coming from the Lehigh Valley. We are
21 an equal employment casino. We are committed to equal
22 employment opportunity. Minorities represent over 20
23 percent of our workforce, and we compare very
24 favorably to the census data in our local community.
25 Pennsylvania residents have accounted for over 96

1 percent of our team members, and women make up about
2 45 percent of our workforce. We are also an equal
3 business opportunity casino. We've worked on
4 partnerships with the Community Action Committee of
5 the Lehigh Valley to assist minority and women-owned
6 businesses with their state certification process, so
7 we can buy goods and services from them. And we've
8 participated in regional minority and women-owned
9 business job fairs. And our purchasing department is
10 actively involved with these job fairs, and we've
11 attended them both in Philadelphia and in Harrisburg.

12 A hallmark of our company is our
13 commitment to response for gaming. I want to take the
14 opportunity to highlight a couple rewards that we have
15 received. We were awarded the Corporate Social
16 Responsibility Award by the National Council on
17 Compulsive Gambling for our demonstrated outstanding
18 commitment to social responsibility. And the
19 Pennsylvania Council on Compulsive Gambling presented
20 the Sands Casino Resort Bethlehem with the first-ever
21 gaming award in recognition for outstanding commitment
22 to responsible gaming outreach and education. We've
23 conducted a significant amount of workshops. We've
24 offered level-one, level-two problem gambling
25 treatment training for the community. They were

1 conducted by trainers through the Pennsylvania
2 Council. We picked up all the costs associated with
3 that series. Approximately 900 people have attended
4 and received continuing education credits, and we've
5 offered these programs in '06, '07, '08 and '09 in
6 Advanced Problem Gambling Treatment series and a
7 faith-based series. And Spanish-speaking series were
8 held with about 500 attendees in total. So I think
9 this slide really demonstrates our strong commitment
10 to the responsible gaming programs.

11 Relationship with the local law
12 enforcement, we have an excellent working relationship
13 with the Pennsylvania State Police, the City of
14 Bethlehem Police Department, fire and EMS and the
15 Northampton County District Attorney's Office. As you
16 heard the Mayor mention this morning, the City of
17 Bethlehem has reported that the impact on the
18 municipality related to the casino opening in the area
19 of crime has been minimal. We've worked with the
20 City's planning and coordinating efforts in advance of
21 the casino opening. And the City of Bethlehem recently
22 reported that crime of all types have decreased from
23 '08 to '09. As a matter of fact, this is represented
24 on slide number 25, and I think the Mayor actually has
25 more recent numbers. Last week in the paper they

1 announced the full year numbers, which also showed a
2 significant decrease in crime. So these particular
3 stats were the January to June, and I think since then
4 the remainder of the year has been released. And it's
5 certainly good to see that crime is on a downward
6 trend in our particular area.

7 Our involvement with the local community,
8 the Sands continues to support various local
9 non-profits, fundraising, food drives, charitable
10 donations, adopting families at the holidays and
11 volunteering. We're a proud sponsor of the Boy
12 Scouts. The mayor mentioned earlier, and I think
13 you're going to hear later from Jeff Parks from
14 Musikfest, we are the primary sponsor of the main
15 stage of Musikfest every year and do a number of other
16 programs affiliated with ArtsQuest. We've established
17 the satellite human resource office locations
18 throughout the Lehigh Valley. We were doing a
19 significant amount of hiring, and we worked in
20 conjunction with the Community Action Committee, the
21 south side branch of the library, the
22 Hispanic-American Organization and Project Easton.
23 Also, in the community we're involved in job
24 orientation workshops, again, with CACLB. And these
25 were important because we had to explain to the

1 community what it was like to work in the gaming
2 industry and what processes they had to go through in
3 order to get licensed appropriately for jobs here. So
4 as a new industry, it's important to help the local
5 community through the process of how you get hired for
6 a job.

7 Our team members serve on the following
8 Boards: the Lehigh Valley Industrial Park, the
9 Northampton Community College Foundation, ArtsQuest,
10 PBS, the CVB and the Lehigh Valley Economic
11 Development Corporation. We are working, as the Mayor
12 mentioned as well, with Northampton Community College.
13 The college recently expanded its hospitality programs
14 due to its affiliation with us. And the fact that
15 many of the students want to come to work at the Sands
16 after their training programs, they've expanded their
17 customer service training programs. And right now,
18 they are in the process of helping us get it set up
19 with dealer schools, so we can have dealers trained
20 through the community college as part of the table
21 games operation.

22 An example of some of our charitable
23 donations is on slide 28. In our test night alone, we
24 raised \$118,000 for 15 local charities that are
25 represented on the slide here. And we try to reach a

1 really good cross section of the community all
2 throughout the Lehigh Valley as part of our, not only
3 our test nights, but as part of our ongoing charitable
4 donations in the community.

5 Slide 29 talks about our community
6 partner projects, and it shows, you know, we have 124
7 total acres that are part of the project. And work
8 has already begun on the ArtsQuest portion of the
9 project, and I know Jeff Parks will speak about that
10 later. So it's great to see the western part of the
11 site has already been energized and work started. But
12 in this slide you can see the location of these future
13 projects, the festival center, the festival plaza, the
14 new Bethlehem visitor center, the music pavilion,
15 broadcast center and the 21st Century Town Square. To
16 tell you a little bit more about that --- and I'll
17 just do this briefly, so I won't steal Jeff's thunder.
18 The SteelStacks projects, the Mayor mentioned we've
19 already donated four acres of land to ArtsQuest.
20 They've started construction. That campus will
21 include a performing arts center with a 450-seat
22 theatre, a large community function room, a couple
23 large-screen cinemas and a music pavilion and a
24 festival center in its second phase.

25 On slide 31 we are working closely right

1 now with PBS 39, and we're hoping at some point this
2 year to go to closing with their parcel and for their
3 construction to begin immediately adjacent to the
4 SteelStacks and the ArtsQuest project. They're going
5 to feature two new television studios that will be
6 adjacent to the performing arts center. And the
7 29,000 square foot public broadcast center will link
8 the Lehigh Valley's 21st Century Town Square, and it's
9 a combination of broadcasting, performing arts,
10 education and really an intersection of technology,
11 education and celebration of the community.

12 On slide 32 we show before and after
13 photos of the National Museum of Industrial History.
14 It's really quite amazing. As you go down Third
15 Street, you see one of the old Bethlehem Steel shops
16 completely renovated on the exterior. I know the
17 museum is currently working on the remainder of their
18 project, which will include the interior fit out and
19 the installation of its exhibits. And they're hoping
20 for a mid-2011 opening of what will be about a
21 \$26 million project.

22 And on the next slide, slide 33, there's
23 mention of the Steelworkers Archives. We've provided
24 space within our casino building for the Steelworkers
25 Archives. The goal of the Archives is to create a

1 permanent community center on the south side of
2 Bethlehem for the preservation of the history of the
3 steelworkers, their rich heritage, diverse cultures,
4 their struggles and accomplishments. The Archives
5 will collect and safeguard artifacts, memorabilia,
6 documenting the extraordinary lives of the men and
7 women who toiled to create steel. They also do video
8 and audio recordings, and visitors will be able to
9 search records and learn about family members who
10 worked at the steel. So they're already up and in
11 operation and just located down the hall from our
12 offices, and it's great to have their presence in the
13 building.

14 And the last slide talks about future
15 development projects on the site. The City of
16 Bethlehem is currently working on the final plans for
17 their project to take the industrial stock house. It
18 was one of the first sites and buildings on the site.
19 It was originally opened in 1863. They want to do an
20 adaptive reuse of that building as part of the visitor
21 center, and that will be operated in conjunction with
22 the Convention and Visitors Bureau. The 21st Century
23 Town Square, that's the plaza that faces the blast
24 furnaces, will be a community outreach location for
25 celebrations, musical events and festivals. The

1 SteelStacks Plaza, it's the land between the blast
2 furnaces and First Street would open up as a new area
3 for outdoor music concerts and a music pavilion and a
4 festival plaza, located between the festival center
5 and the visitors' center at the western end of the
6 site.

7 So with that, that concludes our formal
8 portion of the presentation and, again, on behalf of
9 everyone at the Sands, locally and Las Vegas Sands, we
10 want to thank the staff, the Gaming Control Board who
11 worked with us during this process of the renewal,
12 Director Lloyd, and again, thank you to Commissioner
13 Trujillo for coming out today.

14 PRESIDING OFFICER:

15 Thank you. OEC, do you have any
16 questions for Mr. DeSalvio?

17 ATTORNEY DAVENPORT:

18 We do. Thank you. Good morning. Nan
19 Davenport, Deputy Chief Enforcement Counsel for the
20 OEC. Has any of Sands' affiliates ever been found
21 unsuitable in any of the gaming jurisdictions?

22 MR. DESALVIO:

23 No.

24 ATTORNEY DAVENPORT:

25 And as you know, the recent amendments to

1 the Gaming Act prohibits anyone under the age of 21
2 from entering the gaming floor and from wagering,
3 playing or attempting to play a slot machine or table
4 games. This differs from the original Act, which
5 permitted somebody from the age of 18 to 21 to be on
6 the floor but not to game. How do Sands Casino
7 employees enforce this prohibition?

8 MR. DESALVIO:

9 Well, currently, our position at the
10 casino today is that we don't allow persons under the
11 age of 21 to come into the building at the main
12 entrance, with one notable exception. And that is we
13 have two restaurants in our property today that are
14 currently located on the underage pathway that leads
15 from our main entrance to those two restaurant
16 locations. And anyone under the age of 21 is only
17 allowed to pass through the building in that area with
18 a security escort present. So they're allowed to ---
19 and those restaurants, by the way, are the Emeril's
20 Chop House and the Carnegie Deli. So we do get a lot
21 of family requests, in particular for Emeril's Chop
22 House, whether it's special event occasions, weddings,
23 graduations. But we only allow somebody under 21 to
24 come into the building. They get stopped at the door.
25 They have a security escort. They have to stay on the

1 designated underage pathway, go to the restaurant
2 location. And when they leave, they are escorted back
3 out to the main entrance. That is the only time when
4 somebody's who's under the age of 21 is allowed to
5 enter the building, per se.

6 ATTORNEY DAVENPORT:

7 Do the employees use scanners to scan the
8 identification for individuals that are attempting to
9 enter the gaming floor to make sure that they are over
10 21 years of age?

11 MR. DESALVIO:

12 Yes, they do. We have two main
13 entrances. Security is permanently located at both
14 those entrances. The guards there are equipped with
15 portable electronic devices. The IDs are scanned and
16 through the national network, they're able to tell
17 immediately whether or not a license is, in fact,
18 valid or invalid.

19 ATTORNEY DAVENPORT:

20 Okay. And with respect to table games,
21 when does Sands intend to file their petition to
22 request authorization to conduct table games?

23 MR. DESALVIO:

24 We are currently working on the petition,
25 since we were given the guidelines recently at a

1 meeting in Harrisburg. We have assembled a large
2 portion of what we need. We're not quite there yet.
3 We're trying to get those last pieces in place and
4 then get it in as quickly as possible. I couldn't
5 give you a specific date. For example, we're working
6 on the floor plans. We're waiting to get those back
7 from the architect. There are some other pieces that
8 we're currently working on, but we're trying to get
9 that out the door as quickly as possible.

10 ATTORNEY DAVENPORT:

11 What is Sands' plans with respect to
12 incorporating table games into its existing footprint
13 or expanding the facility?

14 MR. DESALVIO:

15 We currently plan to add the table games
16 on the existing approved gaming floor. So no
17 additional casino space will be required to be built,
18 and we will not be approaching the Gaming Control
19 Board with any request to actually expand the
20 footprint of the gaming floor. Our November 22nd
21 expansion gave us sufficient room to add table games
22 into the existing facility. So our plan is to go
23 ahead and incorporate them primarily right in the
24 center of the casino floor. And we do have some
25 construction work to do, but it is areas like

1 associated work in the cage to accommodate marker bank
2 or chip bank, establish an area that we need for some
3 offices. It's peripheral work around the casino
4 floor. The main gaming tables will reside on the
5 existing floor that we have today.

6 ATTORNEY DAVENPORT:

7 Has Sands determined the number and the
8 type of table games that will be offered at the
9 facility?

10 MR. DESALVIO:

11 We're still going with our previously
12 announced range of between 80 and 100 games. We have
13 not changed that from day one. The final number of
14 games will be contingent upon our floor plan coming
15 back from the architect, looking at some spacing. But
16 we're still in that range, somewhere between 80 and
17 100.

18 ATTORNEY DAVENPORT:

19 Will there be advancement opportunities
20 for current employees to work in the table games area?

21 MR. DESALVIO:

22 Yes, there will be. As I mentioned
23 earlier, we will be working with Northampton Community
24 College. They will be setting up a dealer school
25 program. Anyone who would like to seek advancement

1 can take a class. Once you complete a class at the
2 community college for learning the proficiency of the
3 game, you would then have to pass an audition to make
4 sure that you're competent to deal the game. And if
5 somebody was already an employee, that would mean that
6 they've already gone through our pre-hiring screening.
7 If they did not have a gaming license, they would then
8 have to apply for a gaming license. If they already
9 possess a gaming license, that step would be one that
10 would be already completed. So we've actually had
11 employees already indicate that they may want to
12 switch and try something different and might be going
13 to the gaming school and then looking to get a job in
14 the table games area.

