

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt, James B. Ginty,
Keith R. McCall, Anthony C. Moscato (via
teleconference), Gary A. Sojka,
Kenneth I. Trujillo; Members
Christopher Craig, Representing Robert
McCord, State Treasurer
Robert Coyne, Representing Daniel P.
Meuser, Secretary of Revenue
Matthew Meals, Representing George Greig,
Secretary of Agriculture

MEETING: Wednesday, April 11, 2012

LOCATION: Strawberry Square Complex, Second Floor
Harrisburg, PA 17120

Reporter: Jolynn C. Prunoske

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CHAIRMAN:

Okay. We will now begin our regularly scheduled meeting. By way of announcement the Board held an executive session yesterday and just prior to this meeting. The purpose of yesterday's executive session was to discuss personnel matters pending litigation and to conduct quasi judicial deliberations relating to matters being considered by the Board today. The executive session, which just ended, was held to conduct quasi judicial deliberations relative to the hearings held this morning. The first order of business of this meeting will be consideration of a motion to approve the transcript and minutes of the Board's February 29th, 2012 meeting. May I have such a motion?

MR. FAJT:

Mr. Chairman, I move that the Board approve the minutes and transcript of the February 29th, 2012 meeting.

MR. GINTY:

Second.

CHAIRMAN:

All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? The motion carries. Next we'll
4 have Kevin O'Toole, Executive Director, to provide his
5 report. Kevin.

6 MR. O'TOOLE:

7 Good afternoon, Chairman Ryan and members
8 of the Board. I'll be brief this afternoon; however,
9 I would like to report on the opening of the first
10 Category 3 casino in Pennsylvania that occurred on
11 March 31st, 2012 when Valley Forge Casino Resort
12 opened following two six hour test periods. Our
13 opening team led by Jeanne Ort-Motto, Jerry Stoll,
14 Michael Cruz and John Sentell worked diligently in the
15 final weeks before opening to assist Valley Forge
16 management team to ensure that all aspects of the
17 casino facility and the casino workforce met the
18 regulatory requirements to open to the public.

19 The Bureau of Investigations and
20 Enforcement and the Bureau of Licensing also deserve
21 much credit for their efforts in getting over 900
22 employees properly credentialed to work at Valley
23 Forge Casino. The test periods proved to be important
24 as all casino related computer systems were tested.
25 Employee training was evaluated and table game dealers

1 were closely observed.

2 I would also like to thank Chairman Ryan,
3 Commissioner Fajt and Commissioner Ginty for
4 participating in the Valley Forge opening as the
5 delegated members of the Board who reviewed the
6 results of the test period and gave final approval for
7 Valley Forge to begin operations. Thank you,
8 gentlemen.

9 CHAIRMAN:

10 Thank you, Kevin. Any questions or
11 comments from the Board? Ex-officio members? Next
12 Claire Yantis, Human Resources Director. Claire.

13 MS. YANTIS:

14 Good afternoon, Chairman, Board members.
15 The Office of Human Resources has one motion before
16 you today. On April 5th, 2012 the Board's Personnel
17 Committee approved the hiring of Robert Burnett in the
18 position of Casino Compliance Representative at Parx
19 Casino. This action is consistent with the Board
20 Order of February 29th, 2012 delegating authority to
21 the Board's Personnel Committee to approve the hiring
22 of individuals between Board meetings to ensure
23 adequate staffing support for the Valley Forge Casino
24 opening. Per that same Order, finalization of any
25 hiring between Board meetings is contingent upon the

1 Board ratifying the Personnel Committee's action. Mr.
2 Burnett has completed the PGCB interview process,
3 background investigation and drug screening, and the
4 action to finalize his appointment as a Casino
5 Compliance Representative is ready for ratification at
6 this time. Unless you have any questions I ask that
7 you consider a motion ratifying the hire of Mr.
8 Burnett as required by the February 29th, 2012 Board
9 action.

10 CHAIRMAN:

11 Any questions or comments from the Board?
12 From ex-officio members of the Board? May I have a
13 motion?

14 MR. GINTY:

15 Mr. Chairman, I move that the Board
16 ratify the previous hiring of the Applicant described
17 by the Director of Human Resources.

18 MR. SOJKA:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 MR. MOSCATO:

23 Aye.

24 ALL SAY AYE

25 CHAIRMAN:

1 Thank you, Tony. The motion carries.

2 MS. YANTIS:

3 Thank you.

4 CHAIRMAN:

5 Thank you, Claire. Next up is Dave Rhen,
6 our Budget Manager, presenting the financial update.
7 Dave.

8 MR. RHEN:

9 Good afternoon. I'm here today to
10 provide an update of expenditures through the end of
11 March. Through this period the Board has reported
12 total expenditures of \$24.4 million. By category the
13 Board has expended \$23.3 million for personnel and
14 \$4.4 --- \$4.1 million for operations. By percentage
15 it breaks down to 83 percent to personnel and 17
16 percent for operations for the year to date. For
17 March alone the agency recorded expenditures are \$2.8
18 million including \$2.4 million for payroll and
19 \$397,000 for operations. Year to date the largest
20 operating expenses are for rentals and leases at \$1.6
21 million or 36 --- 38 percent of operating expenses.
22 Services at \$996,000 or 25 percent. Other operating
23 expenses including investigative database
24 subscriptions as \$128,000 or 16 percent and
25 telecommunications at \$393,000 or 10 percent of

1 operating expenses. And the four categories that I
2 just mentioned were also the largest operating
3 expenses for March. They accounted for \$347,000 or 88
4 percent of operating expenses for March. That
5 concludes my presentation.

6 CHAIRMAN:

7 Thank you, David. Any questions or
8 comments from the Board? Ex-officio members? Next
9 we'll call upon Doug Sherman, Office of Chief Counsel
10 (OCC).

11 ATTORNEY SHERMAN:

12 Good afternoon, Chairman, members of the
13 Board. Our first agenda item relates to an opposed
14 regulation. Assistant Chief Counsel, Susan Yocum is
15 here to present.

16 ATTORNEY YOCUM:

17 Good afternoon. I have one proposed
18 rulemaking for your consideration today. It is
19 125-161, which will amend several sections of the
20 existing regulations. It's going to reduce the number
21 of agreements that operators are required to file with
22 the agency. It's also going to provide some
23 specificity regarding which agreements require Board
24 approval prior to implementation. Additionally, we've
25 added a new exclusion to the Gaming Service Provider

1 Certification and Registration requirements.
2 Professional sports teams like Major League baseball,
3 the NFL, NBA and NHL will no longer be required to
4 file for registration or certification as a Gaming
5 Service Provider with the Board. Several licensed
6 facilities have contracted with pro sport teams to
7 provide tickets for patrons of the licensed facility
8 as well as advertising at the sporting events. After
9 reviewing the contracts and the provisions in other
10 gaming jurisdictions we no longer believe it's
11 necessary that they be required to be certified or
12 registered with the Board. I'll be happy to answer
13 any questions you may have.

14 CHAIRMAN:

15 Any questions from the Board? From
16 ex-officio members of the Board? May I have a motion?

17 MR. SOJKA:

18 Yes, Mr. Chairman. I'll move that the
19 Board adopt the Proposed Regulation # 125-161 as
20 described by the OCC and that that regulation be
21 posted on the Board's website.

22 CHAIRMAN:

23 Second?

24 MR. TRUJILLO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion carries.

6 ATTORNEY YOCUM:

7 Thank you.

8 ATTORNEY SHERMAN:

9 Thank you, Susan. The next matters
10 before the Board relate to presentation of two updated
11 Gaming Control Board policies for approval by the
12 Board. The policies at issue are Policy Number 407,
13 which is the Gaming Control Board's Travel Expenses
14 and Approval Policy, and Policy 408, which is the
15 Board's Automotive Policy. Both policies have been
16 updated, taken into consideration and reflect current
17 Commonwealth Department of General Services policies,
18 which govern reimbursement for certain expenses
19 incurred during the course of regularly conducted
20 business, as well as, in relation to automobiles in
21 the DGS fleet, which this agency leases. We also have
22 addressed a few individual items specific to the
23 agency. Drafts of the revised policies have been
24 provided to the Board in advance of this meeting. I'd
25 be happy to answer any questions. Otherwise I would

1 ask for a motion first to approve the Travel Expenses
2 and Approval Policy Number 407.

3 CHAIRMAN:

4 Questions or comments from the Board?
5 From ex-officio members of the Board? May I have a
6 motion?

7 MR. TRUJILLO:

8 Mr. Chairman, even though I think it's
9 ridiculous, these policies, I still move that the
10 Board approve the PGCB's Travel Expenses Approval
11 Policies and Procedures as described by the OCC.

12 MR. FAJT:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 ATTORNEY SHERMAN:

20 Next, again, I would ask for approval of
21 Policy number 408, which is the Automotive Policy and
22 procedure.

23 CHAIRMAN:

24 Questions, comments from the Board? Ex-
25 officio members of the Board? May I have a motion?

1 MR. FAJT:

2 Mr. Chairman, I move that the Board
3 approve PGCB's Automotive Policy and Procedure Number
4 408 as described by the OCC.

5 CHAIRMAN:

6 Second?

7 MR. GINTY:

8 Second.

9 CHAIRMAN:

10 Ken, any comment? All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion carries.

14 MR. GINTY:

15 I just have to know. I think this is an
16 improvement --- because when I first joined the Board
17 I was totally ---. I had to purchase a Ford only to
18 find out that that was not considered an American car.

19 CHAIRMAN:

20 Okay. Lot of inside jokes.

21 ATTORNEY SHERMAN:

22 Today the Board has three petitions
23 before it for consideration. The first petition
24 pertains to Downs Racing. It was heard by the Board
25 earlier today. The remaining two matters will be

1 considered upon the documents. As each of the matters
2 the Board has in advance of the meeting been provided
3 with petitions, any responsive meetings as well as any
4 other supporting evidentiary materials or memorandums
5 which have been filed with the clerk. The first
6 petition, as I stated, was that of Downs Racing. It's
7 the request that the Board approve, ratify the
8 amendments to their internal controls relative to
9 their Gift Card Program. The Board I think heard this
10 matter extensively for about an hour earlier and it's
11 now appropriate to consider a motion.

12 CHAIRMAN:

13 Okay. Any questions or comments from the
14 Board?

15 MR. TRUJILLO:

16 Mr. Chairman, I don't have a comment.

17 CHAIRMAN:

18 Okay. May I have a motion?

19 MR. GINTY:

20 Mr. Chairman, after having played this
21 mule this morning for probably longer than it's worth,
22 I have the honor to move that the Board grant Down
23 Racing's petition with the following conditions.
24 First that any gift card or gift certificate program
25 explicitly require that the purchaser and recipient be

1 different people. Second, that the maximum value of
2 gift card or gift certificate purchased using a credit
3 card, but redeemable for cash shall be \$200. Third,
4 that a person can only redeem the maximum of \$200 in
5 cash per month in gift cards and gift certificates
6 purchased using a credit card. Fourth, that a gift
7 card or gift certificate purchased using a credit card
8 cannot be redeemed for cash until 24 hours after the
9 purchase. And finally, that all cash redemptions be
10 made at the casino cage.

11 MR. MCCALL:

12 Second that motion.

13 CHAIRMAN:

14 Any questions or comments?

15 MR. TRUJILLO:

16 Mr. Chairman, I'm going to vote no. I
17 believe that OEC's position is well founded and I
18 think that, consistent with our regulatory
19 obligations, we should assert ourselves over that
20 which we control or regulate. And accordingly I would
21 restrict any redemption for cash completely.

22 CHAIRMAN:

23 Any other comment or questions?

24 MR. SOJKA:

25 I would simply comment as well because

1 this is a troublesome point for me also. And for me
2 the issue falls to what is reasonable regulation? And
3 though I completely understand OEC's position and
4 Commissioner Trujillo's concern I feel that it simply
5 has no basis in practicality because of the close
6 positioning of the ATM machines and the hurdles that
7 we placed between the purchaser and the redeemer. I
8 hate to use that word redeemer in the Easter season.
9 Disregard. But anyway, so that's my stance and I just
10 want to make sure that if I vote yes you understand
11 that I'm not in complete disagreement. I just think
12 this is a very difficult issue.

13 MR. TRUJILLO:

14 And I also, by the way, really appreciate
15 the thoughtfulness of the Commissioners in trying to
16 come up with a workable solution that meets the needs.
17 And so I am not far from where all of you are. I
18 prefer --- it's for me. I think a bright line rule in
19 this case is the place where I feel that we ought to
20 be. I completely understand and appreciate the
21 thought that it's a proposed motion in the same ---.

22 CHAIRMAN:

23 Okay. Thank you, gentlemen. Any other
24 questions or comments from the Board? Ex-officio
25 members? Do I have a second?

1 MR. MCCALL:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed?

8 MR. TRUJILLO:

9 No.

10 CHAIRMAN:

11 With that, the motion passes.

12 ATTORNEY SHERMAN:

13 The next petition before the Board is
14 Maple Direct's Petition for Removal from the
15 Prohibited Vendor List. Maple Direct is a marketing
16 company, which was issued a Vendor Registration
17 December of 2007. Maple conducted business with Mount
18 Airy Casino until April of 2009 and had invoiced the
19 facility approximately \$228,000 over that almost two
20 year time period. The Bureau of Licensing had --- by
21 April of 2009 the Bureau of Licensing had requested
22 Maple Direct file Vendor Certification Applications
23 because of the amount of business that they performed
24 for Mount Airy taking them out of the registration
25 area and into the certified vendor category.

1 Maple Direct did not comply with the
2 request and was thereafter placed on the Prohibited
3 Gaming Service Provider List in June of 2010 due to
4 their non-compliance. In its petition requesting
5 removal from the prohibited vendor --- Prohibited
6 Gaming Service Provider List Maple Direct has
7 indicated that they did not comply with the Bureau of
8 Licensing in part because they didn't see that they
9 were going to have any future business with Mount Airy
10 and one of the company's principals was suffering from
11 health issues.

12 Notwithstanding this fact, while on the
13 Prohibited Gaming Service Provider List Maple Direct
14 did invoice Mount Airy in the amount of \$40,000 for
15 other services rendered.

16 Presently the OEC has no objection to
17 Maple Direct's removal from the Prohibited Gaming
18 Service Provider List provided that they pay a civil
19 penalty of \$1,500 for removal from the list and an
20 additional \$1,500 for conducting business with a Slot
21 Machine Licensee while being on the Prohibited Gaming
22 Service Provider List. The matter is now appropriate
23 for motion by this Board.

24 CHAIRMAN:

25 Is anybody here representing Maple Direct

1 as we know?

2 MR. NODELMAN:

3 Yes, Mr. Chairman.

4 CHAIRMAN:

5 Okay.

6 ATTORNEY NUDELMAN:

7 My name is Oleg Nudelman,

8 N-U-D-E-L-M-A-N.

9 MR. LAFALCE:

10 My name is Ronald Lafalce. It's
11 L-A-F-A-L-C-E. I'm the VP of Operations for Maple
12 Direct.

13 CHAIRMAN:

14 All right. Thank you. All right. May I
15 have a motion for this matter? Okay. Let's open it
16 up. Who has a question?

17 MR. SOJKA:

18 I certainly do. Can I ask again, how
19 were --- how was Maple Direct notified that you were
20 on the Prohibited Vendors List?

21 ATTORNEY NUDELMAN:

22 Mr. Commissioner, my understanding is
23 that Maple Direct received notice of the additional
24 registration requirements and due to the reasons that
25 the OEC just outlined, it's simply --- it slipped

1 through the cracks at the time, back in 2009. Since
2 then Maple Direct has put in a different procedure.
3 Mr. Lafalce is now supervising all the Vendor
4 Registration requirements and there --- controls have
5 been put in place to make sure that this did not
6 happen again if there were any additional questions
7 for the Board down the road.

8 CHAIRMAN:

9 Sir, are you an attorney?

10 ATTORNEY NUDELMAN:

11 Yes, sir.

12 CHAIRMAN:

13 How about ---?

14 MR. LAFALCE:

15 No. No, I'm the VP of Operations of
16 Maple Direct.

17 CHAIRMAN:

18 I need you sworn. Okay?

19 -----

20 RONALD LAFALCE, HAVING FIRST BEEN DULY SWORN,
21 TESTIFIED AS FOLLOWS:

22 -----

23 MR. LAFALCE:

24 I can address your initial question. Mr.
25 Peter Zanger is the President of Maple Direct and 90

1 percent owner of the business. In 2009 I do believe
2 he received some form of notification. In 2010 he had
3 --- the controller of our business was in direct
4 report to Mr. Zanger. I'm the VP of Operations and
5 basically ran all the production operations, but Mr.
6 Zanger was responsible for the business
7 administration. Mr. Zanger did begin the process of
8 trying to reverse or address the issues. He had a
9 major heart attack, I believe, in early 2010. He has
10 not reported back to work in any significant fashion.
11 At that point of his heart attack I took over all
12 operations of the business and I'm in that capacity
13 today.

14 MR. SOJKA:

15 And I take it then by that explanation
16 you're saying that even though appropriate actions may
17 have been underway and at least a key member of the
18 organization was fully aware that you were on a
19 prohibited list and not permitted to do business in
20 Pennsylvania, somehow that got away and you or someone
21 else then contracted through additional services even
22 though you were on that list because you were unaware?

23 MR. LAFALCE:

24 I had notification in 2009 from Mr.
25 Zanger that he had to reply. I was not aware that he

1 did not comply with the regulations. The controller
2 that we had that was our direct report to Mr. Zanger
3 has also left the company, so when I resumed or took
4 over the operation, the controller was replaced with
5 someone who was in direct report to me and at that
6 point we had no knowledge between the two of us that
7 we were on the Prohibited Vendors List.

8 MR. SOJKA:

9 You made the assumption that somehow what
10 actions had been taken ---

11 MR. LAFALCE:

12 Yes.

13 MR. SOJKA:

14 --- and removed you from that list?

15 MR. LAFALCE:

16 That is correct.

17 MR. SOJKA:

18 Okay. This is an issue that's going to
19 be before us for a while today and I want you to be
20 aware of why --- at least why I'm as deeply concerned
21 as I am. And I am truly concerned about this. The
22 creation of this Prohibited Vendor List was a major
23 issue in this agency and it took time. We involved
24 staff, we had Commission discussions, passed things
25 and then when people are put on that list --- again,

1 it's a significant amount of staff time, there's a lot
2 of worrying about it. The Board acts on it and it's
3 one of our safeguards for the people of the
4 Commonwealth and when all that effort takes place and
5 it, quote, slips through the cracks I'm not very happy
6 with that. And I want you to be fully aware of that.
7 We'll discuss that more I think when a motion is made,
8 but I do not consider this a simple slip up of
9 paperwork. I think this is a major concern we have as
10 long as we have the concept of a Prohibited Vendors
11 Lists.

12 MR. GINTY:

13 I have one question. What is Maple
14 Direct's approximate annual revenue?

15 MR. LAFALCE:

16 Excuse me?

17 MR. GINTY:

18 What are your approximate annual
19 revenues?

20 MR. LAFALCE:

21 This year it'll be around \$10 million.

22 CHAIRMAN:

23 Any other questions from the Board? From
24 ex-officio members of the Board? May I have a motion?

25 MR. MCCALL:

1 Mr. Chairman, I move that the Board deny
2 Maple Direct, Inc.'s Petition for Removal from the
3 Prohibited Vendors List as described by the OCC. And
4 I would further move that the Board refer this matter
5 to the Office of Hearings and Appeals (OHA) for an
6 evidentiary hearing.

7 CHAIRMAN:

8 Is there a second on that?

9 MR. SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 MR. GINTY:

15 Mr. Chairman, I would grant the petition.

16 CHAIRMAN:

17 I would grant the petition also, but the
18 motion still carries. Thank you.

19 MR. LAFALCE:

20 Thank you.

21 ATTORNEY SHERMAN:

22 The next petition before the Board today
23 is that of Vision Solutions, Incorporated, a provider
24 of software services and support. They are also
25 requesting that they be removed from the Prohibited

1 Gaming Service Provider List.

2 Vision Solutions submitted their response
3 as a Vendor Registration form and application fee in
4 October of 2008. During review of the application the
5 Board's Bureau of Licensing determined that there were
6 nine deficiencies within the application which needed
7 to be cured. In the following months and despite
8 being informed on two more occasions that the
9 application was deficient, the deficiencies were never
10 cured.

11 Upon the request the Bureau of Licensing
12 the Board thereafter placed Vision Solutions on the
13 Prohibited Gaming Service Provider List. Vision
14 Solutions now requests to be removed from that list
15 and has filed a new application for Gaming Service
16 Provider Registration and now has cured the prior
17 deficiencies. However, while on the Prohibited Gaming
18 Service Provider list Vision Solutions conducted
19 business with four Pennsylvania casinos for which they
20 were compensated a total of just south of \$27,000 of
21 business.

22 The Office of Enforcement Counsel (OEC)
23 does not object to Vision Solutions being removed from
24 the list provided they pay a \$1,500 civil penalty for
25 removal, pay an additional \$3,000 civil penalty for

1 conducting business with four Licensees while on the
2 list. OEC is also requesting that if Vision Solutions
3 fails to cooperate with the Bureau of Licensing or BIE
4 during the review of its new application, such refusal
5 would result in immediate rescission of any interim
6 authorization that it may receive to conduct business.
7 This matter now is ready for the Board's decision.