15 ATTORNEY DAVENPORT:

16 Who is going to pay for the education for
17 the training?

18 MR. DESALVIO:

19 The employees themselves will pay for the
20 actual dealer school, no different than any other job
21 training type program that you would, you know, seek
22 on the outside. And those costs do not go to the
23 Sands. Those costs go to the community college. And
24 that's for the purpose of helping them defray the
25 costs of running the entire school. So the Sands

1 won't collect any money associated with that, just the
2 community college for their efforts in putting the
3 school together.

4 ATTORNEY DAVENPORT:

5 Do you have any estimate of the cost for
6 the training for the employee or from somebody from
7 the public wishing to train?

8 MR. DESALVIO:

9 I have not actually seen the fee schedule
10 yet for the college. So no, at this point I haven't
11 seen it yet.

12 ATTORNEY DAVENPORT:

13 Okay. How soon will you know?

14 MR. DESALVIO:

15 Shortly. I think the plan was to try to
16 get the school up and operating as quickly as
17 possible. The community college keeps doing updates
18 on its website, but as of right now, I don't think you
19 can formally sign up. They're going to post that
20 information shortly. They'll indicate how you sign
21 up, where you sign up, what the cost is for each
22 program. But I don't think they're there yet.

23 ATTORNEY DAVENPORT:

24 I'm sorry, if you already stated on the
25 record. But how long of a program is this? How many

1 weeks?

2 MR. DESALVIO:

3 There's different hours that are
4 affiliated with each of the games. There will be a
5 curriculum guideline that I believe is going to come
6 from the Department of Labor and Industry, and that
7 will set some guidelines. The community college in
8 our case has been working with Atlantic Community
9 College outside of Atlantic City. They have a casino
10 career institute which has a very formalized
11 curriculum. So I would imagine it will probably use,
12 or the community college will use a program similar to
13 that. But there's a range of hours, specifically I
14 couldn't tell you which game and how many hours, but
15 it's --- you know, it's probably a couple months for
16 somebody to go through the program. And each person
17 will be obligated to have at least two games, so that
18 they can used in various areas of the casino floor.
19 And probably the training hours will depend on which
20 game they select.

21 ATTORNEY DAVENPORT:

22 Is it a possibility that someone could go
23 to Atlantic City or New Jersey, to one of their
24 community colleges, and use the training there to come
25 to Pennsylvania and work at Sands Bethlehem?

1 MR. DESALVIO:

2 We may even get some dealers that might
3 be interested in moving from out of state. And if
4 that was the case, they would have to show their
5 proficiency through some sort of an addition if we
6 were going to go ahead and --- in other words, if
7 somebody can produce documentation that they've gone
8 to a training program at another place in Pennsylvania
9 or anywhere else, we would still require that they
10 pass a proficiency test to make sure that before they
11 get in front of the public that they are adequately
12 trained to deal the game and, on the reverse side,
13 make sure that the integrity of the game is
14 maintained.

15 ATTORNEY DAVENPORT:

16 Will there be any plans to add additional
17 slot machines after table games are installed?

18 MR. DESALVIO:

19 We have no current plans to add any, but
20 certainly if business ever were to pick up
21 sufficiently enough, we could come back to the Board
22 at a later date and request additional space. The law
23 allows us to go up to 5,000 units. We're currently at
24 3,250, and that's actually, you know, enough for all
25 we need at the moment. We will be removing some

1 games, but it will be the electronic table games and
2 some other various games when we submit our final
3 floor plan. We're going to maintain some presence of
4 the electronic table games, and we will actually run a
5 side-by-side test to see how they do versus the live
6 table games. We had mentioned that, I believe, at
7 previous times that we do want to run a test to see
8 how the electronic games do when they're in the same
9 environment as a live table game.

10 ATTORNEY DAVENPORT:

11 Does Sands have any plans to add
12 additional amenities now that table games have been
13 approved?

14 MR. DESALVIO:

15 For the current project, there'll be no
16 additional amenities other than the games themselves
17 and the modifications that we'd have to make to the
18 back of the house areas. However, we do still have
19 the obligation for, at some point, the mall, the hotel
20 and the event center. Currently, we do not have a
21 timeline for those other projects.

22 ATTORNEY DAVENPORT:

23 How many employees does Sands currently
24 employ?

25 MR. DESALVIO:

1 It's slightly over 900 at this time.

2 ATTORNEY DAVENPORT:

3 And how many employees do you anticipate
4 having after table games are installed?

5 MR. DESALVIO:

6 I don't have the final number yet, but in
7 our petition we will be talking about the addition of
8 approximately 350 to 375 positions for table game
9 operation.

10 ATTORNEY DAVENPORT:

11 And how would that be broken down with
12 respect to dealers, additional servers?

13 MR. DESALVIO:

14 I'm sorry. Most of the positions would
15 be in the gaming area. And I'm just --- again, these
16 are round numbers that will be more definitively
17 defined in our petition. But say that if the number
18 is 375, probably 275 to 300 would probably be in the
19 gaming area alone, meaning the table games operations,
20 dealers, supervisors and that. Then the rest would be
21 in support departments that would be required for
22 table games, but the vast majority of any jobs would
23 be for the actual games themselves between the dealers
24 and the supervisors.

25 ATTORNEY DAVENPORT:

1 And out of your current employees, how
2 many are Pennsylvania residents?

3 MR. DESALVIO:

4 It's over 96 percent, currently.

5 ATTORNEY DAVENPORT:

6 And do those employees have healthcare
7 benefits?

8 MR. DESALVIO:

9 They do. Everyone who's full time has
10 health benefits.

11 ATTORNEY DAVENPORT:

12 And so I take it that the additional
13 employees with respect to the table games expansion
14 will also be the same percentage of Pennsylvania
15 residents and will also have healthcare benefits?

16 MR. DESALVIO:

17 I don't know if it'll be the exact
18 percentage, because we have --- one issue that we have
19 to deal with is that the employees are team members
20 that are going to supervise the game really need to
21 have previous gaming experience at the supervisory
22 level. It would be very unfair for us to have
23 somebody go into a dealer school, have never dealt the
24 game, tried to deal the game and become a supervisor
25 at the same time. So there will be a small contingent

1 that we absolutely need, and I believe the State and
2 the Board would want some experienced folks to
3 supervise and make sure that the integrity of the game
4 is maintained. So that portion probably will have to
5 be brought in from other locations, since there is
6 currently no table games operations in the State. The
7 vast majority of the positions will be dealers. We
8 think the vast majority of them will be local
9 residents or current team members that would like to
10 participate in the table games area. And therefore,
11 whether it will be the current, you know, 95, 96, I
12 don't if it'll be that high. But I believe one of our
13 goals is to make sure that it was over 85 percent is
14 certainly within the local area.

15 ATTORNEY DAVENPORT:

16 You previously testified with respect to
17 diversity at the facility. Will Sands employ the same
18 percentages with respect to the new hires for the
19 table games expansion?

20 MR. DESALVIO:

21 I don't see any reason why it would be
22 any different. You know, we have a widely diverse
23 audience amongst our team members. We are located in
24 the south side of Bethlehem. And I know our largest
25 population of minority team members is the Hispanic

1 and Latino community. They make up somewhere between
2 11, 12, 13 percent of the workforce. I see no reason
3 why our percentages would change now. Of course,
4 that's contingent on who steps up and applies for
5 these jobs. But we're going to employ the same
6 methods that we used as part of the original hiring
7 process for the table games process, which means that
8 we will have a strong outreach throughout the
9 community to make sure that we try to get as wide of a
10 diverse audience as possible within our team members.

11 ATTORNEY DAVENPORT:

12 And with respect to meeting weekly
13 suppliers, how many construction and non-construction
14 contracts have been awarded to maybe meet these?

15 MR. DESALVIO:

16 I honestly don't have the number with me,
17 so, Nan, I'd have to get back to you on that.

18 ATTORNEY DAVENPORT:

19 Okay. If you can provide that
20 information, we'd appreciate it.

21 MR. DESALVIO:

22 Okay. Sure. It is in our quarterly
23 reports that are filed. I just don't have one with
24 me.

25 ATTORNEY DAVENPORT:

1 I have one, but I don't think you want to
2 take the time to go through it right now.

3 MR. DESALVIO:

4 Okay.

5 ATTORNEY DAVENPORT:

6 With respect to expenses, approximately
7 how much money has Sands spent on construction and
8 non-construction related costs, not only initially but
9 also anticipated with the table games expansion?

10 MR. DESALVIO:

11 Our current number is about \$743 million,
12 including everything that was open through November
13 22nd.

14 OFF RECORD DISCUSSION

15 MR. DESALVIO:

16 We know some of the costs. Obviously,
17 the \$16 and a half million licensing fee. And the
18 remaining portion, we do estimate some modifications
19 on the floor. We need the final plans back from our
20 architect before we could probably --- again, that
21 will be included in the petition, but I was probably a
22 little bit premature on a final number. You know that
23 it will be north of \$16 and a half million, because
24 that's the base licensing fee. We're not putting a
25 major expansion on the building, so we're trying to

1 get arms around what the final cost package will be.
2 And it'll be \$16 and a half plus.

3 ATTORNEY DAVENPORT:

4 Approximately how many patrons have
5 visited the facility since your opening?

6 MR. DESALVIO:

7 I would also have to get back to you on
8 that. We don't have actual traffic counters at the
9 entrances, but we can make estimates based on volume
10 and what we expect. I don't want to quote a --- I
11 don't like quoting numbers unless I know for sure.
12 I'll put that in the category of I'll respond to that,
13 along with the other question that you asked about,
14 shortly thereafter.

15 ATTORNEY DAVENPORT:

16 How much money has Sands paid vendors
17 since its opening?

18 MR. DESALVIO:

19 I don't have that.

20 ATTORNEY DAVENPORT:

21 Okay. We'll add that to the list.

22 MR. DESALVIO:

23 You've got a list; right? Okay.

24 ATTORNEY DAVENPORT:

25 And there's been several Board Orders

1 since you've opened. I just want to check and see
2 with compliance with the Board conditions. On
3 February 3rd, 2009, the Board granted Sands' Petition
4 to Relax or Modify Condition Number 51, which required
5 that Sands submit for Board approval any design or
6 construction schedule modifications to the initial
7 development plan as described in Sands' application to
8 the Board and presented during its 2006 suitability
9 hearing. The Board Order required that Sands meet
10 monthly with and provide status report to the Board's
11 Financial Investigation Unit, regarding Sands' efforts
12 to secure financing to complete the project. The
13 Order also stated that Sands remains obligated to
14 complete the project and all material respects. Has
15 Sands complied with all the Board conditions imposed
16 in that Order?

17 MR. DESALVIO:

18 Yes, we have.

19 ATTORNEY DAVENPORT:

20 Has Sands met regularly with the
21 Financial Investigation Unit and provided status
22 reports regarding efforts to secure financing to
23 complete the project?

24 MR. DESALVIO:

25 Yes, we have.

1 ATTORNEY DAVENPORT:

2 And what is the status of efforts to
3 secure financing?

4 ATTORNEY KRAUS:

5 We don't think the project is financeable
6 right now for general economic conditions. Excuse me,
7 Fred Kraus, for the record. And given the continuing
8 state of the financial markets.

9 ATTORNEY DAVENPORT:

10 But Sands remains committed to completing
11 the project as approved by the Board?

12 ATTORNEY KRAUS:

13 Yes. That's Condition 51, and that was
14 the Board's Order. That's what we agreed to.

15 ATTORNEY DAVENPORT:

16 Can you give me any timeline with respect
17 to restarting the construction, the hotel, the mall
18 and the rest of the project?

19 ATTORNEY KRAUS:

20 I wish I could. I think if I could, I'd
21 be a very wealthy person. But I'm very bad at
22 predicting markets. My history is selling when the
23 market goes up. Personally, if I offend such --- I'm
24 perhaps the worst person to predict something like
25 that.

1 ATTORNEY DAVENPORT:

2 So it's basically contingent upon the
3 market improving?

4 ATTORNEY KRAUS:

5 It is, yes. We'd have to go the market,
6 because as I've said originally, the cost to complete
7 it is --- it's in excess of \$100 million. That's
8 something that needs financing.

9 ATTORNEY DAVENPORT:

10 On May 6, 2009 the Board approved Sands'
11 Petition for a Declaratory Order. The Board's Order
12 imposed several conditions upon Sands, such as
13 requiring that Sands maintain records of all services
14 that the Venetian Casino Resort, LLC provides pursuant
15 to Section 1 of the Shared Services Agreement,
16 providing the Board with quarterly reports of the
17 specific services provided under the agreement,
18 revising Sands' organizational charts to reflect
19 departments affected by the agreement, seeking Board
20 approval for all renewals, amendments and changes to
21 the agreement and notifying the Bureau of Licensing
22 prior to entering into any subcontract with third
23 parties to perform any services enumerated in the
24 agreement. Has Sands complied with all of these
25 conditions?

1 MR. DESALVIO:

2 Molly, I think you have ---.

3 ATTORNEY KRAUS:

4 While Molly's coming to the microphone,
5 on the local end of that compliance, Molly would speak
6 as to the records being paid. But a general matter,
7 yes, we'll comply with those conditions. Again, Fred
8 Kraus for the record.

9 ATTORNEY EICHER:

10 For the record, Holly Eicher,
11 E-I-C-H-E-R. And yes, here locally at Sands Bethlehem
12 Casino Resort we have maintained all of those records.
13 The Shared Services Agreement is in full effect as
14 approved by the Gaming Control Board.