8 CHAIRMAN:

9 Is anybody here representing Vision
10 Solutions, Inc.? Any questions or comments from the
11 Board?

12 MR. SOJKA:

13 May I?

14 CHAIRMAN:

15 Gary?

16 MR. SOJKA:

17 Yes. Mr. Sherman, could you tell me
18 again about the proposed penalties. There's \$1,500, a
19 standard thing, and then there's a series of
20 violations; right?

21 ATTORNEY SHERMAN:

22 The recommendation from the OEC was ---
23 the way you referred to, a standard \$1,500 penalty,
24 which is in relation to having been put on the list in
25 the first place and then having to come back off it.

1 There's also four infractions, recommended a penalty
2 of \$1,500 for the first one and then \$500 for each
3 subsequent infraction.

4 MR. SOJKA:

5 If you'll pardon me, but I'm mystified by
6 that. I understand bulk sales if you're buying corn
7 flakes, but I don't see why you get a discount for
8 repeating an offense. It seems to me that the
9 traditional way to do that is to escalate the
10 penalties. If you violate the first time and then you
11 violate again, and then you violate again and then you
12 violate yet again, it seems to me those would go up.
13 So I'm just really puzzled by this.

14 ATTORNEY SHERMAN:

15 Commissioner Sojka, I think the Board can
16 have a couple different options here. One, if you
17 thought an evidentiary hearing would be necessary to
18 explain facts of record leading to each of the
19 revocations, it would be appropriate as in a prior
20 instance to remain for a hearing. The alternative is
21 the Board can simply impose a higher fine if the
22 Board's so inclined to do so.

23 MR. SOJKA:

24 All right. Well, to carry on with that,
25 I think an evidentiary hearing might be reasonable

1 because I think there's another issue that we have to
2 hear from this Applicant, and that is, was this a
3 willful, conscious disregard of being placed on this
4 Prohibited Vendor List? If it is that then it seems
5 to me that any of these numbers we're talking about is
6 probably irrelevant, so unless there's opposition ---.

7 CHAIRMAN:

8 Do you want to make a motion?

9 MR. SOJKA:

10 I would make such a motion.

11 CHAIRMAN:

12 Go ahead.

13 MR. SOJKA:

14 I would move that the Board deny Vision
15 Solutions, Inc.'s Petition for Removal from the
16 Prohibited Vendor List and remand the case to, what,
17 Hearings and Appeals ---

18 ATTORNEY SHERMAN:

19 Yes.

20 MR. SOJKA:

21 --- for an --- for a full evidentiary
22 hearing.

23 CHAIRMAN:

24 Okay. Is there a second on that?

25 MR. TRUJILLO:

1 Second.

2 CHAIRMAN:

3 Discussion?

4 MR. GINTY:

5 I have a question. Cyrus, are there any
6 ameliorating circumstances here?

7 ATTORNEY PITRE:

8 Okay. I think there are a couple of
9 things going on and to get to Commissioner Sojka's
10 answer, I want to go through the process. See, for
11 many Gaming Service Providers this may be their first
12 time participating in a restrictive regulated industry
13 and some of them may have participated, but at a
14 lesser level that didn't require licensure to that
15 extent. Or they participated where it's been
16 infrequent or they passed through the industry having
17 never to go through this licensing process. As a
18 result there's usually a greater learning curve and a
19 tendency not to fully appreciate or understand the
20 laws and the regulations involving the gaming industry
21 and how they relate or apply to the companies.

22 As a result, I'm a little bit more
23 patient and understanding with these companies. And
24 the first goal is to ensure that these companies are
25 in compliance and educate them about our process.

1 Recognizing that the more companies that the casinos
2 have to choose from when seeking products and
3 services, the stronger and more robust the industry
4 will be in the end. However, ignorance of the law is
5 not an excuse and we have looked at the facts in each
6 instance and the recommended penalties are reflective
7 of those facts and previously mentioned
8 considerations.

9 Now, I have less patience and
10 understanding with licensed facilities that conduct
11 business with Gaming Service Providers on the
12 Prohibited Gaming Service Provider List. I think
13 that's a bigger problem and --- because they know the
14 Act. They know the regulations and they have internal
15 controls in place, or they should, to ensure it
16 doesn't happen. So I put the onus more on the
17 facilities than I do on these companies who are less
18 educated, less sophisticated and may not have the
19 complete knowledge of how this works.

20 So as a result, you know, we do have
21 pending matters that will be coming before the Board
22 in the future with regard to those, but I don't --- I
23 think that the penalties that we sought were
24 reflective upon considerations. And I agree, Mr.
25 Sherman, if the Board chooses to increase those

1 penalties, you can do that now. Our facts pretty much
2 speak for themselves. They're not going to change
3 much whether we go to a hearing or not, but I'm just
4 telling you that the facilities, for me, that's where
5 the problem is with this.

6 MR. SOJKA:

7 I would certainly --- that was going to
8 be my next question is, this is a two-sided
9 negotiation or transaction and so you got the Licensee
10 and you got the provider of services. So I'm pleased
11 to hear that there's going to be more to this, but,
12 again, it seems to me this may get the attention also
13 of the licensed providers. Nobody's saying that this
14 is a final or permanent decision. We want to hear it.
15 We want to know more. I'm trying to raise this not by
16 adding a higher penalty, but by raising a higher level
17 of consciousness to the importance of this matter.
18 And I think a hearing is an appropriate thing to do
19 and I hope that the Licensees will also understand how
20 important we feel this is.

21 CHAIRMAN:

22 Any other questions? Cyrus, in the prior
23 matter the apparent serious infirmity of the
24 controlling party I thought was an ameliorating
25 factor. To your knowledge --- and you may not be able

1 to answer the question, but to your knowledge is there
2 any similar issue here that the Board should know
3 about or can know about today?

4 ATTORNEY PITRE:

5 In this issue the company is a company
6 out of California that provides services to the
7 casinos from that location in California. They
8 submitted the paperwork. According to them I think
9 the paperwork got lost in the shuffle. It was the
10 casinos who basically need this company in order for
11 them to continue whatever service this company
12 provides and it's going to --- a lot of times what
13 you'll see in the industry is that some casinos will
14 do it because it'll cost so much money for them to
15 switch over. So then they'll get on the Gaming
16 Service Provider and the Gaming Service Provider will
17 then say, okay, I'll submit everything I have to
18 submit. And then the casinos are left holding the bag
19 because they've done business with this Gaming Service
20 Provider who wasn't attentive because they're not
21 normally a part of the industry. So from what I
22 understand it was just merely slip up in paperwork.

23 MS. POWERS:

24 And they do --- I'm sorry. Melissa
25 Powers, P-O-W-E-R-S.

1 CHAIRMAN:

2 I'm sorry, ma'am? Could you state your
3 name?

4 MS. POWERS:

5 Melissa Powers.

6 CHAIRMAN:

7 Okay.

8 MS. POWERS:

9 P-O-W-E-R-S. The Petitioner does assert
10 in the petition that they had some turnover with
11 regard to their employees, so some of the information
12 that was initially --- that was listed in the initial
13 application has changed since then. I'm not sure
14 exactly when. They don't get into the details of when
15 and who, but they do assert that the staff had changed
16 and that's the information they needed to get to us.

17 CHAIRMAN:

18 Thank you. Any other questions? Ex-
19 officio members? We have a vote? I guess we have a
20 motion to?

21 MR. SOJKA:

22 We have a motion and a second.

23 CHAIRMAN:

24 All right. All in favor of the motion?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed?

3 MR. GINTY:

4 I'm opposed. I would grant the petition.
5 And the reasons are similar to Cyrus'. This seems to
6 me to be a very small company, only about \$80,000
7 annually with the casinos and I, for the reasons
8 stated by Cyrus, will let --- grant the petition.

9 CHAIRMAN:

10 I would grant the petition also, but I
11 believe the motion ---.

12 MR. SOJKA:

13 We'll see this again after the
14 evidentiary hearing, in which case ---.

15 MR. GINTY:

16 You're probably going to spend more in
17 legal representation on this and it probably would
18 have been easier to just increase the fine and save us
19 some money. With respect --- do I understand that the
20 folks from Maple ---? Did they come here from
21 California for this?

22 ATTORNEY PITRE:

23 No, Maple came from New Jersey.

24 MR. GINTY:

25 Oh, okay. These folks?

1 ATTORNEY PITRE:

2 Vision Solutions is South California.

3 MR. GINTY:

4 So they ---?

5 ATTORNEY PITRE:

6 Lawyer up.

7 MR. GINTY:

8 Lawyer up?

9 MR. FAJT:

10 Well, they don't necessarily have to
11 bring their folks. They can hire a lawyer who's local
12 and then somebody --- they come and present the facts.
13 You know, I'm with Gary on this. I mean, I think that
14 there is a cost of doing business in this industry and
15 if you're not willing to either know what the regs are
16 or willing to pay the cost to do the business, then
17 you shouldn't be in it. And maybe that's an expensive
18 lesson for people, but this is a very highly regulated
19 industry for a reason. When you're on this list and
20 whether you flaunt the law knowingly or unknowingly
21 there's a price to be paid and I'm fine with what we
22 do.

23 CHAIRMAN:

24 Okay. Thank you all. The motion
25 carries. Thank you.

1 ATTORNEY SHERMAN:

2 Next before the Board is a non-contested
3 enforcement action. On November 7th, 2011 the OEC
4 filed a complaint to revoke Kathryn Chorney's Gaming
5 Permit. Ms. Chorney was issued a Gaming Employee
6 Permit in February of 2011 to work as a promotion
7 special events representative at Harrah's Chester.
8 Harrah's terminated Ms. Chorney in August 2011 after
9 it was determined that she had stolen money from co-
10 workers. Ms. Chorney admitted to both Harrah's and to
11 the State Police that she had stolen approximately
12 \$300 from her co-worker --- or co-workers. She
13 returned the money to the police and as a result of
14 her admission was charged with one count of theft by
15 unlawful taking, which is a misdemeanor. That charge
16 was subsequently withdrawn and reduced to a charge of
17 disorderly conduct.

18 She originally requested a hearing
19 regarding a revocation, which was scheduled for March
20 1st of this year, however, on February 29th she signed
21 a waiver of right to a hearing, thereby conceding to
22 the facts alleged in the OEC petition. The matter not
23 being contested is appropriate for this Board's
24 consideration at this time.