15 ATTORNEY DAVENPORT:

16 Is Sands Bethworks a RAMP-certified
17 organization?

18 ATTORNEY EICHER:

19 Yes, we are.

20 ATTORNEY DAVENPORT:

21 And has Sands' beverage service personnel
22 and bartenders received training?

23 ATTORNEY EICHER:

24 Yes, they have.

25 ATTORNEY DAVENPORT:

1 At this point, I have no further
2 questions. Ms. Lloyd?

3 PRESIDING OFFICER:

4 I have one clarifying question. What is
5 RAMP certified?

6 ATTORNEY DAVENPORT:

7 If you want.

8 ATTORNEY EICHER:

9 RAMP is Responsible Alcohol Management
10 Program. It's a state-required training for all
11 employees and certain supervisory and management-level
12 personnel. For example, both Bob DeSalvio and myself
13 have been RAMP certified. And it teaches you how to
14 properly serve alcohol and how to recognize
15 individuals who may be intoxicated and not to serve
16 them.

17 PRESIDING OFFICER:

18 Thank you. If the OEC has completed
19 their Cross Examination, does Sands have any Redirect
20 follow-up to those questions or any other information?

21 ATTORNEY KRAUS:

22 Yes. For the record, Fred Kraus. Just
23 have a couple following up on the question of the
24 policy prohibiting minors from accessing the casino
25 floor. I wanted to ask Mr. DeSalvio whether he was

1 aware of a policy of what age that a person appears to
2 be are security guards required to check?

3 MR. DESALVIO:

4 Yes. If somebody appears to be 30 years
5 old or under from general appearance as they approach
6 our entrances, our guards at the entrances are
7 instructed to go ahead and card them and ask for the
8 ID and run those IDs through the machines. Now, I
9 don't have the exact number, but we've challenged
10 probably --- it's in the excess of 280,000 challenges
11 at our front doors to check on ID. So it just shows
12 you how much effort we put behind trying to make sure
13 the underage don't get into the facility.

14 ATTORNEY KRAUS:

15 And were a portion of those challenged,
16 in fact, discovered to be minors seeking to gain
17 entrance and turned away?

18 MR. DESALVIO:

19 Yes, they were.

20 ATTORNEY KRAUS:

21 No further questions.

22 PRESIDING OFFICER:

23 Any Redirect (sic) on those questions?

24 ATTORNEY DAVENPORT:

25 Have you reached out to the local

1 community colleges and colleges in this area to let
2 them know that they must be over 21 years of age to
3 enter and play?

4 MR. DESALVIO:

5 Yes. I personally have actually attended
6 meetings. There's an organization locally that
7 includes all of the colleges and universities in the
8 area. We had meetings with them even pre-opening to
9 let them know that we were going to be extremely
10 strict on the policies at the door, and then our
11 security director met with some of them individually
12 to talk about making sure that they are --- they're
13 promoting that nobody under the age of 21 should come
14 into the building. I think it's pretty widely known
15 in the college and university community that we're
16 very strict at the door.

17 ATTORNEY DAVENPORT:

18 And you do have signs at the door;
19 correct?

20 MR. DESALVIO:

21 Yes, we do.

22 ATTORNEY DAVENPORT:

23 As required by the Board?

24 MR. DESALVIO:

25 Yes, we do.

1 ATTORNEY DAVENPORT:

2 Thank you. No further questions.

3 PRESIDING OFFICER:

4 Any additional comments?

5 ATTORNEY KRAUS:

6 No additional.

7 PRESIDING OFFICER:

8 It is now about 11:10. We will take a
9 five-minute break and reconvene at 11:15; so that we
10 can change the PowerPoint presentation. Thank you.

11 SHORT BREAK TAKEN

12 PRESIDING OFFICER:

13 We are now back on the record, and we'll
14 continue. Commissioner Trujillo has expressed a
15 desire to ask the Sands representatives a few
16 questions, so we will hear from Mr. Trujillo.

17 COMMISSIONER TRUJILLO:

18 Thank you, Ms. Lloyd. I think it's only
19 two questions. And one probably the response will be
20 that you need to get back to us, which is fine. But
21 with respect to your diversity numbers, I'd be
22 interested in knowing what the percentage of workforce
23 is included in your management level. As you know,
24 most of your jobs are not all on the management level,
25 but I'd like and the Board would like to know what the

1 percentage is at the management level.

2 MR. DESALVIO:

3 I believe that is appropriated on
4 quarterly reports.

5 ATTORNEY EICHER:

6 Not by management. Yeah. It's total of
7 workforce.

8 MR. DESALVIO:

9 All right. Then we will have to get back
10 to you on that.

11 COMMISSONER TRUJILLO:

12 I would appreciate that. And the second
13 question, and Mr. Kraus, I'm not sure if it goes to
14 you or not. But with respect to the additional
15 development, which as I understand it is roughly in
16 the \$100 million range, the response that I heard was
17 that the reason for the delay was due to the state of
18 the financial markets, and therefore, the result of
19 that being the project was not financeable at this
20 stage. Beyond the financial markets, are there any
21 other reasons why the Board should not expect the
22 development of that project? Is there anything other
23 than this current state of the financial markets?

24 MR. DESALVIO:

25 Not that I'm aware of, no.

1 COMMISSIONER TRUJILLO:

2 That's all I have, Ms. Lloyd. Thank you.

3 PRESIDING OFFICER:

4 Thank you. Does Sands have any follow up
5 to the questions from the Commissioner?

6 ATTORNEY KRAUS:

7 No.

8 ATTORNEY EICHER:

9 No.

10 PRESIDING OFFICER:

11 OEC? Okay. With the agreement of the
12 parties, we are going to hear from one of our
13 registered speakers today, Mr. Jeffrey Parks. Before
14 you begin, if you could raise your right hand to be
15 sworn.

16 -----
17 JEFFREY A. PARKS, HAVING BEEN PREVIOUSLY SWORN,
18 TESTIFIED AS FOLLOWS:

19 -----
20 PRESIDING OFFICER:

21 Thank you. And you can begin.

22 MR. PARKS:

23 Thank you. My name is Jeffrey Parks, and
24 I'm not one of the 280,000 people that was stopped at
25 the casino door, unfortunately. I guess the gray hair

1 does it. I appreciate the opportunity to testify
2 today. I serve as the President of ArtsQuest, a
3 non-profit Pennsylvania corporation based in Bethlehem
4 with our principal offices at 25 West Third Street.
5 ArtsQuest's principal mission is to celebrate arts and
6 culture. We address this mission by presenting
7 Pennsylvania's largest music festival, Musikfest,
8 which is held every August, as well as Bethlehem's
9 holiday festival, Christkindlmarkt Bethlehem. We and
10 our partner agencies, Pennsylvania Youth Theatre and
11 the Hispanic-American League of Artists, offer arts
12 and cultural programming, including classes and
13 outreach programs for disadvantaged youth at the
14 Banana Factory Arts Center in South Bethlehem. We are
15 also a part of the new SteelStacks community cultural
16 campus on the former Bethlehem Steel plant.

17 At the time Las Vegas Sands Corporation
18 was seeking a casino license for the new casino to be
19 located in the former Bethlehem Steel Plant, it
20 promised to do three things which are relevant to
21 today's proceedings. To be a good corporate citizen
22 of Bethlehem, the Lehigh Valley and the Commonwealth;
23 to develop the Bethlehem Steel site in a way that was
24 respectful to the heritage of the site and the
25 community, and while doing this, to create a tourism

1 destination that would offer both residents and
2 visitors arts, culture, entertainment and education;
3 and to donate land to ArtsQuest, among other
4 organizations, to develop the site. I will address
5 each of these promises.

6 Since 2007 the Sands Bethlehem Casino
7 Resort and/or its predecessor has been a sponsor of
8 Musikfest, which has greatly helped ArtsQuest to serve
9 over one million people at this admission-free
10 festival with the presentation of over 500 live
11 musical performances in ten days in downtown
12 Bethlehem. The annual economic impact of Musikfest is
13 over \$35 million annually, and Sands Bethlehem Casino
14 Resort has assisted in making that possible since they
15 have become active in Bethlehem. In 2009 the Sands
16 became the principal sponsor of the main stage at
17 Musikfest, now known as Sands Riverplace. In
18 addition, the Sands has supported the ArtsQuest
19 educational outreach programs at the Banana Factory
20 which serve 150 at-risk middle school students
21 annually with after-school programs. ArtsQuest has
22 further benefited from the Sands' presence by being
23 one of the many community groups that received a
24 portion of the proceeds from the opening of the
25 casino. The Sands has become a strong partner in the

1 arts and cultural programs of ArtsQuest which serve
2 the greater Lehigh Valley region.

3 As promised, the Sands developed the most
4 difficult portion of the 120-plus acres that they
5 purchased, the former ore yards. By completing the
6 casino, parking deck and support facilities, the Sands
7 was true to their word in being respectful to the site
8 by utilizing architecture that is evocative of the
9 former Bethlehem Steel Plant. The steel themed
10 interior of the casino is both dynamic and again
11 respectful to the heritage of the site.

12 Unfortunately, the larger economic issues of the
13 country have made continuing with the proposed hotel
14 and conference center on the site not feasible at this
15 time. However, the Sands remains true to their
16 original vision of the entire site becoming a major
17 tourism destination.

18 As per their original statement to this
19 Board, the Sands has now donated two parcels of land
20 totaling 3.778 acres to ArtsQuest. The location of
21 these two parcels which have been conveyed to our
22 organization are to the immediate south and west of
23 the iconic blast furnaces which the Sands is
24 maintaining and illuminating. These strategic parcels
25 will allow ArtsQuest to offer diverse cultural

1 programming on the historic site, making the history
2 of the community alive and relevant for generations to
3 come. As represented by ArtsQuest, the new ArtsQuest
4 Performing Arts Center is under construction on a
5 portion of the land donated to ArtsQuest and is
6 scheduled to be open in May 2011. The vibrant new
7 community facility will include the Musikfest Café
8 which will offer well over 200 concerts annually ---
9 excuse me, a two-screen cinema for independent,
10 international and documentary films, the Blast Furnace
11 Room for community and cultural events and the
12 Creativity Commons, a gathering place with
13 entertainment as well as the interactive media center
14 called the PodZone.

15 With the assistance of the City of
16 Bethlehem, the site is being developed with three new
17 plazas which will support festivals and community
18 gatherings, a new outdoor music pavilion and the
19 development of the Turn & Grind Shop as offices and
20 support space for ArtsQuest for the many programs
21 being planned on the site. The ArtsQuest project
22 alone is about to create 140 direct and indirect
23 construction jobs this year and when open will provide
24 an additional 100 full-time equivalent jobs.
25 ArtsQuest programming at the site is expected to have

1 an additional impact of \$25 million per year for the
2 Lehigh Valley and is expected to attract between
3 500,000 and 800,000 annual visitors to the site. Time
4 does not permit me to expand upon the numerous
5 programs that will be offered by ArtsQuest at the site
6 which include a Farmer's Market, an Arts and Antiques
7 Market and an Artist Market during the warm weather
8 months, over 50 live, free family-friendly
9 performances at the new outdoor stage, four new music
10 festivals, an Oktoberfest, appropriate for this month,
11 a Winterfest, and a fringe festival as well as special
12 cinema programs and a great diversity of music
13 programs. I encourage anyone who is interested to
14 review the entire programming for the project at
15 www.steelstacks.org.

16 Las Vegas Sands Corporation and the Sands
17 Bethlehem Casino Resort, in spite of the current
18 economic downturn, have been true to their word and
19 have become a major partner in the arts and culture of
20 the community. For this reason, it is without
21 reservation that ArtsQuest strongly supports the
22 renewal of the gaming license for Sands Bethlehem
23 Casino Resort. Thank you.

24 PRESIDING OFFICER:

25 Thank you, Mr. Parks. And if you could

1 leave a copy of your comments with us, it would help
2 us in our transcription today. Thank you.

3 MR. PARKS:

4 Thank you.

5 PRESIDING OFFICER:

6 Now, we will turn to the OEC for their
7 presentation.

8 ATTORNEY DAVENPORT:

9 Thank you, Director Lloyd. The OEC is
10 established within the Board's Bureau of
11 Investigations and Enforcement (BIE). And it binds us
12 to the Bureau in all matters including the granting of
13 licenses, permits and registrations, the conducting of
14 background investigations, audits and inspections and
15 violations of the Pennsylvania Race Horse Development
16 and Gaming Act and the regulations promulgated
17 thereunder, as well as the facilities' internal
18 controls. The OEC also files recommendations and
19 objections relating to the issuances of licenses,
20 permits and registrations on behalf of the BIE.

21 Pursuant to Section 1304 of the Gaming
22 Act, the Board may issue a Category 2 Slot Machine
23 License to an applicant, its affiliates,
24 intermediaries, subsidiaries or holding companies that
25 is not otherwise eligible to apply for a Category 1

1 License and the person seeking to be located in the
2 licensed facility and a city of the first class, a
3 city of the second class or a revenue or a
4 tourism-enhanced location.

5 On December 20th, 2006, the Board
6 approved Sands Bethworks Gaming, LLC for its Category
7 2 Slot Machine License, and on August 8th, 2007 the
8 Board issued the license. Sands opened to the public
9 on May 22nd, 2009. Sands' original plan which was
10 approved by the Board was to construct not only the
11 gaming facility but also a 300-room hotel and a
12 200,000 square foot retail facility. On January 15th,
13 2009, Sands petitioned the Board to temporarily
14 suspend the construction of the hotel and retail
15 facility. This Petition was approved at the Board's
16 February 3rd, 2009 meeting. Sands currently has a
17 maximum of 3,250 slot machines available for play.
18 And approved gaming floor is comprised of 132,315
19 square feet. Prior to passage of the recent
20 amendments to the Gaming Act, a Slot Machine License
21 was valid for one year from the date the Board
22 approved the original license. The amendments have
23 since extended the license renewal period to three
24 years.

25 Sands, its affiliates and Principals have

1 timely submitted their renewal applications.
2 According to Section 1517 (c) of the Gaming Act, the
3 powers and duties of the Pennsylvania State Police
4 include, among other things, to initiate proceedings
5 for criminal violations to the Act and to conduct
6 administrative inspections on the premises of the
7 licensed facility to ensure compliance of the Gaming
8 Act and the regulations. Lieutenant John Evans of the
9 Pennsylvania State Police is here today to testify
10 about reported criminal offenses at Sands Bethworks
11 Casino. And I believe Mickey has an overhead
12 projection.

13 OFF RECORD DISCUSSION

14 ATTORNEY DAVENPORT:

15 Thank you, Fred. I appreciate that.

16 ATTORNEY KRAUS:

17 Sure.

18 -----
19 JOHN EVANS, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS
20 FOLLOWS:
21 -----

22 ATTORNEY DAVENPORT:

23 Could you please state your name and
24 spell it for the record?

25 MR. EVANS:

1 My name is John C. Evans, E-V-A-N-S. I'm
2 a Lieutenant with the Pennsylvania State Police.

3 ATTORNEY DAVENPORT:

4 And how many years have you been with the
5 State Police?

6 MR. EVANS:

7 I've been the State Police for 23 years.

8 ATTORNEY DAVENPORT:

9 And you're in the Gaming Enforcement
10 Office; is that correct?

11 MR. EVANS:

12 Yes. I'm the Eastern Section Commander
13 in the Gaming Enforcement Office.

14 ATTORNEY DAVENPORT:

15 And what was your position prior to you
16 being appointed to the Gaming Enforcement Office?

17 MR. EVANS:

18 Prior to the Gaming Enforcement Office, I
19 worked in Troop H, Harrisburg. I was the Criminal
20 Section Supervisor at the Troop H York Station.

21 ATTORNEY DAVENPORT:

22 And are Pennsylvania State Police
23 troopers assigned to Sands Casino?

24 MR. EVANS:

25 Yes.

1 ATTORNEY DAVENPORT:

2 What is the role of those troopers that
3 are assigned to the casino?

4 MR. EVANS:

5 Troopers assigned to the casino provide
6 primary law enforcement services at the Sands, as
7 dictated by the Gaming Act. Services include the
8 investigation of criminal violations occurring at the
9 facility and also fingerprinting and processing
10 individuals applying for gaming license and
11 employment.

12 ATTORNEY DAVENPORT:

13 And what is the State Police's
14 jurisdiction at the casino?

15 MR. EVANS:

16 The State Police have a Memorandum of
17 Understanding between the Pennsylvania State police
18 and Bethlehem City Police to provide jurisdictional
19 boundaries within the facility. The Pennsylvania
20 State Police provides police services basically on the
21 gaming floor proper, while the Bethlehem City provides
22 primary coverage in the parking garage, surrounding
23 parking areas and in the food court area.

24 ATTORNEY DAVENPORT:

25 Could you please describe the working

1 relationship between the State Police and Sands
2 Casino?

3 MR. EVANS:

4 The relationship between the State Police
5 and the Sands Casino is a cooperative and effective
6 one. It has existed before the opening and has
7 continued throughout, up to the present day. In a
8 word, the relationship is outstanding.

9 ATTORNEY DAVENPORT:

10 And as you know, the Board has casino
11 compliance representatives that are assigned to Sands
12 Casino. Could you please describe the working
13 relationship between the Pennsylvania State Police and
14 the Board's casino compliance representatives?

15 MR. EVANS:

16 Likewise, as it is with the Sands, the
17 PGCB compliance staff at the Sands works very closely
18 with our troopers onsite, and that relationship is
19 excellent, thanks to John Sentell and his team's
20 efforts.

21 ATTORNEY DAVENPORT:

22 And John Sentell is who?

23 MR. EVANS:

24 John Sentell is the Lead Compliance Agent
25 at the Sands for the Board.

1 ATTORNEY DAVENPORT:

2 Thank you. Are you familiar with the
3 Uniform Crime Reporting System?

4 MR. EVANS:

5 Yes.

6 ATTORNEY DAVENPORT:

7 Could you describe that, please?

8 MR. EVANS:

9 The Uniform Crime Reporting System is a
10 system set up by the FBI, originally. And it's a
11 system whereby crime statistics are quantified and
12 submitted for analysis. And in the State of
13 Pennsylvania, the Pennsylvania State Police are tasked
14 with collecting and collating that information from
15 all the police departments within the state. In
16 addition to that, the Pennsylvania State police, each
17 segment of the department which has responsibility for
18 certain jurisdictional areas submits monthly reports.

19 ATTORNEY DAVENPORT:

20 And that's what is up on the screen; is
21 that correct?

22 MR. EVANS:

23 Yes. That's one of the reports that's
24 pulled from the Uniform Crime Reporting System in
25 Pennsylvania. That deals specifically with the

1 troopers who work at the Sands within the Gaming
2 Enforcement Office.

3 ATTORNEY DAVENPORT:

4 And just for the record, that is also
5 marked as OEC Exhibit Five. Is this UCR in an
6 electronic format?

7 MR. EVANS:

8 Yes.

9 ATTORNEY DAVENPORT:

10 And which agency compiles the information
11 that's contained in the UCR?

12 MR. EVANS:

13 All the entries are submitted, and it's
14 managed by the Pennsylvania State Police.

15 ATTORNEY DAVENPORT:

16 Is the UCR available to the public for
17 viewing on the State Police's website?

18 MR. EVANS:

19 Yes.

20 ATTORNEY DAVENPORT:

21 And what is the website address?

22 MR. EVANS:

23 It's www.ucr.psp.state.pa.us.

24 ATTORNEY DAVENPORT:

25 How frequently is the information on the

1 UCR updated?

2 MR. EVANS:

3 Each month entries are made for the prior
4 month, and the requirement is that the entries are
5 made for the prior month by the 10th of the next
6 month. So, for instance, January statistics should be
7 entered by each agency entity by February 10th.

8 ATTORNEY DAVENPORT:

9 And the UCR that's on the screen right
10 now, it says year to date December 2009. Would that
11 be the most updated information in the UCR?

12 MR. EVANS:

13 Yes.

14 ATTORNEY DAVENPORT:

15 Is the information contained on the
16 database subject to edits?

17 MR. EVANS:

18 Yes.

19 ATTORNEY DAVENPORT:

20 And under what circumstances would that
21 information be edited?

22 MR. EVANS:

23 There are many ways whereby the UCR would
24 be edited. And one of those circumstances, or one of
25 many circumstances, is when an offense is initially

1 investigated and subsequently cleared. That arrest
2 would be carried. There would be an edit for that
3 particular entry for that offense. There are
4 variations in that, whereby an investigation might be
5 determined that the offense never occurred, so it
6 would be carried into an unfounded offense. So there
7 are quite a few ways where it's edited, so the
8 statistics contained therein are subject to continual
9 edit by the entering agencies.

10 ATTORNEY DAVENPORT:

11 And what type of information is contained
12 in the UCR?

13 MR. EVANS:

14 The uniform crime report data includes a
15 listing of all offenses occurring or reported within
16 specific jurisdictions throughout the state. And the
17 information that's included is types of offenses
18 occurring, location of those offenses, demographic
19 data for both victims and those persons charged.

20 ATTORNEY DAVENPORT:

21 And I know you just stated the actual
22 offenses, but could you explain the difference between
23 an actual offense and offenses known with respect to
24 the columns in the UCR and maybe provide some
25 examples?

1 MR. EVANS:

2 The offenses known column includes all
3 the crimes reported or alleged during that reporting
4 period. The actual offense column includes only those
5 crimes deemed to have actually occurred. In other
6 words, if an investigation reveals that a reported
7 crime did not occur, the actual offense column would
8 reflect a lower number than the offenses column.

9 ATTORNEY DAVENPORT:

10 So if somebody would report that their
11 wallet was stolen on the gaming floor and went out to
12 their car and noticed that the wallet was indeed in
13 their car, the number in the offenses known would be
14 different than the actual offense. You would come
15 back in and edit that?

16 MR. EVANS:

17 Correct. That's a very good example of a
18 reported wallet theft reported to us. And for
19 instance, then the following day, the person locates
20 their wallet actually at home or in their car. So the
21 offense was initially reported to us as a theft, and
22 then through the investigation, the determination was
23 made that the actual offense never occurred. So the
24 offenses known column would be higher in that
25 instance.

1 ATTORNEY DAVENPORT:

2 So the number of offenses reported can be
3 reduced if the case is later determined to be
4 unfounded as well?

5 MR. EVANS:

6 Yes.

7 ATTORNEY DAVENPORT:

8 And could you describe, perhaps, a
9 situation with respect to something that would be
10 later determined unfounded?

11 MR. EVANS:

12 Well, the wallet theft is a good example
13 of that. We've had instances in our office --- I
14 don't believe here at the Sands but at other locations
15 --- where thefts or robberies were reported wherein
16 the person reports to us after arriving home and
17 reporting back to their spouse or significant other
18 that they were robbed at the casino. And so they
19 report to the State Police that someone accosted them
20 in the parking garage or something like that. Through
21 the investigation we determined that that never
22 occurred, simply that they were unwilling to provide
23 the information of having lost money at the casino, so
24 that, in fact, would be an unfounded offense. And our
25 investigation determined that a false report was

1 provided to us.

2 ATTORNEY DAVENPORT:

3 And with respect to the UCR for Sands
4 Bethworks, are criminal offenses that occurred at
5 Sands Casino listed in the UCR?

6 MR. EVANS:

7 Yes. Offenses occurring at the Sands
8 Casino and investigated by the Pennsylvania State
9 Police are detailed in the Uniform Crime Report.

10 ATTORNEY DAVENPORT:

11 And which column would that be located
12 in?

13 MR. EVANS:

14 Well, it would be located both in column
15 one, the offenses known, and then also actual
16 offenses. Your entire screen actually depicts
17 offenses occurring at Sands Bethlehem.

18 ATTORNEY DAVENPORT:

19 And how are the offenses that occur at
20 Sands Casino entered into the UCR? What is the actual
21 process?

22 MR. EVANS:

23 The Pennsylvania State Police staff at
24 the Gaming Enforcement Office at the Sands submits
25 reports for every offense that's reported to them.

1 And as a part of that reporting process, a State
2 Police Supervisor reviews the report once it's
3 submitted. And that review includes an entry for the
4 offense into the UCR electronic system. And as I
5 stated before, those entries are completed for each
6 month by the 10th of the following month.

7 ATTORNEY DAVENPORT:

8 Okay. And with respect to Sands Casino,
9 could you please review the classification offenses
10 and the number of the actual offenses that occur at
11 the facility since its May 2009 opening date to year
12 to date, December 2009?

13 MR. EVANS:

14 The overhead depicts the actual offenses
15 that occurred since the opening day of the casino at
16 Sands until the end of 2009. If you look at the
17 actual offenses column, which I believe is the fourth
18 column from the left, the number depicted is 242.
19 That would be 242 offenses that we investigated and
20 determined to have occurred since the opening of the
21 casino. The offenses are broken down on that screen
22 all the way from part-one offenses, which are your
23 more serious offenses. In that column it lists 170
24 reported and actual offenses of theft, 170. Then the
25 next section of offenses deals with part-two offenses

1 which are determined to be not as serious under the
2 Uniform Reporting System. And that's broken down into
3 a number of different offenses from minor assaults to
4 counterfeit bills, vandalism, drug possession,
5 disorderly conduct and other offenses. And those
6 numbers total 72, according to the chart.

7 ATTORNEY DAVENPORT:

8 Does the UCR list the number of actual
9 offenses that are prosecuted?

10 MR. EVANS:

11 The actual offenses prosecuted is not
12 determined by the Uniform Crime Report, not listed in
13 that manner. The prosecution of offense is something
14 beyond a statistical number, and it deals also with
15 the District Attorney's Office and the Prosecutor's
16 Office. So, for instance, you can have an offense
17 shown as cleared in the column for cleared offenses,
18 which is the seventh or eighth column over there, and
19 you may or may not have an actual arrest or a
20 prosecution for that case.

21 ATTORNEY DAVENPORT:

22 After reviewing the UCR for offenses
23 report for Sands, did you see a pattern in the type of
24 actual offenses that have occurred at the licensed
25 facility?

1 MR. EVANS:

2 The general pattern as evidenced by just
3 seven months of reporting is, in my opinion, similar
4 in scope and size to the other Pennsylvania casino
5 locations. However, to draw concrete conclusions from
6 a relatively short period of crime statistical
7 reporting would only be a guess.