25 CHAIRMAN:

1 Questions or comments from the Board?
2 Ex-officio members of the Board? May I have a motion?

3 MR. TRUJILLO:

4 Mr. Chairman, I move that the Board
5 revoke Kathryn Chorney's Gaming Employee Permit as
6 described by the OCC.

7 MR. FAJT:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion carries.

14 ATTORNEY SHERMAN:

15 Next presenting Withdrawals and Reports
16 and Recommendations is Deputy Chief Counsel, Steve
17 Cook.

18 ATTORNEY COOK:

19 Thank you, Doug. The Board has received
20 five unopposed Petitions to Withdraw the Application
21 or surrender the credentials of individuals or
22 businesses. Persons or entities subject to these
23 petitions are as follows --- and I'll provide the
24 court reporter with a list after with the spellings.
25 The persons are as follows, Jacques Andre, James

1 Campbell, David Maginsky, Phillip Theodore and
2 Paltronics, Inc. The OEC has no objections to the
3 withdrawals as such if the Board makes a motion to
4 grant same, they would do so without prejudice. The
5 matter is now ripe for the Board's consideration.

6 CHAIRMAN:

7 Thank you, Steve. Any questions or
8 comments from the Board? Ex-officio members? May I
9 have a motion?

10 MR. FAJT:

11 Mr. Chairman, I move that the Board issue
12 Orders to approve the withdrawals as described by the
13 OCC.

14 MR. GINTY:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 ATTORNEY COOK:

22 Next before the Board for consideration
23 are four Reports and Recommendations received from the
24 OHA relative to one Gaming Permit and three petitions
25 to place a person on the Board's Exclusion List.

1 These Reports and Recommendations, along with the
2 evidentiary record, for each matter have been provided
3 to the Board in advance of this meeting. Additionally
4 each of the persons involved has been notified that
5 the Board was taking up the matter today and that they
6 have the right to come forward to briefly address the
7 Board.

8 The first Report and Recommendation
9 before the Board is William Moore. Mr. Moore was
10 issued a Gaming Employee Permit on June the 2nd, 2010.
11 Was employed at the table games at Parx Casino. On
12 November 24th, 2011 the Bureau of Casino Compliance
13 became aware that Mr. Moore had been arrested. A
14 subsequent investigation by the BIE discovered that
15 Mr. Moore had been charged with two felony and one
16 misdemeanor drug related offenses.

17 Upon the request of the OEC the Executive
18 Director issued an Emergency Suspension of Mr. Moore's
19 Gaming Permit and on December 20th, 2011 this matter
20 was brought before the Board and an Order was issued
21 referring the matter to the OHA to conduct a full
22 evidentiary hearing.

23 Subsequently this hearing was held on
24 January 17th, 2012 and a Report and Recommendation
25 issued. It is that Report and Recommendation which is

1 present before the Board. The recommendation of the
2 Hearing Officer is that given the continued pending
3 nature, serious nature of the charges including one
4 felony that the Emergency Suspension remain in place.
5 That is the matter before the Board.

6 CHAIRMAN:

7 Is William Moore present in the hearing
8 room? Any questions or comments from the Board? Ex-
9 officio members of the Board? May I have a motion?

10 MR. GINTY:

11 Mr. Chairman, I move that the Board issue
12 an Order to adopt the Report and Recommendation of the
13 OHA regarding the Gaming Employee Permit of William
14 Moore as described by the OCC.

15 MR. MCCALL:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY COOK:

23 The next Report and Recommendation before
24 the Board today pertains to Jason Hannon. On December
25 3rd, 2011 Mr. Hannon was accused of leaving his 12

1 year old son unattended in his car at the Hollywood
2 Casino at Penn National Race Course while he gamed
3 inside of that facility.

4 Penn National's security staff responded
5 to a report of a child left unattended in the --- in a
6 car in the casino parking lot. At that time it was
7 determined that the child was Mr. Hannon's son. Mr.
8 Hannon was thereafter permanently evicted from Penn
9 National and was charged by local authorities with
10 disorderly conduct. Upon learning of the incident the
11 OEC filed a petition on January 3rd, 2012 requesting
12 that Mr. Hannon be placed on the Board's Exclusion
13 List.

14 On January 18th, 2012 Mr. Hannon
15 requested a hearing, which was subsequently held in
16 early February. Both he and the OEC attended and
17 offered testimony at the hearing. Mr. Hannon's
18 testimony was essentially that at the time of the
19 incident his brother had just passed away. In fact,
20 the funeral was the day before. Because of emotions
21 involved in that he wasn't in the right frame of mind.
22 He also put on character evidence indicating that he'd
23 been a volunteer firefighter for over 20 years,
24 received several accommodations with respect to that
25 volunteer activity including accommodations for valor

1 having saved two lives in fighting a fire. He also
2 indicated that he has been a youth sports coach for
3 over 16 years.

4 Upon completion of the hearing the
5 Hearing Officer issued a Report and Recommendation
6 recommending that the Board place Mr. Hannon on the
7 Exclusion List, but allow him to request removal from
8 the Exclusion List one year after placement on that
9 list. Typically our regulations require someone to
10 remain on the list for five years before they can ask
11 for removal from the Board, but under the
12 circumstances the Hearing Officer thought it was
13 appropriate to limit that to one year. And that's the
14 recommendation that's before the Board.

15 CHAIRMAN:

16 Is Jason Hannon in the hearing room? Any
17 questions or comments from the Board?

18 MR. SOJKA:

19 Yeah, I do have --- and this is going to
20 seem very inconsistent. I've been coming down hard
21 today, but I fully understand the sympathetic approach
22 to reduce the five year exclusion to one year because
23 of the extenuating circumstances involving Mr.
24 Hannon's character, the events surrounding his life at
25 that time and the fact that his son was 12 years old,

1 not a toddler. Leaving children in cars is a very
2 serious matter and we have a long record of showing
3 that we can be very tough about that, but when we put
4 someone on the involuntary Exclusion List it's not
5 just keeping them out of the casino for a year; is it?
6 It also means that their picture's on a website.

7 ATTORNEY COOK:

8 Their photos and name, certain
9 identifiers are posted on our website.

10 MR. SOJKA:

11 And we have no indication that Mr. Hannon
12 is, for example, someone who lives in the casino world
13 and understands these kinds of things or anything of
14 that sort. So I'm going to propose to do the
15 following thing. I'm going to make a motion. If it
16 fails, Mr. Chairman, I think then leaves the floor
17 open to a second motion; is that correct?

18 CHAIRMAN:

19 I think what you'll do is amend --- okay.
20 You're going to --- there's been no motion yet.

21 MR. SOJKA:

22 I'm going to make one.

23 CHAIRMAN:

24 Okay.

25 MR. SOJKA:

1 And I think the Board can deny that and
2 make someone else to make a motion. Mr. Chairman, I'm
3 going to move that the Board reject the report of OHA
4 and that the matter in this case be dropped, and that
5 Mr. Hannon not be placed on the involuntary Exclusion
6 List.

7 CHAIRMAN:

8 Is there a second?

9 MR. SOJKA:

10 That takes care of that.

11 CHAIRMAN:

12 For lack of a second, the motion fails.

13 Any other comments from the Board? Questions from the
14 Board? Ex-officio members? Do I have a second
15 motion?

16 MR. TRUJILLO:

17 Mr. Chairman, I move that the Board issue
18 an Order to adopt the Report and Recommendation of the
19 OHA as described by the OCC.

20 MR. FAJT:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? Opposed? Mr. Sojka abstains.

2 GARY SOJKA ABSTAINS

3 ALL OTHER MEMBERS SAY AYE

4 CHAIRMAN:

5 The motion carries. Our next Report and
6 Recommendation from the OHA is in regard to OEC's
7 petition to place Vincent Procopio on the PGCB
8 Exclusion List. As I understand it, Mr. Procopio or
9 his Counsel or both are present today and would like
10 an opportunity to address the Board regarding the
11 exceptions that's been filed to the Hearing Officer's
12 Report and Recommendation in this matter. I would ask
13 that --- ask Mr. Procopio, if he's here, and his
14 attorney to come forward. And while they are doing
15 that I would ask the OCC to provide a summary of this
16 matter.

17 ATTORNEY COOK:

18 Yes, Mr. Chairman. By way of background,
19 in 2008 a New Jersey grand jury indicted Mr. Procopio
20 for racketeering, money laundering, criminal usury and
21 promoting gaming for his part in a sports betting
22 ring, which was run out of the poker room at the
23 Borgata Hotel and Casino in Atlantic City. In 2009
24 Mr. Procopio pled guilty to one count of accessory
25 liability, promoting gambling and all of these other

1 charges were dismissed.

2 As a result of his conviction the New
3 Jersey Office of Attorney General, Division of Gaming
4 Enforcement placed Mr. Procopio on the preliminary
5 Exclusion List excluding him from licensed facilities
6 in the State of New Jersey through March 14th, 2014.

7 On September 23rd, 2011 the OEC filed a
8 petition to place Mr. Procopio on the Commonwealth's
9 Exclusion List after it was discovered that Mr.
10 Procopio had been a patron at Harrah's Casino and
11 Racetrack in Chester. Mr. Procopio filed an Answer to
12 the petition and subsequently the OHA conducted a
13 hearing on February 2nd, 2012. The parties presented
14 a joint stipulation of facts during that hearing.
15 Each party also filed briefs in the matter on February
16 29th, 2012. The Hearing Officer thereafter issued a
17 Report and Recommendation recommending that Mr.
18 Procopio be placed on the Board's Exclusion List and
19 that he be precluded from petitioning for removal from
20 that list until he's removed from New Jersey's
21 Exclusion List, which indicated would be March 2014.

22 Mr. Procopio's Counsel filed exceptions
23 to the report raising several issues with the Hearing
24 Officer's findings and questioning the
25 constitutionality of the Gaming Act and the Board's

1 regulations. As indicated, Counsel and, I believe,
2 Mr. Procopio are present here today and would like to
3 address the Court.

4 CHAIRMAN:

5 First of all, Mr. Procopio, you should be
6 sworn.

7 -----
8 VINCENT PROCOPIO, HAVING FIRST BEEN DULY SWORN,
9 TESTIFIED AS FOLLOWS:

10 -----

11 CHAIRMAN:

12 And, sir --- you may sit down, sir.
13 You're Counsel for the --- for Mr. Procopio; is that
14 correct?

15 ATTORNEY FREEDMAN:

16 Yes, I am, sir.

17 CHAIRMAN:

18 Could you again state your name for the
19 record?

20 ATTORNEY FREEDMAN:

21 For the record this is Jonathan Freedman
22 and that's F-R-E-E-D-M-A-N, on behalf of Mr. Procopio.

23 CHAIRMAN:

24 Mr. Freedman, you may proceed.

25 ATTORNEY FREEDMAN:

1 Good afternoon, Chairman and fellow
2 members of the Board. Very briefly, background,
3 Vincent Procopio is 45 years old. He's a professional
4 poker player. This is his livelihood. I'm not here
5 to try and protect his occasional, social appearances
6 at a casino. I'm here to protect his livelihood.