8 ATTORNEY DAVENPORT:

9 Could you provide an example of voucher
10 theft?

11 MR. EVANS:

12 What we refer to as a voucher theft
13 actually occurs when a patron or a customer either
14 mistakenly drops or leaves behind the slot voucher of
15 some value, and another person takes possession of
16 that voucher in some manner.

17 ATTORNEY DAVENPORT:

18 I believe in other gaming jurisdictions,
19 something like that would not be a crime. But in
20 Pennsylvania, in Article Two, to take somebody else's
21 voucher that was either left in the machine by mistake
22 or dropped on the floor, that would be a criminal
23 offense; is that correct?

24 MR. EVANS:

25 Yes. We have a statute that deals with

1 theft of mislaid property in Pennsylvania. And we've
2 determined that a slot voucher has value, and it did
3 belong to someone at one point in time. And taking
4 possession of that could constitute a crime.

5 ATTORNEY DAVENPORT:

6 And the UCR contains a category for
7 larceny in thefts; is that correct?

8 MR. EVANS:

9 Yes. That's the only part-one offense
10 listed having occurred at the Sands, and the number
11 was 170 is what's shown there.

12 ATTORNEY DAVENPORT:

13 Do you know if the majority of those
14 incidents that are listed under the larceny theft
15 category are voucher thefts?

16 MR. EVANS:

17 We don't track specifically --- the
18 Uniform Crime Reporting doesn't track specifically or
19 differentiate between a voucher theft, theft of a
20 wallet, theft of cash. However, I would venture to
21 say from my experience that the majority of those
22 listed there are, in fact, something to do with
23 vouchers.

24 ATTORNEY DAVENPORT:

25 How frequently are these voucher theft

1 incidents resolved?

2 MR. EVANS:

3 Actually, the majority of voucher thefts
4 are resolved in one way or another. The chart shows
5 170 actual thefts, and it shows 127 clearances for
6 thefts which is resulting in a 75-percent clearance
7 rate for thefts. If, in fact, that most of those
8 thefts are voucher thefts, most of those incidents are
9 actually resolved. In most voucher type theft
10 investigation, the person responsible for taking
11 possession of the other patron's voucher is located
12 and returns the property to the victim. If there is
13 no desire for prosecution or other extenuating
14 circumstance, the incident is actually resolved or
15 exceptionally cleared in UCR terms with no arrest of
16 the person and the victim having been restored their
17 property.

18 ATTORNEY DAVENPORT:

19 Do voucher theft incidents ever result in
20 an arrest?

21 MR. EVANS:

22 There are incidents where a voucher theft
23 will result in an arrest. For example, recently an
24 investigation revealed surveillance footage depicting
25 a suspect who distracted an elderly patron while his

1 accomplice reached over and took her slots voucher
2 from the machine. Both the suspect and his accomplice
3 were located and charged with theft.

4 ATTORNEY DAVENPORT:

5 Did this occur at Sands Bethworks Casino?

6 MR. EVANS:

7 No.

8 ATTORNEY DAVENPORT:

9 Have the Troopers stationed at Sands
10 cited individuals under the age of 21 for criminal
11 trespass for attempting to enter the gaming floor?

12 MR. EVANS:

13 Yes.

14 ATTORNEY DAVENPORT:

15 And in how many instances has that
16 happened?

17 MR. EVANS:

18 My statistics show that there were three
19 individuals under the age of 21 cited in 2009 at the
20 Sands Casino. One of those individuals was charged
21 with criminal trespass for entering and remaining on
22 the gaming floor. In addition, that same individual
23 was cited for underage drinking and misrepresentation
24 of age. The two other individuals that were under age
25 21 at the location were cited only for underage

1 drinking.

2 ATTORNEY DAVENPORT:

3 Are you familiar with the January 7th,
4 2010 amendments to the Gaming Act as it pertains to
5 criminal offenses and penalties?

6 MR. EVANS:

7 Yes.

8 ATTORNEY DAVENPORT:

9 Pursuant to the January 7th, 2010
10 amendments to the Gaming Act, it is now unlawful for
11 any individual under 21 years of age to enter and
12 remain in any area of the licensed facility where slot
13 machines are operated or the play of table games is
14 conducted and to wager, play or attempt to play a slot
15 machine or table games at the licensed facility. Does
16 PSP have the authority to charge those individuals
17 with a non-gambling summary offense?

18 MR. EVANS:

19 Yes.

20 ATTORNEY DAVENPORT:

21 And can fines now be imposed against a
22 person under 21 years of age that is convicted of a
23 non-gambling summary offense for entering the licensed
24 facility or wagering, playing or attempting to play a
25 slot machine or table game?

1 MR. EVANS:

2 Yes.

3 ATTORNEY DAVENPORT:

4 And what are the amounts of those fines?

5 MR. EVANS:

6 The amounts listed in the Act are not
7 less than \$200, no more than \$1,000 for a first
8 offense, and not less than \$500, nor more than \$1,500
9 for a second or subsequent offense.

10 ATTORNEY DAVENPORT:

11 What is the last date the UCR records are
12 available for reported offenses at Sands Casino?

13 MR. EVANS:

14 That would be December 31st, 2009, which
15 is the end of 2009. The offense data for the month of
16 January 2010, again, as I stated before, should be
17 available by February 10.

18 ATTORNEY DAVENPORT:

19 And I believe you previously testified
20 that one cannot draw a conclusion based upon the crime
21 statistics at the different licensed facilities in
22 Pennsylvania based upon the UCR data?

23 MR. EVANS:

24 Yes.

25 ATTORNEY DAVENPORT:

1 Do you see a record of any crime trends
2 at Sands Bethworks?

3 MR. EVANS:

4 Again, crime trends are generally viewed
5 over a period of years rather than a period of only
6 seven months, and Sands hasn't reached that point yet.
7 However, again, based on my experience, the crime
8 statistics that are found at Sands are comparable to
9 other facilities and reflect the general trends we've
10 seen in other casinos in the state. I would say that
11 nothing there is remarkable or shows any particular
12 crime trend.

13 ATTORNEY DAVENPORT:

14 And generally, are Pennsylvania State
15 Police satisfied with the level of cooperation between
16 the staff of Sands Bethworks Casino and the trooper
17 station within the facility?

18 MR. EVANS:

19 My answer to that would be yes, without a
20 doubt, and that was from the very beginning, prior to
21 the opening until today.

22 ATTORNEY DAVENPORT:

23 Thank you.

24 PRESIDING OFFICER:

25 Does Sands' Counsel have any Cross

1 Examination for Lieutenant Evans?

2 ATTORNEY KRAUS:

3 No questions.

4 ATTORNEY DAVENPORT:

5 Section 1509 of the Gaming Act requires
6 the establishment of a compulsive and problem gambling
7 program. Nan Horner, the Director of the Office of
8 Compulsive and Problem Gambling, is here to testify
9 today regarding Sands' Compulsive and Problem Gambling
10 Plan. Good morning.

11 MS. HORNER:

12 Hello. My name is Nanette Horner,
13 H-O-R-N-E-R, and I'm the Director of the Office of
14 Compulsive and Problem Gambling at the Pennsylvania
15 Gaming Control Board.

16 ATTORNEY DAVENPORT:

17 And what are your duties, please?

18 MS. HORNER:

19 Among my duties are the review of
20 Compulsive and Problem Gambling Plans at each of the
21 licensed facilities, maintaining the self-exclusion
22 and exclusion lists and ensuring that, at least on
23 paper, the facilities in the Commonwealth have
24 complied with the Act and the regulations.

25 ATTORNEY DAVENPORT:

1 And could you please summarize the
2 Compulsive and Problem Gambling Plan requirements that
3 are contained in the Gaming Act and the regulations
4 for slot machine licenses?

5 MS. HORNER:

6 Yes. The requirements of the Act and the
7 regulations as well as Gaming Control Board Guidelines
8 address issues that the slot machine licensees must
9 comply with. They must develop and implement a
10 Compulsive and Problem Gambling Plan, train their
11 employees regarding signs and symptoms of problem
12 gambling, establish and comply with procedures, train
13 employees to prevent self-excluded, excluded and
14 underage and intoxicated individuals from engaging in
15 slot machine gambling; and they must ensure that these
16 individuals do not receive direct mail marketing
17 materials. Casinos must notify me within 24 hours of
18 a violation of an individual who's on the exclusion
19 list or the self-exclusion list if they come into the
20 casino. The facilities must include a problem
21 gambling statement and a toll-free telephone number on
22 all advertisements and promotional materials. They
23 must have procedures to respond to patron requests for
24 problem gambling materials. And they also must place
25 approved signage throughout the facility that specify

1 that individuals under 21 years of age and those who
2 are on the exclusion, self-exclusion list are
3 prohibited from gambling.

4 ATTORNEY DAVENPORT:

5 What are the procedures to approve the
6 Compulsive and Problem Gambling Plan?

7 MS. HORNER:

8 All of the casino license applicants had
9 to submit a Compulsive and Problem Gambling Plan with
10 their initial application. None of those plans were
11 approved, but the Board was apprised of the contents
12 of the plan when they made the determination for
13 licensure. Once the applicants were granted and
14 issued a license, the licensees had to submit a
15 Compulsive and Problem Gambling Plan to be approved by
16 me as a condition of operations.

17 ATTORNEY DAVENPORT:

18 What are the required training
19 requirements in Sands Bethworks' Compulsive and
20 Problem Gambling Plan?

21 MS. HORNER:

22 Sands educates all of their employees on
23 the issue of compulsive and problem gambling,
24 prohibition of underage gambling, prohibition of
25 gambling by intoxicated patrons and the identification

1 and ejection of excluded and self-excluded persons.
2 Training materials used at the Sands have been
3 developed by the Council on Compulsive Gambling of
4 Pennsylvania. That is a group with specialized
5 knowledge, skill, training and experience in
6 responsible gaming programs and casino employee
7 training programs. Also, Sands Bethworks Gaming, LLC
8 has utilized its own employees to develop training
9 materials for departmental specific training.

10 ATTORNEY DAVENPORT:

11 What are the duties and responsibilities
12 of Sands Bethworks' employees with respect to the
13 Compulsive and Problem Gambling Plan?

14 MS. HORNER:

15 Specific departments are responsible for
16 various duties, and they do undergo training in
17 departments. So Sands' departments would be security,
18 surveillance, slot, the cashier's cage, marketing
19 department, food and beverage and also valet.

20 ATTORNEY DAVENPORT:

21 Is a requirement to establish procedures
22 to attempt to identify patrons and employees with
23 suspected or known compulsive and problem gambling
24 behavior and to report such behavior and to attempt to
25 provide information to such individuals?

1 MS. HORNER:

2 Yes. The Sands' Compulsive and Problem
3 Gambling Plan must address those issues and procedures
4 to identify such individuals, and also to maintain
5 confidentiality in the event that a person is
6 suspected of having a gambling problem. The Sands
7 plan does address the requirements. There are
8 reporting procedures in their Compulsive and Problem
9 Gambling Plan. But also, you know, be aware that
10 problem gambling, compulsive gambling is a hidden
11 disease. It's a hidden illness, so signs and symptoms
12 are not readily apparent particularly when viewing an
13 individual. It's very, very difficult to make a
14 determination. And while casino employees can offer
15 materials and assistance, they are not trained
16 professionals, and they should never attempt to
17 diagnose an individual or label an individual as
18 having a gambling problem.

19 ATTORNEY DAVENPORT:

20 Does Sands Bethworks' Compulsive and
21 Problem Gambling Plan include procedures to prevent
22 underage gambling and to prevent intoxicated, excluded
23 and self-excluded persons from gambling?

24 MS. HORNER:

25 Yes. All of those procedures are

1 contained in the Sands Bethworks, LLC Compulsive and
2 Problem Gambling Plan. They do have detailed
3 procedures for all of that.

4 ATTORNEY DAVENPORT:

5 Can you describe the signage requirements
6 in Sands Bethworks' Compulsive and Problem Gambling
7 Plan?

8 MS. HORNER:

9 Yes. The Gaming Act and the regulations
10 require that signage contains certain information to
11 be placed at particular locations. The Compulsive and
12 Problem Gambling Plan that has been approved for the
13 Sands does specify that within 50 feet of every
14 entrance and exit of the facilities, and on each ATM
15 cash dispensing and other change machines there will
16 be a sign that contains the problem gambling statement
17 as well as a toll-free number that an individual can
18 call for assistance. Within 50 feet of the entrance
19 and exit of the gaming floor, there must be signage
20 related to underage gambling, advising individuals who
21 are under 21 that they will be arrested for trespass
22 if they go on and remain on the gaming floor. And
23 also there's a signage requirement that notifies
24 individuals who are on the self-exclusion list that
25 they may be arrested for trespass if they go on the

1 gaming floor and signage notifying individuals that
2 firearms and deadly weapons are prohibited without
3 Gaming Control Board permission. And also Act Number
4 One, which was Senate Bill 711 which amended the
5 Gaming Act, requires at least 20 signs in each
6 facility that have the problem gambling statement and
7 the toll-free helpline number, and Sands has complied
8 with all of the signage requirements, including the
9 requirement of Act Number One.

10 ATTORNEY DAVENPORT:

11 When was Sands Bethworks' original
12 Compulsive and Problem Gambling Plan approved?

13 MS. HORNER:

14 Prior to the Sands conducting gaming
15 operations, their plan was approved, and that was on
16 April 9th, 2009. There also has been an amendment to
17 that plan that has been approved. The plan amendment
18 specified that the self-exclusion list, which is a
19 confidential list, will also be provided to the other
20 Sands property in Las Vegas, the Venetian Palazzo, for
21 purposes of removing those individuals from direct
22 mail marketing, and that has been approved. The
23 sharing of the confidential self-exclusion list with
24 other properties outside of the state is permitted
25 under the Gaming Act. There was one other amendment

1 that has been approved, and that was to amend the
2 signage to prohibit facility access for individuals
3 under 21 years of age. As you had mentioned earlier,
4 the Gaming Act originally permitted individuals at
5 least 18 years of age to be on the gaming floor even
6 though they were prohibited from gambling. But Sands,
7 even prior to Act Number One upping the age to 21, had
8 taken the position that they did not want individuals
9 under 21 in the facility.

10 ATTORNEY DAVENPORT:

11 What is a 501(a)(4) report?

12 MS. HORNER:

13 The 501(a)(4) report is an annual summary
14 of the Compulsive and Problem Gambling Plan. It is
15 required to be submitted with the license renewal
16 application and materials. And the Sands did file
17 their annual summary, their 501(a)(4) report, but it
18 just happened to be --- the timing of that was it was
19 only mere days after they had actually commenced
20 operations. But some of the items that they put into
21 their 501(a)(4) report specified that they educate all
22 of their employees on compulsive and problem gambling
23 and the prohibition of underage gambling. Prior to
24 the Sands opening and commencing operations, they
25 engaged the Council on Compulsive Gambling of

1 Pennsylvania to conduct their employee training.
2 There were initially 16 two-hour training sessions for
3 employees. And as of the date of filing this
4 501(a)(4) report, approximately 900 employees had
5 already been trained on compulsive and problem
6 gambling, underage gambling, identification of
7 excluded and self-excluded individuals.

8 All of the employees at the Sands are
9 responsible for ensuring that no person under 21 has
10 access to the gaming floor. That was in the report.
11 They also addressed that they maintain electronic and
12 hard copies of the self-exclusion list and the
13 exclusion list. They distribute updates to that list
14 to appropriate personnel. Self-exclusions do not
15 expire. So when lagging the account of a
16 self-excluded or an excluded individual, the Sands
17 uses the date of expiration as December 31st, 9999.
18 So there will be no mistakes that someone
19 accidentally, you know, is taken out of the system as
20 being self-excluded.

21 And also as of the date of filing their
22 501(a)(4) report, Sands had sponsored three separate
23 five-part Compulsive Gambling Treatment Training
24 Series. And those series, I believe, someone will be
25 speaking of that later on this afternoon. But the

1 trainings were conducted by the Council on Compulsive
2 Gambling in Pennsylvania, and the trainings have been
3 offered to approximately 1,000 individuals thus far.

4 ATTORNEY DAVENPORT:

5 And I believe that there is --- a first
6 person on the excluded list is somebody that was
7 located at Sands Casino; is that correct?

8 MS. HORNER:

9 That is correct. As of the most recent
10 Gaming Control Board meeting, there were four
11 individuals who were placed on the excluded persons'
12 list. That is the black list. That's not people
13 necessarily with a gambling problem. They are people
14 who could affect the operations or the integrity of
15 gaming or the proper reporting revenue. There was an
16 individual who was identified at the Sands. She is
17 also on the New Jersey excluded persons' list, and she
18 is now on the Pennsylvania excluded persons' list.

19 ATTORNEY DAVENPORT:

20 And that list is on the PGCB website; is
21 that correct?

22 MS. HORNER:

23 It is a public list. As of today, there
24 is not an operational link to that list, but we expect
25 that to be forthcoming within the next week.

1 ATTORNEY DAVENPORT:

2 Thank you.

3 PRESIDING OFFICER:

4 Sands Counsel have any Cross Examination
5 of Ms. Horner?

6 ATTORNEY KRAUS:

7 No questions.

8 ATTORNEY DAVENPORT:

9 The Board's Bureau of Casino Compliance
10 is responsible for protecting the integrity of gaming
11 within each casino through the enforcement of gaming
12 regulations and being first in line in responding to
13 patron complaints. The Bureau of Casino Compliance
14 has casino compliance representatives that are
15 assigned to each facility who are familiar with the
16 Gaming Act, the regulations, the facilities' internal
17 controls as well as its policies and procedures. The
18 Bureau of Casino Compliance also ensures that all
19 casino employees have access to the gaming floor, are
20 properly licensed and that all vendors who have a
21 business relationship with the casino have complied
22 with the Bureau of Licensing's registration
23 requirements. The casino compliance representatives
24 monitor the casino's surveillance departments to
25 ensure that there is adequate camera coverage

1 throughout the facility, and that such coverage meets
2 the requirements and the regulations. In addition,
3 the Bureau of Casino Compliance refers any criminal
4 acts to the Pennsylvania State Police for
5 investigation and refers any violations of the Act,
6 regulations or internal controls to the OEC for
7 possible sanctions against the casino or its
8 employees. Gerry Stoll from the Bureau of Casino
9 Compliance is present today to testify regarding its
10 working relationship with Sands Casino. Good
11 afternoon.

12 MR. STOLL:

13 Good afternoon.

14 ATTORNEY DAVENPORT:

15 Could you please state your full name and
16 spell it for the record?

17 MR. STOLL:

18 Yes, ma'am. Gerald E. Stoll, S-T-O-L-L.

19 ATTORNEY DAVENPORT:

20 And what are your duties, sir?

21 MR. STOLL:

22 I'm currently the Director of the Bureau
23 of Casino Compliance, and my responsibilities are to
24 chart the course for, you know, our casino compliance
25 operators that work in cooperation with Sands and

1 every other casino.

2 ATTORNEY DAVENPORT:

3 And what is the role of the Casino
4 Compliance Representative at Sands?

5 MR. STOLL:

6 All right. At Sands Casino, our
7 representatives are more or less the conduit between
8 all the Bureau's Boards, Departments of the Gaming
9 Board and the casino. We are more or less the boots
10 on the ground and the vehicle through which
11 information passes, and you have to keep everybody up
12 to speed with change in regulations, change of, you
13 know, duties and responsibilities.

14 ATTORNEY DAVENPORT:

15 Could you please describe the Bureau of
16 Casino Compliance's working relationship with the
17 management and employees at Sands Casino?

18 MR. STOLL:

19 All right. Our relationship with the
20 management at Sands has been exemplary. You know, we
21 have worked cooperatively to identify issues and
22 proactively address solutions before the issues
23 became, you know, significantly disruptive to either,
24 you know, the regulatory adherence or the operation of
25 Sands and their gaming activity.

1 ATTORNEY DAVENPORT:

2 And has Sands' management and employees
3 cooperated with any investigations that have been
4 initiated by your Bureau?

5 MR. STOLL:

6 Sands has cooperated with all
7 investigations that our Bureau has initiated. You
8 know, they actively solicit our input for issues that
9 they identify and just, you know, really maintain a
10 professional attitude and the spirit of cooperation.

11 ATTORNEY DAVENPORT:

12 Could you please describe the Bureau's
13 working relationship with the state troopers that are
14 assigned to Sands Casino?

15 MR. STOLL:

16 Yes, ma'am. Our relationship with the
17 State Police currently is a very, very good one. You
18 know, we are all an additional layer or a layer of the
19 security that all the casinos who operate in
20 Pennsylvania enjoy. You know, we actively refer
21 issues that we determine that may have some
22 criminality to State Police, and they in turn refer
23 issues that originally start as a criminal
24 investigation and turn into the regulatory issue.
25 They refer that back to us. It's really a cooperative

1 effort that ensures the citizens of the Commonwealth a
2 fair deal and ensures that the adequate revenue is,
3 you know, collected and that really --- you know, that
4 Sands is operating in an environment that is fair as
5 well. So, you know, we try to make sure that all the
6 partners in this venture are treated fairly and with
7 respect.

8 ATTORNEY DAVENPORT:

9 And does the Bureau of Casino Compliance
10 work with GTECH, which is responsible for the central
11 control computer, and the Department of Revenue in
12 order to ensure that the proper revenue is collected
13 by the Commonwealth?

14 MR. STOLL:

15 Yes, ma'am. Yes. You know, we are a
16 24/7 presence at the casinos, and oftentimes our
17 response is needed by GTECH to identify issues and,
18 you know, to just do something as simple as collect
19 the meter reading on a slot machine that's
20 non-responding. So we do work with the GTECH to
21 assure that, you know, everything is on the up and up,
22 and, you know, the Department of Revenue, you know,
23 has a smooth sailing path as well.

24 ATTORNEY DAVENPORT:

25 Had there been any issues with respect to

1 collection taxes on the gross terminal revenue?

2 MR. STOLL:

3 No, ma'am.

4 ATTORNEY DAVENPORT:

5 Had there been any issues with respect to
6 connectivity to the central control computer system?

7 MR. STOLL:

8 No, ma'am.

9 ATTORNEY DAVENPORT:

10 Does the Bureau of Casino Compliance work
11 with the facility on compulsive and problem gambling
12 issues?

13 MR. STOLL:

14 Yes, we do. Actually, we are onsite,
15 like I mentioned previously, 24/7 to, you know, enroll
16 anybody with the desire in a compulsive and problem
17 gaming exclusion event, which we work in cooperation
18 with Ms. Horner to collect the information and forward
19 that for her for distribution throughout the other,
20 you know, nine --- eight casinos.

21 ATTORNEY DAVENPORT:

22 Do the casino compliance representatives
23 at Sands register self-excluded individuals?

24 MR. STOLL:

25 Yes, ma'am, they do.

1 ATTORNEY DAVENPORT:

2 And could you just go through the process
3 how somebody who wanted to be on the self-excluded
4 list would go about getting on the list?

5 MR. STOLL:

6 Certainly. The normal course of events
7 would unfold in this manner. Someone who identifies a
8 gambling problem would actually approach normally an
9 employee of Sands, whether --- you know, most likely
10 it would be a security employee or it could be a
11 beverage server, whatever, who will in turn direct
12 them to, you know, one of the casino compliance
13 representatives. Now, what we would do is once we,
14 you know, meet with the individual we would go through
15 a very, very comprehensive list of questions to assure
16 that the desire is present for one to self-exclude.
17 We outline, you know, the responsibilities and the
18 requirements and, you know, if, in fact, they are ---
19 you know, the patron is sure that they wish to
20 exclude, then we would, you know, forward the
21 paperwork. And that exclusion would become effective,
22 you know, in a very short period of time.

23 ATTORNEY DAVENPORT:

24 And if somebody was self-excluded,
25 they're not only self-excluded from Sands but also

1 from other Pennsylvania casinos; correct?

2 MR. STOLL:

3 That is correct. If you exclude from any
4 casino in Pennsylvania, you are excluded from the
5 remainder. And also there are some casinos with
6 locations out of Pennsylvania which will, you know,
7 exclude anybody from --- you know, who excludes at any
8 of their facilities, they will exclude them. You
9 know, for instance, if someone excluded in Sands Las
10 Vegas, you know, that information will be transmitted.
11 Then they would automatically be excluded from the
12 Pennsylvania casinos operated by the Sands.

13 ATTORNEY DAVENPORT:

14 Has the Bureau of Casino Compliance
15 raised any issues or concerns with respect that Sands
16 has cooperated with the Bureau to address staff
17 concerns?

18 MR. STOLL:

19 Sands has cooperated with, you know,
20 compliance to really assure, you know, their
21 compliance with the compulsive problem, gaming area,
22 as well as all other areas that come up as, you know,
23 areas of concern.

24 ATTORNEY DAVENPORT:

25 Thank you.

1 MR. STOLL:

2 You're welcome.

3 PRESIDING OFFICER:

4 Does Sands have any Cross Examination of
5 Mr. Stoll?

6 ATTORNEY KRAUS:

7 No questions.

8 MR. STOLL:

9 Thank you, Counsel.

10 ATTORNEY DAVENPORT:

11 OEC, Assistant Enforcement Counsel
12 Attorney, Katie Higgins, will discuss the stipulations
13 the parties have entered into with respect to
14 enforcement actions taken by the BIE against Sands
15 Bethworks.

16 ATTORNEY HIGGINS:

17 The OEC and the Sands have stipulated to
18 enter the following enforcement actions into the
19 official record. The OEC has issued three warning
20 letters to the Sands for violations of the Act and
21 regulations. The first warning letter was regarding a
22 Principal of the Sands failing to file a renewal
23 application. The second warning letter was for Sands
24 failing to timely notify the Bureau of Casino
25 Compliance regarding a voucher theft incident. And

1 the third warning letter was regarding underage
2 individuals being present on the gaming floor. This
3 warning was for incidents where the underage
4 individuals did not gamble and were quickly identified
5 by Sands staff, and therefore, did not rise to the
6 level of an Enforcement action. The Sands timely
7 submitted corrective action responses to each warning
8 letter. Additionally, the OEC filed and the Board
9 granted one request for emergency suspension of the
10 Gaming Employee Permit due to a Sands employee being
11 charged with a felony offense. The criminal activity
12 that led to this charge did not occur at the Sands.
13 And that concludes the Enforcement actions initiated
14 by the OEC.

15 PRESIDING OFFICER:

16 Thank you.

17 ATTORNEY KRAUS:

18 Can I just add one small point to that
19 stipulation?

20 ATTORNEY DAVENPORT:

21 Sure.

22 ATTORNEY KRAUS:

23 If I heard correctly, the first item was
24 a possible failing to file a renewal application. A
25 slight change is failing to file a timely renewal

1 application.