7 In 2009 he was convicted for acts
8 stemming from behavior in 2007, five years ago from
9 today. He was convicted of accessory to promoting
10 gambling, which in New Jersey --- New Jersey is a
11 third degree offense. New Jersey doesn't have
12 felonies and misdemeanors. In New Jersey a third
13 degree offense is the equivalent of a first degree
14 offense in Pennsylvania. So essentially he's before
15 you today convicted of a misdemeanor, a first degree
16 misdemeanor, what would be the equivalent of that in
17 Pennsylvania.

18 As a result of that conviction he served
19 seven months in prison. He was also given five years
20 probation, however, two and a half years after ---
21 during that probationary period he was released from
22 probation because of his simple compliance from that
23 probation.

24 Now, we're here concerning the Exclusion
25 List. Under the regulations a gambling crime may

1 result in placement on the Exclusion List. That's how
2 the regulations are written. It's under this Board's
3 discretion. There's no such thing as an automatic
4 exclusion based on a gambling conviction. It's under
5 the discretion of the Board. So far, not including
6 what's happened today up until recently this Board has
7 excluded 48 people from the Pennsylvania casinos. Of
8 those 48 people none of them have been convicted of a
9 gambling crime. My totals are 28 were for fraud, 15
10 were for leaving a child in a car, and 4 were related
11 to underage gambling and one miscellaneous person was
12 very harassing, but so far this Board has never
13 excluded anyone for a gambling crime.

14 Now, I did some research and this was
15 testified to at the hearing. The Pennsylvania Crime
16 Commission categorizes crimes committed in
17 Pennsylvania. In the decade from the year 2000 to the
18 year 2010 there were 470 people convicted. Far more
19 were arrested, but 470 people in the Commonwealth of
20 Pennsylvania in that ten year period were convicted of
21 a gambling offense. None of them have been excluded
22 by this Board from Pennsylvania casinos. That's only
23 that ten year span. That figure, of course, doesn't
24 count anyone from before that period, nor anyone since
25 then. More importantly it doesn't count anyone from

1 any of the other 49 states, nor does it count anyone
2 who's been convicted of a federal gambling crime. So
3 we can easily assume that thousands of people in this
4 country have been convicted of a gambling crime, none
5 of them have been excluded by the Board.

6 There was testimony given at the hearing.
7 Actually, the Casino Compliance Director for Harrah's
8 Chester, which is where Mr. Procopio plays, was called
9 as a witness, subpoenaed as a witness. We actually
10 used him as our witness. He testified to --- and this
11 is stated in the briefs, two separate occasions where
12 Mr. Procopio actually helped out the Compliance
13 Director with various things that were going on in the
14 poker room.

15 Now, as I mentioned in my exceptions, I
16 believe that the --- that this criteria under the
17 regulations is unconstitutionally vague. The reason
18 for that is under due process notions of fair warning
19 there's no specific requirements of what entails
20 someone --- of putting someone on the Exclusion List.
21 The term is used throughout the regulation, or even
22 used in the petition, is the term inimical. Now, this
23 term is a term that I have never come across as an
24 attorney or really come across in any other aspect of
25 my life. It's basically your decision to decide

1 whether Mr. Procopio's presence is inimical. I'm not
2 really clear what that means and Pennsylvania Courts,
3 and as I stated in the exception --- in my exceptions
4 brief, has stated as to other terms that ---. A term
5 that's been narrowed by judicial interpretation is
6 okay. For instance, the term that was used in the
7 case was conduct unbecoming an officer. That was
8 challenged whether that was too vague to be used in
9 the regulations, but the Court said, no, it's not too
10 vague because that term has been narrowed by judicial
11 decisions throughout the years. That term's been used
12 in the law since the 1700s and police forces or fire
13 forces can use the term of conduct unbecoming because
14 it's a common term and it's been narrowed by judicial
15 interpretation.

16 Well, the term inimical has never been
17 narrowed by judicial determination. It's completely
18 arbitrary and it's exemplified by this case where
19 despite thousands of people being arrested for
20 gambling offenses there's only been an attempt to
21 exclude one of them. You know, and I don't --- my
22 client's asked me, other colleagues have asked me. I
23 have no real reason why. I'm not alleging any
24 discriminatory action or anything. I have no idea why
25 this arbitrarily this --- the OEC is going after Mr.

1 Procopio. And I ask you in deciding this, you know,
2 do these standards apply to anyone else and is Mr.
3 Procopio's offense serious enough? Now, I know
4 technically it meets the may requirement. Is this
5 offense serious enough that you may exclude him? Is
6 it serious enough to exclude him and more importantly
7 is it serious enough so that Vincent Procopio is the
8 only one in the history of this Commonwealth excluded
9 from casinos for a gambling offense?

10 CHAIRMAN:

11 Is that --- you finished, Counsel?

12 ATTORNEY FREEDMAN:

13 Yeah.

14 CHAIRMAN:

15 Thank you. The OEC have any response or
16 argument?

17 ATTORNEY FENSTERMAKER:

18 Yeah. I'm Cassandra Fenstermaker,
19 Assistant Enforcement Counsel for the OEC. That's
20 F-E-N-S-T-E-R-M-A-K-E-R. Counsel's argument attempts
21 to minimize the criminal history and the nature of
22 that criminal history that Mr. Procopio was involved
23 in. And I'll address Mr. Freedman's arguments in a
24 moment, but I want to go through the Act and the
25 regulations and discuss what's required to place a

1 person on the Exclusion List. At Section 1514(A) of
2 the Act requires standards for exclusion relating to
3 persons whose presence in a licensed facility would
4 be, in the opinion of the Board, inimical to the
5 interest of the Commonwealth or a licensed gaming
6 therein. The Board's regulations derived from the Act
7 define what it means to be inimical in the context of
8 gaming in the Commonwealth. Section 511(A)(3), (A)(4)
9 provides a list of nine specific criteria, for
10 examples of people who are inimical to the
11 Commonwealth and the integrity of gaming.

12 Mr. Procopio personifies two of those
13 examples. The first is that he was convicted of a
14 gambling crime. The second is that he has committed
15 an act or has an unsavory reputation that would affect
16 public confidence in gaming. Mr. Procopio was
17 convicted, in fact, pled guilty to accessory
18 liability, promoting gambling to a gambling crime for
19 illegal activity that took place in a casino. He was
20 sentenced to 364 days in prison. He was ordered by
21 the sentencing Judge to stay out of all of Atlantic
22 City casinos while he was on probation. He was
23 ordered to forfeit \$20,000 in cash that was seized
24 from his residence. News of Mr. Procopio's
25 involvement in a gambling ring that operated out of

1 the Borgata made national headlines as well as local,
2 and as a result of the illegal activity engaged in by
3 Mr. Procopio he's been placed on New Jersey's
4 Exclusion List.

5 And while Mr. Procopio fits the
6 definition of inimicality under 511(A)(3), (A)(4)
7 subsections --- he fits the criteria under 511(A)(3),
8 (A)(4). He also fits the criteria under subsection
9 511(A)(3)(C), which provides --- and specifically
10 subsection 2 --- which provides that a finding of
11 inimicality may be based on a person's history and
12 nature of involvement with licensed gaming in
13 Pennsylvania or another jurisdiction.

14 Mr. Procopio engaged in illegal activity
15 inside a New Jersey casino. He was indicted with
16 known associates of organized crime. He pled guilty
17 to illegal activity that was conducted inside a New
18 Jersey casino. He was excluded from all Atlantic City
19 casinos during his probation by the sentencing Judge.
20 He was placed on the New Jersey Exclusion List through
21 March 14th, 2004 (sic). So it's clear that Mr.
22 Procopio has a recent history with another gaming
23 jurisdiction and that history involves illegal gaming
24 activity.

25 Now, to address the arguments made by

1 Counsel regarding the Exclusion List. While it may be
2 true that you can break down the Exclusion List at the
3 time there were 48 individuals on the list into four
4 primary groups, one being theft, children left in the
5 car, it doesn't negate the fact the overarching reason
6 they were placed on the list is that because they are
7 inimical to the integrity of gaming and to the
8 Commonwealth. And Mr. Procopio is exactly right. He
9 is different from all the people placed on the
10 Exclusion List because he engaged in a multi million
11 dollar illegal gambling ring that operated inside a
12 New Jersey casino, a neighboring jurisdiction.

13 With respect to the conditions from 2000
14 to 2010 for gambling convictions, the OEC has a Policy
15 for only pursuing exclusions for known patrons of
16 casinos in Pennsylvania. We found out that Mr.
17 Procopio was a patron of Harrah's Chester because he
18 has a player's club card and because he's a well known
19 patron. He himself testified to the fact he spent
20 more than 900 hours at Harrah's Chester in 2011. He
21 has made his presence known by helping out the Casino
22 Compliance Representative that he was referring to.
23 And with respect to his helping out the Casino
24 Compliance Representative is willing to help --- is
25 reminiscent of his behavior at the Borgata. Becomes a

1 well known patron, offers his assistance wherever he
2 can all in an attempt to gain the trust of casino
3 employees, thereby creating an easier path for
4 conducting illegal activity.

5 CHAIRMAN:

6 Any questions or comments from the Board?
7 Greg?

8 MR. FAJT:

9 Thank you, Mr. Chairman. For OEC, what
10 was the exact nature of his offense? I mean, I heard
11 you say he was a participant in a multi-million dollar
12 gambling ring and I heard you say he was sentenced to
13 364 days in jail and then had to forfeit or pay a fine
14 of several thousands of dollars, but what --- can you
15 give us some more information on the exact nature of
16 what Mr. Procopio did?

17 ATTORNEY COOK:

18 They were taking sports bets inside the
19 poker room at the Borgata Casino. That's what they
20 were doing. It's illegal to take sports bets in New
21 Jersey and in any other state, I believe, except
22 Nevada. That's what they were doing. They got caught
23 doing it. Mr. Procopio at the hearing admitted he was
24 on the telephone, he got some information, passed it
25 on to somebody else and then further admitted that he

1 passed on \$300 as part of a bet. That's what they
2 were doing.

3 What he's doing today is frequenting a
4 poker room in a Pennsylvania casino. Now, he can sit
5 here and say --- and he hasn't yet, but he can say all
6 he wants about how he's an upstanding citizen. That's
7 not the criteria for excluding a person. Just because
8 you're an outstanding citizen doesn't make it good for
9 the citizens of Pennsylvania to have you in a casino.

10 Here's a guy that's convicted of a
11 gambling offense, he's walking around the casino, he's
12 well known because this is national news and it's
13 known throughout the country. Some patron in the
14 casino sees him walking through the casino and says,
15 oh, Pennsylvania lets convicted gamblers in the
16 casino. How about that? I don't think that's good
17 for Pennsylvania and that's one of the reasons we put
18 him on the Exclusion List.

19 Now, as Ms. Fenstermaker said, we don't
20 look at every person in the country who's been
21 convicted of a gambling offense and say, let's put
22 that person on our list. That would be insane. There
23 are thousands of them, I agree, but if a person's
24 patronizing our casino and we believe that that person
25 is not good for Pennsylvania then we will try to

1 exclude him. And I will say that this is not the only
2 attempt to exclude a person who has a gambling
3 conviction. We are not picking on Mr. Procopio and
4 that's all I'll say about that.

5 MR. FAJT:

6 Thank you.

7 CHAIRMAN:

8 Any other --- Ken?

9 MR. TRUJILLO:

10 Let me, I guess, first start with Mr.
11 Freedman. You described the offense in New Jersey.
12 What's the maximum penalty for the offense in which
13 he's convicted of in New Jersey?

14 ATTORNEY FREEDMAN:

15 The maximum penalty on any third degree
16 offense in --- you know, any and all third degree
17 offenses in New Jersey is five years in prison, which
18 is the maximum penalty of a first degree misdemeanor
19 in Pennsylvania.

20 MR. TRUJILLO:

21 And so if you go to Section 511(A)(3) ---
22 Section 3 you'll agree that an excludable person
23 includes a person who has been convicted of a criminal
24 offense under the laws of any state or the United
25 States, which is punishable by more than one year in

1 prison?

2 ATTORNEY FREEDMAN:

3 I agree with that, but I also would ---
4 and I would agree and I would further state that this
5 Board has never excluded anyone on the basis of a
6 criminal conviction of an offense that has a penalty
7 of over one year.

8 MR. TRUJILLO:

9 And undoubtedly that will happen. The
10 fact of the matter is not every person who's been
11 convicted comes before this Board, not every --- the
12 OEC does not have --- does not bring every case before
13 this Board and so ---. And very often, in fact,
14 almost on a routine basis you should know we're seeing
15 things that are a first impression and this Board is
16 five years old. And so as a practical matter the
17 notion that we haven't done something before doesn't
18 suggest that we should or shouldn't do it today, or
19 tomorrow, or next week or next month. So I'm not sure
20 that that adds very much to the discussion.

21 ATTORNEY FREEDMAN:

22 Well, it adds to what I believe is the
23 vagueness of the statute and its arbitrary use against
24 my client.

25 MR. TRUJILLO:

1 Are you suggesting that we should declare
2 the statute unconstitutionally vague ---

3 ATTORNEY FREEDMAN:

4 Well, I don't know ---.

5 MR. TRUJILLO:

6 --- by the regulatory body?

7 ATTORNEY FREEDMAN:

8 I don't know if it's your place to do
9 that, but I believe its use here goes to that
10 vagueness and it is vague. I mean, I believe the
11 statute --- and this may not go into your decision
12 today, so I may be ---. But I believe that the
13 statute places too much discretion and eliminates too
14 much due process.

15 MR. TRUJILLO:

16 And let me just suggest to you, as a
17 regulatory body I don't think we declare any statute
18 unconstitutional. So, whether it's --- whether
19 inimical, which I think that's a pretty easy
20 definition which is intending to obstruct or harm, I
21 don't find that particular --- myself particularly
22 vague, but I think you understand, we're not here and
23 we can't declare the statute ---

24 ATTORNEY FREEDMAN:

25 I understand that.

1 MR. TRUJILLO:

2 --- based on that unconstitutionally
3 vague.

4 ATTORNEY FREEDMAN:

5 I understand. I'm just requesting that
6 the Board keep that in mind when using its discretion
7 on applying the statute to Mr. Procopio. And you
8 mentioned with the criminal offense as someone who
9 practices criminal law and someone who's been in
10 Pennsylvania casinos, I kind of run into a lot of
11 clients in casinos. The point I'm making is that ---.

12 MR. SOJKA:

13 I guess you don't want to tell us what
14 they are.

15 ATTORNEY FREEDMAN:

16 No, I prefer not to, but ---. And it's
17 almost as if Mr. Procopio who openly plays in a casino
18 under his name, uses his card, is almost being
19 penalized amongst a whole slew of people for openly
20 doing what he's doing.

21 MR. TRUJILLO:

22 Well, I'm troubled though because you've
23 suggested both in your presentation and your paperwork
24 that OEC has arbitrarily selected Mr. Procopio. And
25 it's pretty clear that's what you're saying to us and

1 so I'm trying to understand what you think is
2 arbitrary about --- and is it simply because somebody
3 with his criminal history and for his --- the offense
4 for which he was convicted has not yet been excluded,
5 that constitutes arbitrariness?

6 ATTORNEY FREEDMAN:

7 When you say federal history he has one
8 misdemeanor conviction.

9 MR. TRUJILLO:

10 That's his criminal history?

11 ATTORNEY FREEDMAN:

12 Right. That's his criminal history. If
13 all these people convicted of gambling crimes, if only
14 some of them eventually get --- were excluded, not all
15 of them, but, you know, at least a percentage of them
16 were excluded then, no, it wouldn't be arbitrary. But
17 when it's one out of thousands, when it's one.

18 MR. TRUJILLO:

19 Mr. Freedman, do you understand how it is
20 that a person comes before this Board for exclusion?
21 Do you understand it's not the DA's office that brings
22 the people here? Do you understand it's not the
23 police department that brings them or the State Police
24 that brings them here?

25 ATTORNEY FREEDMAN:

1 Well, if I can just --- for instance,
2 there's been a lot made of this big ring. Over 20
3 people were indicted in this case. There's also been
4 mention that he's barred from New Jersey. New Jersey
5 has barred hundreds of people. Well, no one who's
6 ever been barred in New Jersey has been barred by this
7 Board because of being barred from New Jersey. No one
8 else in that ring has been brought before this Board.
9 No, I don't know why they're going after Mr. Procopio.
10 Like I said, I'm not alleging any type of
11 discrimination. He's asking me. I don't have an
12 answer, but all I know is when it's one out of
13 thousand it doesn't add up. It doesn't seem to meet
14 due process requirements.

15 ATTORNEY SHERMAN:

16 All we can say is someone has to be
17 first.

18 MR. TRUJILLO:

19 And just one other question, Mr.
20 Chairman. Just trying to understand just from the
21 papers, what was --- what were we to gain from the
22 inclusion of the grand jury report that's included in
23 your papers? I'm trying to understand what it is that
24 we're supposed to gain from that.

25 ATTORNEY FREEDMAN:

1 Well, a lot's been made --- I think it's
2 been made the whole inimical ---. The reason behind
3 it is public perception. It was either race or public
4 perception, but when the same entity grants a casino
5 license, which is essentially a license --- a casino
6 license to Louis DeNaples and then wants to exclude my
7 client, I don't think the public perception of that is
8 one of fairness.

9 MR. TRUJILLO:

10 Enough with the questions, Mr. Chairman.

11 MR. GINTY:

12 Do you think it would help our perception
13 if we permitted somebody excluded from gaming in New
14 Jersey to game in Pennsylvania? That was a ---.

15 ATTORNEY FREEDMAN:

16 Disrespectfully the Board already does.
17 Hundreds of people are excluded from New Jersey and
18 none of them are excluded from Pennsylvania, and I
19 would understand if this was the first petition of ---
20 you know, there was 20 behind this and every, you
21 know, ---.

22 MR. GINTY:

23 Let me ask you a question. If we entered
24 into a contract, or whatever it might be, with New
25 Jersey to have --- share each other's Exclusion Lists.

1 In other words, you're excluded in New Jersey, you're
2 excluded here, in Pennsylvania you're excluded. Would
3 you have a problem with that from a constitutional
4 point of view?

5 ATTORNEY FREEDMAN:

6 I would not have any argument if there
7 was regulations passed that said anyone excluded by
8 New Jersey or another state is automatically excluded
9 from Pennsylvania. I wouldn't be sitting here today,
10 if there was an argument that instead of saying anyone
11 with a gambling arrest may be excluded. If it said
12 somebody with a gambling arrest must be excluded I
13 also wouldn't be here today. My problem is the
14 arbitrary nature of my client being the only one and I
15 --- he clearly meets the many criteria. I don't
16 dispute that. My problem is with the made criteria
17 the fact that it's only being used against him.

18 CHAIRMAN:

19 Mr. Freedman, how much jail time was Mr.
20 Procopio sentenced to?

21 ATTORNEY FREEDMAN:

22 He was sentenced to 364 days and he
23 served seven months.

24 CHAIRMAN:

25 That's a year. He was sentenced to a

1 year and got off, what, good behavior, seven months?

2 ATTORNEY FREEDMAN:

3 Yeah. He was released in seven months,
4 yeah. Yes.

5 CHAIRMAN:

6 Any other questions from the Board? Ex-
7 officio members of the Board? Okay. I believe we're
8 going to take this matter under advisement. We will
9 not take any action today, but at a later meeting so
10 all members of the Board have an opportunity to
11 deliberate considering the arguments heard today.
12 Thank you all very much.

13 ATTORNEY FENSTERMAKER:

14 Thank you.

15 ATTORNEY COOK:

16 The final Report and Recommendation
17 before the Board today pertains to Miguel Rivera. On
18 February 22nd, 2010 Mr. Rivera was charged with
19 numerous criminal offenses. Specifically Mr. Rivera's
20 alleged to have conspired with an employee of the
21 Sands Bethworks Casino to steal downloadable
22 promotional slot machine credits and play then from
23 --- I'm sorry, steal the credits from unknowing
24 players club members. On at least 19 occasions Mr.
25 Rivera and Sands employee obtained promotional play

1 credits belonging to another --- in the amount of
2 \$1,699 and as indicated Mr. Rivera played those
3 credits. As a result of this conduct Mr. Rivera pled
4 guilty to 16 counts of misdemeanor access device
5 fraud.

6 On July 12th, 2011 the OEC filed a
7 petition to place Mr. Rivera on its Exclusion List.
8 Mr. Rivera filed an Answer to the petition and
9 requested a hearing. The hearing was scheduled for
10 September 22nd, 2011. Mr. Rivera thereafter requested
11 several continuances, which were granted. A hearing
12 was ultimately scheduled and held on January 18th,
13 2012 and despite receiving notice in the request for a
14 continuance on several occasions, Mr. Rivera failed to
15 attend the hearing.

16 Subsequently a Report and Recommendation
17 was issued and the Hearing Officer recommends that Mr.
18 Rivera be placed on the Exclusion List for the nature
19 of misconduct in the Sands Casino as well as the
20 criminal charges he's facing related to this matter.
21 This matter is ripe for the Board's consideration.

22 CHAIRMAN:

23 Is Miguel Rivera in the hearing room?
24 Any questions or comments from the Board? Ex-officio
25 members of the Board? May I have a motion?

1 MR. FAJT:

2 Mr. Chairman, I move that the Board issue
3 an Order to adopt the Report and Recommendation by the
4 OHA as described by the OCC.