2 ATTORNEY DAVENPORT:

3 That is correct. The Board's BIE was
4 responsible for conducting Sands Bethworks' Category 2
5 renewal background investigation. Mike Rosenberry is
6 present today to testify regarding Sands' background
7 investigation. Good afternoon.

8 MR. ROSENBERY:

9 Good afternoon. My name is Michael
10 Rosenberry. It's R-O-S-E-N-B-E-R-R-Y. I'm the
11 Regional Director for the Central Region of the BIE.
12 Sands Bethworks Gaming, LLC falls within the area of
13 responsibility for the Central Region of BIE.

14 ATTORNEY DAVENPORT:

15 Did the BIE conduct a renewal
16 investigation to determine the suitability of Sands
17 for relicensing?

18 MR. ROSENBERY:

19 Yes, we did.

20 ATTORNEY DAVENPORT:

21 And when did the BIE begin Sands'
22 suitability investigation?

23 MR. ROSENBERY:

24 Actually, the renewal investigation began
25 in some part back in June of 2008 and has continued

1 through January 2010. During that time, the
2 investigation was updated and supplemental reports of
3 investigations have been filed to make sure that the
4 information is still accurate and timely.

5 ATTORNEY DAVENPORT:

6 Is BIE's investigation now completed?

7 MR. ROSENBERRY:

8 With the exception of a few people that
9 came in, I believe, in the latter part of 2009, the
10 renewal investigation of Sands Bethworks Gaming, the
11 parent company is the affiliate company's Principals,
12 is complete.

13 ATTORNEY DAVENPORT:

14 As part of BIE's renewal investigation,
15 did you and your staff review applications submitted
16 by Sands, its affiliates and Principals?

17 MR. ROSENBERRY:

18 Yes, we did.

19 ATTORNEY DAVENPORT:

20 And were those applicants investigated
21 for felony convictions, gambling offenses, civil
22 litigation, credit history, outstanding judgments,
23 regulatory history and their Department of Revenue tax
24 status?

25 MR. ROSENBERRY:

1 Yes, they were.

2 ATTORNEY DAVENPORT:

3 Did Sands timely provide the BIE with all
4 requested documents and information that was required
5 during its renewal investigation?

6 MR. ROSENBERRY:

7 Yes.

8 ATTORNEY DAVENPORT:

9 In your opinion, did Sands fully
10 cooperate with the BIE during this renewal
11 investigation?

12 MR. ROSENBERRY:

13 Yes, they've been very cooperative.

14 ATTORNEY DAVENPORT:

15 Did BIE complete its renewal
16 investigation of Sands and its affiliates and
17 Principals?

18 MR. ROSENBERRY:

19 Again, with the exception of those few
20 that came in the latter part of 2009, yes.

21 ATTORNEY DAVENPORT:

22 And to the best of your knowledge, has
23 Sands paid all costs and fees due to the Board for its
24 renewal investigation?

25 MR. ROSENBERRY:

1 As of this past Monday, which would have
2 been the 1st of February, Sands is currently paid up
3 on all costs and fees associated with the renewal
4 investigation.

5 ATTORNEY DAVENPORT:

6 And to the best of your knowledge, has
7 Sands satisfied all its local, state and federal tax
8 obligations?

9 MR. ROSENBERRY:

10 Yes, they have.

11 ATTORNEY DAVENPORT:

12 Did the BIE determine that there were any
13 issues related to Sands' suitability or the
14 suitability of any affiliates or Principals that would
15 impede licensure?

16 MR. ROSENBERRY:

17 The renewal investigation has not
18 uncovered any issues relating to Sands Bethworks
19 Gaming, LLC, its affiliates, Principals or any of its
20 key employees that would have a negative effect on
21 their suitability or that would impede their renewal.

22 ATTORNEY DAVENPORT:

23 Are the BIE's findings contained in a
24 Report of Investigation?

25 MR. ROSENBERRY:

1 Actually, the reports of BIE, there's
2 more than 30 Reports of Investigations and more than
3 15 supplemental Reports of Investigations that are
4 included in that.

5 ATTORNEY DAVENPORT:

6 And were BIE's findings referred to the
7 OEC in order to summarize those into an investigative
8 report?

9 MR. ROSENBERRY:

10 Yes, they were.

11 ATTORNEY DAVENPORT:

12 And that report would have been
13 eventually contained in the suitability report;
14 correct?

15 MR. ROSENBERRY:

16 That's correct.

17 ATTORNEY DAVENPORT:

18 And just for the record, the suitability
19 report is marked as OEC Exhibit Seven. At this time,
20 is BIE aware of any issues that would preclude the
21 entity, its subsidiaries, affiliates and Principals
22 from being licensed by the Board?

23 MR. ROSENBERRY:

24 No, we're not.

25 ATTORNEY DAVENPORT:

1 Thank you.

2 PRESIDING OFFICER:

3 Any Cross Examination by Sands Counsel?

4 ATTORNEY KRAUS:

5 I have no questions of this witness. I
6 understand the Bureau of Investigation report has been
7 entered as a confidential document.

8 PRESIDING OFFICER:

9 It is.

10 ATTORNEY DAVENPORT:

11 As Mike Rosenberry testified, the BIE
12 conducted an investigation to determine suitability of
13 the applicants for licensure. The OEC prepared a
14 background investigation report regarding the
15 suitability of all applicants. This background
16 investigation report is attached to the suitability
17 reports. It is forwarded to the Board. The
18 suitability report also contains information on the
19 background of the Licensee, gaming operations,
20 employment, diversity, regulatory history, an issue
21 since licensure, complies with the Statement of
22 Conditions, fulfillment of promises and commitments,
23 payment of application background investigation fees,
24 financial suitability, bond for issuance of Slot
25 Machine License, civil litigation, tax clearances,

1 background investigation of Principals and its
2 Compulsive and Problem Gambling Plan.

3 The Pennsylvania Department of Revenue
4 has reported that Sands is compliant with Chapter 14
5 of the Gaming Act and the Department of Revenue's
6 regulations regarding all payment of taxes and
7 assessments. In addition, the Department of Revenue
8 has reported that there have been no issues regarding
9 collection of taxes under gross terminal revenue or
10 connectivity to the Department's Central Control
11 Computer System. The Pennsylvania Department of Labor
12 and Industry report to the Board that Sands is
13 compliant with its Unemployment Compensation and
14 Workers' Compensation taxes.

15 Section 1212 of the Gaming Act requires
16 the Board promote and ensure diversity in all aspects
17 of gaming activities authorized under the Act, and the
18 Board shall work to enhance the representation of
19 diverse groups and the ownership, participation and
20 operation of licensed entities and licensed facilities
21 through the ownership, participation and operation of
22 business enterprises associated with or utilized by
23 licensed entities and licensed facilities and through
24 the promotion --- or I'm sorry, through the provision
25 of goods and services utilized by slot machine

1 licensees. The Board's Director of Diversity reviewed
2 Sands' Diversity Plan and concluded that it is not
3 deficient and that Sands has demonstrated a good faith
4 effort to achieve the diversity goals of the Board.

5 Sands' suitability report contains an
6 analysis by the Board's Financial Investigation Unit
7 of Sands' finances which indicates that there is no
8 reason at this time to find Sands, its parent company
9 or any affiliates or Principals financially unsuitable
10 for continued licensure.

11 At this time, OEC would like to move onto
12 the record the following OEC exhibits. OEC One is the
13 May 1st, 2008 warning letter and Sands' response, the
14 Principal failing to file the renewal application
15 prior to expiration. It would also contain Sands'
16 response to these warning letters. OEC Exhibit Two is
17 the September 18th, 2009 warning letter and response
18 to the alleged failure to notify. OEC Exhibit Three
19 is the January 8th, 2010 warning letter and response
20 regarding five underage gaming incidents. OEC Exhibit
21 Four is a request for the emergency suspension of the
22 gaming employment permit of Joseph Frenchichio
23 (phonetic). OEC Five is the State Police UCR
24 printout. OEC Exhibit Six is a November 18th, 2009
25 LCE citation. OEC Number Seven is the suitability

1 report. And I believe Sands has a copy of the
2 suitability report now.

3 ATTORNEY EICHER:

4 We do.

5 ATTORNEY DAVENPORT:

6 Okay. Thank you.

7 PRESIDING OFFICER:

8 You've also submitted stipulations.
9 Shall we mark those as OEC Exhibit Number Eight?

10 ATTORNEY DAVENPORT:

11 Okay. Thank you.

12 ATTORNEY EICHER:

13 No objections.

14 PRESIDING OFFICER:

15 Does Sands have any conditions they'd
16 like to place on any of the Exhibits One through
17 Eight?

18 ATTORNEY EICHER:

19 Again, with the understanding that the
20 suitability report is going to be filed under seal as
21 confidential, no other objections.

22 PRESIDING OFFICER:

23 Yes. Okay. Those are accepted. Another
24 housekeeping matter, quickly. The Sands has provided
25 a PowerPoint presentation.

1 ATTORNEY DAVENPORT:

2 I'm sorry, Director Lloyd?

3 PRESIDING OFFICER:

4 Yes?

5 ATTORNEY EICHER:

6 One other comment. The warning letters
7 and citations were also to be submitted as
8 confidential documents.

9 PRESIDING OFFICER:

10 Okay. We'll mark those as such. As for
11 Sands' exhibits, we will mark --- if you have a
12 digital copy of your PowerPoint presentation on a CD
13 for us, we'll mark that as Exhibit One. Do you
14 have ---?

15 ATTORNEY EICHER:

16 I do have a copy for you.

17 PRESIDING OFFICER:

18 And we will mark the hard copy as Sands'
19 Exhibit Two. Do you have any other exhibits you'd
20 like to present at this hearing?

21 ATTORNEY EICHER:

22 No, we do not.

23 PRESIDING OFFICER:

24 I'll note for the record we have received
25 copies of your license renewal application and other

1 documents you've submitted to the Board, and those are
2 already in the hearing file with the Office of
3 Hearings and Appeals (OHA). Are there any follow-up
4 for OEC or Sands before we hear from the public
5 commenters?

6 ATTORNEY KRAUS:

7 No other follow up. Thank you.

8 ATTORNEY DAVENPORT:

9 Okay. And it's my understanding the
10 record will remain open until the Board hearing for
11 submission of additional documents?

12 PRESIDING OFFICER:

13 Correct. The questions that have
14 remained unanswered, we'll look for information from
15 Sands on those questions as well as anything else that
16 may arise between now and the time the Board chooses
17 to take up the license renewal application.

18 ATTORNEY DAVENPORT:

19 Okay. Thank you.

20 PRESIDING OFFICER:

21 Now we will begin the public comment
22 portion of the hearing. Thank you to those who have
23 waited patiently to comment. As I call your name,
24 please come forward to the microphone on the podium.
25 If you could begin your remarks by stating and

1 spelling your name, that would be helpful. And let us
2 know if you're here to speak on behalf of a community
3 group, who that group is, or if you are an individual
4 speaker just for the public. If you will all stand,
5 those of you who have registered to speak, to be sworn
6 at this time. Raise your right hands.

7 -----
8 WITNESSES SWORN EN MASSE:
9 -----

10 PRESIDING OFFICER:

11 The first speaker I have registered is
12 Olga Negron.

13 MS. NEGRON:

14 Good morning. My name is Olga Negron.
15 And that is N-E-G-R-O-N. I am here representing the
16 Council of Spanish Speaking Organization of the Lehigh
17 Valley. I am the Executive Director of the Spanish
18 Council, and I also live with my three daughters on
19 Fifth Street, two blocks right in front of the casino.
20 From just about anywhere in my house, we can see the
21 light.

22 Last year, we got new neighbors and we
23 all wondered, what will it be like? What kind of
24 neighbors will they be? Many were the worries about
25 having such an industry in our backyard. The

1 Bethlehem Steel was the life of South Bethlehem for so
2 many years. It was hard to imagine a new sight, life
3 to the old steel.

4 Now, almost a year has passed by and what
5 a different story it is. We have seen this neighbor
6 develop and grow. And even though it has been such a
7 short time, it actually feels like it grew up with us.

8 I am a member of the Board for CADC
9 Bethlehem, where our first priority was to ensure that
10 minorities were informed and certified in order to
11 operate their business in our new neighbors' site.
12 When we realized the magnitude of our community's
13 worries about working there and the negative effect
14 this would have in our people and our economy, we
15 decided to play a different role. The Sands was very
16 receptive to this idea. We held several community
17 workshops where the Sands provided details to our
18 community about the process, the requirements and the
19 qualifications to work at the Sands. They even
20 partnered with NCC to ensure training was available to
21 those interested in working there. I am glad to see
22 that they continue to provide the trainings to prepare
23 our community as the new jobs are created.

24 Many of us were also worried about the
25 community becoming addicted to gambling. I soon

1 learned of the license requirements. You calmed our
2 fears as we heard that Sands employees would not be
3 allowed to gamble at Sands or anywhere in the
4 Commonwealth, for that matter. That detail alone was
5 enlightening and made us even more interested in
6 assuring that we had as many individuals from our
7 community working at the Sands, just like the old days
8 but with color and lights.

9 Last November, I received a call from the
10 Sands staff asking about the possibility of us
11 providing them a list of five families in need. The
12 employees of the Sands, grateful of having the great
13 jobs they had, wanted to sponsor needy families from
14 our community during Christmas. The employees and the
15 Sands provided seven families of South Side with food,
16 toys, clothing and even furniture, also sponsored many
17 other families from our neighboring cities, which
18 shows their commitment to acting above and beyond our
19 expectations. This speaks greatly of the Sands as an
20 industry and also demonstrates the gratitude employees
21 feel on an individual level for having a job. And I
22 am glad they are my neighbors.

23 Our neighbors have now become part of the
24 South Side family. They have shown and proven on
25 numerous occasions their commitment to us. And this

1 is why in such a short time they are now one of us.

2 I am proud of the initiative taken by our
3 city government, by so many leaders in our community
4 and by the Sands by getting together, thinking
5 together, doing research on other cities and always
6 thinking about our people, about our community and
7 even about the amazing history the site has.

8 The landscaping of the South Side has
9 changed. And we are all still here enjoying a
10 beautiful site, a view that, although it looks
11 different, it is still helping us remember what it
12 was. It even feels like a monument to the old grey.
13 These physical changes we enjoy greatly from afar but
14 also as from up close, walking inside the building,
15 getting the feeling of reading a history book.

16 I, on behalf of the South Side community,
17 ask the Gaming Control Board to strongly consider the
18 renovation (sic) of the license to the Sands Casino.
19 They brought life to our South Side. They brought
20 hope. They brought jobs, brought a place for
21 entertainment, bringing people to our neighborhood
22 that otherwise would have never come to Bethlehem.
23 The South Side even feels safer and full of life.
24 Now, with the Sands Casino, we can see the light.
25 Thank you.

1 PRESIDING OFFICER:

2 Thank you. And if you could leave your
3 comments, that would be helpful to us. Thank you.
4 Mr. Roger Hudak?

5 MR. HUDAK:

6 My name is Roger Hudak, H-U-D-A-K. I
7 live at 1256 East Fifth Street. I'm one of Olga's
8 neighbors, 200 yards south of the casino. I'm also
9 the Chairman of the Mayor's South Side Task Force and
10 the Chairman of the Southeast Block Watch for our
11 neighborhood. That includes the Sands Casino. The
12 Sands has been a member of the Block Watch and the
13 South Side Task Force for as long back as I can
14 remember. Back to 2005 they've always had a presence.
15 I do not work for City Hall, although I answer to the
16 Mayor. I don't answer well sometimes to him, but I
17 answer to him. I do not work for anyone, actually.
18 I'm a volunteer and a retired resident of South
19 Bethlehem. I do not work for the Sands. It works for
20 us. As a neighbor, they have done wonders.

21 The project is a transformation of what
22 once was a huge 130-acre brown-field into what will be
23 a tourism destination that provides thousands of jobs
24 for Lehigh Valley residents, a tax paying
25 hotel/convention center with a casino on a section of

1 the site that has provided no tax income for the City
2 and County for more than a decade. The partnership
3 with ArtsQuest's Stacks, as you've just heard, and the
4 National Museum of Industrial History, the Steel
5 Workers Archives Group and the City of Bethlehem has
6 made it possible for this renaissance to continue even
7 through the horrific recession and near financial
8 collapse of America's economy this past year. We look
9 forward to the resumption of the hotel and convention
10 center now stalled on the site due to the national
11 capital freeze.

12 The Sands Bethlehem Casino Resort has
13 gone beyond any and all promises that were made back
14 in the early days of the planning. And I have been
15 there since 2004, before the Sands was even on board.
16 They have physically transformed our ore pits into a
17 hotel and convention center with a casino providing
18 for the employment of over almost 1,000 people.
19 Ninety (90) percent of the hires are Lehigh Valley
20 folks, which we really wanted. The minority
21 percentages are higher than the demographic for the
22 region as well. We are still waiting for the final
23 construction of the hotel/convention venue as the
24 credit market loosens, enabling Las Vegas Sands to
25 borrow what is needed to finish its first phase of the

1 project --- more jobs, more visitors.

2 As a citizen of Bethlehem, I am very
3 happy with the phenomenal progress made by Las Vegas
4 Sands during this project. We entrusted them with our
5 City, and they have delivered far beyond any of our
6 expectations. I consider Sands to be a stalwart
7 member of the community whose executives and work
8 force are very receptive to our wants and needs. This
9 is a partnership that is working with the guidance of
10 Sands Bethlehem's totally accessible President, Bob
11 DeSalvio, at the helm with the partners that I just
12 mentioned. This project fits the parameters of the
13 gaming law's initial hope of urban renewal of a city
14 that lost 20 percent of its tax base with the
15 bankruptcy of Bethlehem Steel.

16 A very loud minority of the students
17 (sic) who bemoaned the coming of this project on moral
18 grounds and other fears has been silenced for the most
19 part by the fact that none of its fears has
20 materialized, not the traffic, nor the moral
21 degradation, the prostitutes and drug dealers and pawn
22 shops, just much-needed jobs.

23 I invite you all to visit the site if you
24 have any opportunity and check out --- in the
25 marketplace venue there's a model of what the site

1 will look like when we're all done. There are years
2 and years and another billion dollars' worth of
3 investment yet to be made on this site. I'd like to
4 thank the Gaming Control Board and Las Vegas Sands for
5 the license for us and strongly endorse the Sands'
6 presence here in Bethlehem with the continuation and
7 renewal of its license. Thank you.

8 PRESIDING OFFICER:

9 Thank you, Mr. Hudak. Ms. Donna Taggart?

10 MS. TAGGART:

11 Good afternoon. My name is Donna
12 Taggart. That's T-A-G-G-A-R-T, and I am the President
13 of Taggart Associates, an urban revitalization
14 consulting firm located right here in South Bethlehem
15 at 26 East Third Street. I have served as the
16 Community Outreach Liaison for the Sands Casino Resort
17 in Bethlehem since 2006. The Las Vegas Sands
18 Corporation originally contracted our services prior
19 to being awarded the gaming license, recognizing the
20 importance of building strong partnerships within our
21 community.

22 I appreciate the opportunity to speak
23 with you this morning about our community outreach
24 efforts, and the very key strategic partnerships that
25 we've developed to help support the community, while

1 at the same time help the Sands accomplish their
2 goals. Northampton Community College, NCC, is among
3 the strongest of these partnerships. The Mayor and
4 Bob alluded to the strong partnership in their
5 remarks, so I'm going brief mine a little bit. I know
6 we all are getting hungry, at least I am. But I
7 endorse this strong partnership that we have with NCC
8 in job training and work force development. It's been
9 key.

10 The Sands also has developed a
11 partnership with the Community Action Committee of the
12 Lehigh Valley in the area of minority and women-owned
13 business certification. I did fail to mention to you
14 in my original remarks that I am a woman-owned
15 business, certified by the Commonwealth of
16 Pennsylvania through the United Certification Program
17 and the Department of General Services. CACLV is a
18 grass-roots organization with the ability to identify
19 these types of businesses and assist them through the
20 certification process. The Sands reimburses CAC for
21 every business that successfully completes the
22 certification process. To date, 13 companies have
23 become certified through this partnership and four of
24 them became vendors of the Sands.

25 Bob also alluded to the satellite

1 locations that we set up during the initial employment
2 process to assist potential employees with their
3 online employment process. He also talked about the
4 role of hiring South Bethlehem residents, as did Olga,
5 with the community job orientation workshops that we
6 held in South Bethlehem.

7 The Lehigh Valley Association of
8 Independent Colleges hosted a workshop in response to
9 concern from the surrounding college community.
10 Representatives from the Sands presented their
11 policies on problem and underage gaming, explained
12 their relationships between the college and the police
13 security and various other good neighbor concerns and
14 answered questions from college administrators and
15 faculty.

16 The Sands is also exploring several
17 employment partnerships to further diversify their
18 workforce. Community partners may include non-profits
19 such as VIA of the Lehigh Valley, the Good Shepherd
20 Rehabilitation Center, Catholic Charities and the
21 Bethlehem Area School District.

22 The Sands continues to support various
23 local non-profit organizations with monetary
24 contributions as well as by placing team members on
25 their boards, participating in fundraising events such

1 as walks, clean-up events and providing donations of
2 services for silent auctions at fundraising events.
3 And you've heard even more about that previously as
4 well.

5 The Sands has invested a significant
6 amount of time and resources into the area of
7 responsible gaming. To accomplish this --- I'm going
8 to read this because I know it's important to all that
9 we do. You've heard some of it. But to accomplish
10 this, they've established a strong partnership with
11 the Pennsylvania Council on Compulsive Gambling which
12 provides professional trainers for all seminars
13 offered by the Sands. Trainers from the Council
14 conducted Levels I and II Problem Gambling Treatment
15 Training Series for the professional counseling
16 community, fully underwritten by the Sands. The only
17 cost to attendees was for continuing education credits
18 which were also arranged through the Pennsylvania
19 Chapter of the National Association for Social Workers
20 and the Lehigh Valley Chapter of the National
21 Psychologist Association. This series was offered
22 three times during 2006 through 2008, with the first
23 of these offered even pre-licensing. The Level II
24 series was offered again in the winter of 2009, and
25 we're currently in the middle of offering both Levels

1 I & II again. And as we told you previously, over 900
2 professionals have been involved in these courses.

3 But in addition to those, several members
4 of the faith-based community attended our professional
5 training series and expressed interest in a one-day
6 training workshop focused on the faith-based
7 community. This workshop was underwritten by the
8 Sands, held in April of 2008. And then a full Level I
9 series was subsequently offered with faith-based
10 component in the spring of 2009. In an effort to
11 provide more bilingual counselors, the Sands
12 co-sponsored a Level I training series in partnership
13 with Hispanic-American Organization in the spring of
14 2009.

15 In an effort to raise awareness of this
16 issue more broadly throughout the community, the Sands
17 helped sponsor an evening seminar hosted by the Center
18 for Humanistic Change last summer, and we are
19 currently planning a one-day seminar for this March.

20 The Sands has been an extraordinary
21 partner in the three years since they've joined our
22 community. When gaming was first approved in
23 Pennsylvania, many citizens were concerned about the
24 negative impact a casino might have in our community.
25 In response, the Sands has reactively and proactively

1 responded to concerns and alleviated most of those
2 initial concerns by forging strategic partnerships
3 with the community. They have become a model
4 corporation for community involvement and employment
5 practices in the Lehigh Valley. Thank you.

6 PRESIDING OFFICER:

7 Thank you, Ms. Taggart. Ms. Lisa
8 Witomski?

9 MS. WITOMSKI:

10 Hello. My name is Lisa Witomski,
11 W-I-T-O-M-S-K-I. I am the President and owner of
12 T. Frank McCalls. T. Frank McCalls is a master
13 distributor for those non-glamorous, yet essential
14 items, such as toilet tissue, trash bags and gloves.
15 McCalls has been a tax paying Pennsylvania business
16 since 1876, 134 years. McCalls is also a Pennsylvania
17 certified woman-owned business as well as a
18 Pennsylvania Gaming Control Board Certified Vendor.

19 Long before the Sands Bethlehem opened,
20 Fran Abuisi, the Director of Purchasing, and I met at
21 a PGCB-sponsored diversity event. They do work.
22 Though McCalls had never sold to any of the Venetian
23 properties, Fran encouraged and welcomed McCalls to
24 submit competitive bids. I should also mention that
25 McCalls was a vendor for Bethlehem Steel.

1 With effort, persistence and
2 communication, McCalls has become a significant vendor
3 for the Sands Bethlehem. Our experiences dealing with
4 purchasing, environmental services, stewarding and
5 facilities have always been professional and
6 forthright. We look forward to our continued
7 partnership. Thank you very much.

8 PRESIDING OFFICER:

9 Thank you. That is the list of speakers
10 that I have been provided today. If there's anybody
11 here today that believes that they have registered and
12 I have not called your name, would you raise your
13 hand? I see none. We'll move on. If Sands has any
14 brief closing statement, provide it right now.

15 MR. DESALVIO:

16 No, other than to thank the members of
17 the Board and staff for working with us through the
18 process. It was the first of our renewals and
19 certainly required some guidance, and everybody on the
20 staff has been extremely cooperative in helping us go
21 through the process. So we just want to acknowledge
22 and thank the Board and staff for that.

23 PRESIDING OFFICER:

24 Thank you. OEC Counsel, any short
25 closing?

1 MS. DAVENPORT:

2 No. I think everything is already on the
3 record.

4 PRESIDING OFFICER:

5 A few housekeeping matters. Any briefs
6 or written memorandums from either party will be filed
7 with the Board Clerk on or before the close of
8 business next Wednesday, February 10. The record will
9 remain open until the Board hears the matter at a
10 later public Board meeting. The next step in this
11 process is that I will prepare a report for the Board
12 based upon the testimony and evidence that we heard
13 here today. That report will be sent to the Board,
14 along with the transcripts and exhibits that are in
15 the record. The Board will then schedule this matter
16 to be heard at a future public board meeting at their
17 pleasure. I do not know when that will be, so check
18 on the Board's website and their upcoming Board
19 agendas to see if the Sands license renewal is on our
20 next Board meeting.

21 I want to thank you all for coming today
22 and for your cooperation and again thank the City of
23 Bethlehem for the use of their facility. The hearing
24 is now concluded and adjourned. Thank you.

25 * * * MEETING CONCLUDED * * *