5 CHAIRMAN:

6 Second?

7 MR. GINTY:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion carries.

14 ATTORNEY SHERMAN:

15 And that concludes the matters of the
16 OCC.

17 CHAIRMAN:

18 Thank you, Doug. Thank you, Steve. Next
19 Susan Hensel, Director of Licensing.

20 MS. HENSEL:

21 Thank you, Chairman. Thank you. Thank
22 you, Chairman Ryan and the members of the Board.
23 Before the Board today will be one Gaming Junket
24 Enterprise license as well as motions regarding 100,
25 177 Principal, Key Gaming and Non-Gaming Employees and

1 the consideration of 21 Gaming Service Provider
2 applications.

3 The first matter for your consideration
4 is Gaming Junket Enterprise Applicant for licensure.
5 The Applicant is Chi Ho Leung, a sole provider who's
6 Junket Enterprise is based in Connecticut. The BIE
7 has completed its investigation of this company and
8 the Bureau of Licensing has provided you a background
9 investigation and suitability report for the
10 Applicant. I provided you with a draft order and ask
11 that the Board consider the approval of the Gaming
12 Junket Enterprise License for Chi Ho Leung.

13 CHAIRMAN:

14 Comments from Enforcement Counsel?

15 ATTORNEY PITRE:

16 Enforcement Counsel has no objection.

17 CHAIRMAN:

18 Questions or comments from the Board?

19 Ex-officio members of the Board? May I have a motion?

20 MR. GINTY:

21 Mr. Chairman, I move that the Board
22 approve the Gaming Junket Enterprise License for Chi
23 Ho Leung as described by the Bureau of Licensing.

24 MR. MCCALL:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion carries.

6 MS. HENSEL:

7 Next for your consideration is the
8 approval of Principal and Key Employee Licenses.
9 Prior to this meeting the Bureau of Licensing provided
10 you with a Proposed Order for five Principals and four
11 Key Employee Licenses for Category 1, Category 3 and
12 Manufacturer Licensees. I ask that the Board consider
13 the Order approving the licenses.

14 CHAIRMAN:

15 Comments from Enforcement Counsel?

16 ATTORNEY PITRE:

17 Enforcement Counsel has no objection.

18 CHAIRMAN:

19 Questions or comments from the Board?

20 Ex-officio members? May I have a motion?

21 MR. MCCALL:

22 Mr. Chairman, I move that the Board
23 approve the issuance of Principal and Key Employee
24 Licenses as described by the Bureau of Licensing.

25 MR. SOJKA:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 MS. HENSEL:

8 Also for your consideration are Temporary
9 Principal and Key Employee Licenses. Prior to this
10 meeting the Bureau of Licensing provided you with an
11 Order regarding the issuance of temporary licenses for
12 one Principal and 12 Key Employees. I ask that the
13 Board consider the Order approving these licenses.

14 CHAIRMAN:

15 Any comments from Enforcement Counsel?

16 ATTORNEY PITRE:

17 Enforcement Counsel has no objection.

18 CHAIRMAN:

19 Questions or comments from the Board?

20 Ex-officio members? May I have a motion?

21 MR. SOJKA:

22 Yes. Mr. Chairman, I'll move that the
23 Board approve the issuance of Temporary Principal and
24 Key Employee credentials as described by the Bureau of
25 Licensing.

1 CHAIRMAN:

2 Second?

3 MR. TRUJILLO:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 MS. HENSEL:

11 We also have Gaming Permits and
12 Non-Gaming Registrations. Prior to this meeting the
13 Bureau of Licensing provided you with a list of 829
14 individuals who the Bureau has granted temporary or
15 full unconditioned permits to and 287 individuals who
16 the Bureau has granted registrations to under the
17 authority delegated to the Bureau of Licensing. I ask
18 that the Board consider a motion approving the Order.

19 CHAIRMAN:

20 Mr. Pitre?

21 ATTORNEY PITRE:

22 No objections. Sorry.

23 CHAIRMAN:

24 Any questions or comments from the Board?

25 Ex-officio members? May I have a motion?

1 MR. TRUJILLO:

2 Mr. Chairman, I move that the Board
3 approve the issuance of Gaming Employee Permits and
4 Non-Gaming Employee Registrations as described by the
5 Bureau of Licensing.

6 MR. FAJT:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. HENSEL:

14 Next are withdrawal requests for Key
15 Employees and Gaming and Non-Gaming Employees. In
16 each case the licensed permit or registration is no
17 longer required due to such circumstances as the job
18 offer being rescinded. For today's meeting I provided
19 the Board with a list of two Key, 36 Gaming and one
20 Non-Gaming Employee withdrawals for approval. I ask
21 that the Board consider the Order approving the
22 withdrawals.

23 CHAIRMAN:

24 Mr. Pitre?

25 ATTORNEY PITRE:

1 Enforcement Counsel has no objection.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 Ex-officio members? May I have a motion?

5 MR. FAJT:

6 Mr. Chairman, I move that the Board
7 approve the withdrawals as described by the Bureau of
8 Licensing.

9 MR. GINTY:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries.

16 MS. HENSEL:

17 In addition we have an Order to certify
18 the following Gaming Service Providers, Bekins A-1
19 Movers, Inc., Bekins Commercial Installations, Inc.,
20 DCO Operations, LLC, PPB Energy Partners, LLC, and The
21 Halo Group. I ask that the Board consider the Order
22 approving these Gaming Service Providers for
23 Certification.

24 CHAIRMAN:

25 Mr. Pitre?

1 ATTORNEY PITRE:

2 No objection.

3 CHAIRMAN:

4 Questions or comments from the Board?

5 Ex-officio members? May I have a motion?

6 MR. GINTY:

7 Chairman, I move that the Board issue an
8 Order to approve the application for Gaming Service
9 Providers Certification as described by the Bureau of
10 Licensing.

11 MR. MCCALL:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 MS. HENSEL:

19 Next are Gaming Service Provider
20 Registrations. The Bureau of Licensing provided you
21 with an Order and attached list of ten registered
22 Gaming Service Providers. These Gaming Service
23 Providers include Chip and Chair Massage Therapy, LLC.
24 I ask that the Board consider a motion approving the
25 Order registering these Gaming Service Providers.

1 ATTORNEY PITRE:

2 Enforcement Counsel has no objection.

3 CHAIRMAN:

4 Any questions or comments from the Board?

5 MR. GINTY:

6 I have a comment after motion.

7 CHAIRMAN:

8 Ex-officio members? May I have a motion?

9 MR. MCCALL:

10 Mr. Chairman, I move that the Board issue
11 an Order to approve the applications for Gaming
12 Service Provider Registration as described by the
13 Bureau of Licensing. Additionally with respect to
14 Chip and a Chair Massage Therapy, LLC I would request
15 that the approval have the following conditions.
16 First, the service of the company can only be provided
17 in the poker room area gaming floors in the
18 Commonwealth casinos. Second, that all employees
19 performing massage services be licensed under the
20 Pennsylvania massage therapy law and comply with the
21 State Board of Massage Therapy regulations. And
22 finally, that all employees performing massage
23 services be registered with the Board as directed by
24 the Bureau of Licensing.

25 MR. SOJKA:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 MR. TRUJILLO:

5 Excuse me. One point of clarification.

6 As I understand the motion, that would not prohibit

7 Chip and Chair down the road from coming back to the

8 Board in the event that their experience is positive

9 to expand beyond the poker room. Am I correct?

10 CHAIRMAN:

11 That's correct.

12 MR. TRUJILLO:

13 Okay. Thank you, Mr. Chairman.

14 CHAIRMAN:

15 Any other discussion? Questions?

16 MR. GINTY:

17 Well, after we vote.

18 CHAIRMAN:

19 Okay. All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 MR. GINTY:

24 I'm going to vote aye, Mr. Chairman, but

25 I would ask --- I am concerned with the lack of

1 controls that apply to providing massages in the
2 casinos. And, Kevin, I would ask you and the staff to
3 look into a requirement that the casinos would adopt
4 appropriate internal control addressing massages on
5 the gaming floor. And particularly address the issue
6 where some patrons may object to another patron having
7 a massage in the proximity because it could be
8 distracting, or how you want to say it, annoying.
9 With that request I vote in favor.

10 CHAIRMAN:

11 Thank you, Mr. Ginty. The motion
12 carries.

13 MS. HENSEL:

14 The next matter for you is an Order
15 regarding the Gaming Service Provider Sentry
16 Mechanical, LLC. This company is recommended for the
17 Prohibited Gaming Service Provider List. The company
18 conducted business with Slot Machine Licensees, but
19 failed to complete the application process. Once
20 added to the Prohibited Gaming Service Provider List
21 no Slot Machine Licensee can do business with the
22 company. I ask that the Board consider the Order
23 adding Sentry Mechanical, LLC to the Prohibited Gaming
24 Service Provider List.

25 CHAIRMAN:

1 Mr. Pitre?

2 ATTORNEY PITRE:

3 No objection.

4 CHAIRMAN:

5 Questions or comments from the Board?

6 Ex-officio members? May I have a motion?

7 MR. SOJKA:

8 Yes, Mr. Chairman. I will move that the
9 Board issue an Order to approve the addition of Gaming
10 Service Providers to the Prohibited Gaming Service
11 Provider List as described by the Bureau of Licensing.

12 CHAIRMAN:

13 Second?

14 MR. TRUJILLO:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 MS. HENSEL:

22 Finally there are Gaming Service Provider
23 Applications that are being recommended for
24 abandonment. These companies filed applications with
25 the Board, but failed to complete the application

1 process or, to the best of the Bureau of Licensing's
2 knowledge, out of business. Under our regulations the
3 Board has the authority to declare an application
4 abandoned if the Applicant fails to provide
5 information necessary to cure application
6 deficiencies. A company whose application is
7 abandoned is free to reapply at any time. I ask that
8 the Board consider the Orders declaring the following
9 applications abandoned, John Tarr Cement Contracting,
10 Mariani and Richards, Inc., Global Pacific
11 Construction, Inc. and United Restaurant Equipment,
12 Inc.

13 CHAIRMAN:

14 Mr. Pitre?

15 ATTORNEY PITRE:

16 No objection.

17 CHAIRMAN:

18 Questions or comments from the Board?

19 Ex-officio members? May I have a motion?

20 MR. TRUJILLO:

21 Mr. Chairman, I move that the Board issue
22 an Order to approve the abandonment of Gaming Service
23 Provider Applications as described by the Bureau of
24 Licensing.

25 MR. FAJT:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 MR. HENSEL:

8 That concludes the Bureau of Licensing
9 presentation.

10 CHAIRMAN:

11 Thank you, Susan. Mr. Pitre, Chief
12 Enforcement Counsel.

13 ATTORNEY PITRE:

14 Good afternoon everyone. We have five
15 matters for the Board's consideration today. The
16 first matter is a motion to consider a Consent
17 Agreement between the OEC and Nicholas Cimino.

18 CHAIRMAN:

19 I'm sorry, Cyrus. If I may interject
20 here, this particular individual was --- is the
21 subject of a matter that was within the jurisdiction
22 of the courts when I was the first deputy attorney
23 general in the State of Pennsylvania. I'm somewhat
24 familiar with the matter. I therefore recuse myself
25 and ask Mr. Fajt to take over as chairperson for this

1 particular matter. Mr. Fajt?

2 MR. FAJT:

3 Thank you, Mr. Chairman. As we begin the
4 Enforcement Counsel items I see that we have Mr. ---

5 ATTORNEY PATRIZIO:

6 Cimino.

7 MR. FAJT:

8 --- Cimino and Counsel I assume here in
9 front of us.

10 ATTORNEY PATRIZIO:

11 Yes, sir.

12 MR. FAJT:

13 Obviously, you're a lawyer. Mr. Cimino,
14 are you a lawyer?

15 MR. CIMINO:

16 I'm not.

17 MR. FAJT:

18 Okay. So would you please be sworn in?

19 -----

20 NICHOLAS CIMINO, HAVING FIRST BEEN DULY SWORN,

21 TESTIFIED AS FOLLOWS:

22 -----

23 MR. FAJT:

24 Thank you. Please be seated. As I
25 mentioned, I see the first item is a proposed Consent

1 Agreement between the OEC and Nicholas Cimino for
2 placement on the Gaming Control Board's Exclusion
3 List. And Enforcement Counsel, why don't you begin
4 with your presentation?

5 ATTORNEY FENSTERMAKER:

6 Thank you. As you mentioned,
7 Commissioner Fajt, we do have today for the Board's
8 consideration a Consent Agreement between the OEC and
9 Nicholas Cimino represented by his attorney, Stephen
10 Patrizio. The Consent Agreement is a result of an
11 Exclusion Petition filed by the OEC on June 3rd, 2011.
12 In its Exclusion Petition the OEC sought the exclusion
13 of Mr. Cimino as a result of guilty pleas on February
14 18th, 2009 to corrupt organizations, dealing in
15 proceeds of unlawful activities, criminal use of a
16 communication facility, engaging in pool selling and
17 bookmaking, and allowing gambling devices along with
18 three counts of criminal conspiracy.

19 Mr. Cimino by and through his attorney
20 filed an Answer to OEC's petition on July 7th, 2011.
21 Prior to a full evidentiary hearing being held in this
22 matter the parties entered into a Consent Agreement.
23 The Consent Agreement provides for the placement of
24 Mr. Cimino on the Board's Exclusion List for a minimum
25 period of three years, which has the effect of

1 requiring Mr. Cimino's exclusion from all Commonwealth
2 casinos while his name is on the list. The Consent
3 Agreement also prohibits Mr. Cimino from petitioning
4 the Board for early consideration of his removal from
5 the Board's Exclusion List during that three year
6 exclusion period. The OEC asks that the Board approve
7 the Consent Agreement as presented today. The OEC
8 and/or Mr. Patrizio would be happy, I'm sure, to
9 answer questions you have.

10 MR. FAJT:

11 Great. Thank you very much. Mr.
12 Patrizio, could you please spell your names for the
13 court reporter and then begin your presentation?

14 ATTORNEY PATRIZIO:

15 Certainly, sir. My name is Stephen
16 Patrizio, S-T-E-P-H-E-N. P-A-T-R-I-Z-I-O is my last
17 name.

18 MR. FAJT:

19 Thank you. You may begin.

20 ATTORNEY PATRIZIO:

21 I have no presentation. We agree we've
22 entered into this agreement knowingly, intelligently,
23 voluntarily with Mr. Cimino, and Ms. Fenstermaker and
24 Mr. Miller here. We did that I guess in December and
25 we ask the Board to approve this.

1 MR. FAJT:

2 Thank you. Any questions?

3 ATTORNEY PATRIZIO:

4 We'll answer any questions you have, but
5 it's ---.

6 MR. FAJT:

7 Thank you. Any questions?

8 ATTORNEY PATRIZIO:

9 It's pretty straightforward here in terms
10 of what took place and what this matter's about.

11 MR. FAJT:

12 Any questions or comments from the Board?

13 MR. TRUJILLO:

14 Just want to say hello to Mr. Patrizio.
15 Nice to see you again, sir.

16 ATTORNEY PATRIZIO:

17 Nice to see you, sir.

18 MR. TRUJILLO:

19 We sat on the other side of each other an
20 awful lot when I was a federal prosecutor.

21 ATTORNEY PATRIZIO:

22 Got a good man here as we have seen this
23 morning.

24 MR. FAJT:

25 We agree.

1 ATTORNEY PATRIZIO:

2 He still has that prosecutorial touch, so
3 to speak, and Mr. Ryan as well.

4 MR. FAJT:

5 We agree there, too. Any questions or
6 comments from the ex-officio members? Seeing none,
7 could I have a motion? And that motion is mine. I
8 move that the Board issue an Order to approve the
9 Consent Agreement between the OEC and Nicholas Cimino
10 as described by the OEC. Second, please?

11 MR. GINTY:

12 Second.

13 MR. FAJT:

14 All in favor?

15 ALL SAY AYE

16 MR. FAJT:

17 Opposed? The motion carries. Thank you.
18 Thank you, Cassandra? Thank you, Dale.

19 ATTORNEY MILLER:

20 Thank you.

21 ATTORNEY FENSTERMAKER:

22 The next matter I have before the Board
23 today is the revocation of Jean Boucard's Gaming
24 Permit --- Non-Gaming Registration. I'm sorry. On
25 December 13th, 2011 the OEC filed a complaint for

1 revocation against Jean J. Boucard after he lit a
2 large bag of Utz potato chips on fire in the banquet
3 area of the fourth floor of Hollywood Casino resulting
4 in evacuation of the casino. The enforcement
5 complaint was served on Mr. Boucard by first class and
6 certified mail. Mr. Boucard did not respond to the
7 complaint within 30 days of receipt of the complaint.
8 Therefore pursuant to Board regulations all facts
9 alleged in the complaint are deemed admitted. The OEC
10 by Request for Default Judgment on March 6th, 2012 at
11 this time requests that Jean Boucard's Non-Gaming
12 Registration be denied.

13 CHAIRMAN:

14 Is Jean Boucard in the hearing room? Any
15 questions or comments from the Board?

16 MR. TRUJILLO:

17 Was he an off-the-street guy or what was
18 the point here?

19 ATTORNEY FENSTERMAKER:

20 It's not evident what his motive was.
21 Based on the criminal complaint in a statement that he
22 provided to security and the Bureau of Casino
23 Compliance he said that he was holding a bag of chips
24 and he happened to flick the lighter maybe. He's not
25 even sure he flicked it and threw it in the garbage

1 can and the garbage can went ablaze.

2 CHAIRMAN:

3 Questions from the ex-officio members?

4 May I have a motion?

5 MR. GINTY:

6 Chairman, I move that the Board issue an
7 Order to approve the revocation of Jean Boucard Non-
8 Gaming Employee Registration as described by the OEC.

9 MR. MCCALL:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries.

16 ATTORNEY FENSTERMAKER:

17 Thank you very much.

18 ATTORNEY MILLER:

19 Good afternoon, Chairman Ryan. Dustin
20 Miller on behalf of the OEC. I have the final three
21 matters on the agenda today. The next matter is a
22 request for revocation today involving Antoine Bell-
23 Wright. Mr. Bell-Wright was employed as a food court
24 counter attendant at Parx Casino, registered as a Non-
25 Gaming Employee.

1 The OEC filed an Enforcement Complaint to
2 revoke Mr. Bell-Wright's Non-Gaming Employee
3 registration for failing to maintain his suitability
4 on December 27th, 2011. An Enforcement Complaint was
5 properly served upon Mr. Bell-Wright to the address
6 listed on his application by both certified and first
7 class mail. Mr. Bell-Wright did not respond to the
8 filing in any way. Due to Mr. Bell-Wright's failure
9 to respond the averments in the Enforcement Complaint
10 are deemed to be admitted as fact and his right to a
11 hearing has been waived. On February 29th, 2012 the
12 OEC filed a Request to Enter Judgment Upon Default.
13 The matter's now before the Board to consider the
14 revocation of Mr. Bell-Wright's Non-Gaming Employee
15 Registration.

16 CHAIRMAN:

17 Is Antoine Bell-Wright present in the
18 hearing room? Any questions or comments from the
19 Board? Ex-officio members? May I have a motion?

20 MR. MCCALL:

21 Mr. Chairman, I move that the Board issue
22 an Order to approve the revocation of Antoine Bell-
23 Wright's Non-Gaming Employee Registration as described
24 by the OEC.

25 MR. SOJKA:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 ATTORNEY MILLER:

8 The next matter's a request for
9 revocation involving Wilder J. Polycarpe. Mr.
10 Polycarpe was employed as a food court counter
11 attendant at Parx Casino and registered as a Non-
12 Gaming Employee.

13 The OEC filed an Enforcement Complaint to
14 revoke Mr. Polycarpe's Non-Gaming Employee
15 Registration for failing to notify the Board of an
16 arrest or incident that made him unsuitable to hold a
17 Non-Gaming Employee Registration on January 3rd, 2012.
18 The Enforcement Complaint was properly served upon Mr.
19 Polycarpe to the address listed on his application by
20 both certified and first class mail. Mr. Polycarpe
21 did not respond to the filing in any way. Due to Mr.
22 Polycarpe's failure to respond the averments in the
23 complaint are deemed to be admitted as fact and his
24 right to a hearing has been waived. On February 29th,
25 2012 the OEC filed a Request to Enter Judgment Upon

1 Default. The matter is now before the Board to
2 consider the revocation of Mr. Polycarpe's Non-Gaming
3 Employee Registration.

4 CHAIRMAN:

5 Is Wilder Polycarpe present in the
6 hearing room? Any questions or comments from the
7 Board? Ex-officio members? May I have a motion?

8 MR. SOJKA:

9 Yes, Mr. Chairman. I move that the Board
10 issue an Order to approve the revocation of Wilder
11 Polycarpe's Non-Gaming Employee Registration described
12 by the OEC.

13 CHAIRMAN:

14 Second?

15 MR. TRUJILLO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY MILLER:

23 The final matter today is a request for
24 placement on the Board's excluded persons lists today
25 involving Bertram Chapman. The OEC filed a petition

1 to place Mr. Chapman on the Exclusion List for
2 cheating while playing craps at Parx Casino on
3 September 4th, 2011. The petition was filed on
4 December 30th, 2011. The petition was properly served
5 upon Mr. Chapman to the address listed on the criminal
6 complaint filed against him by both certified and
7 first class mail. Mr. Chapman did not respond to the
8 filing in any way. Due to Mr. Chapman's failure to
9 respond, the averments in the petition are deemed to
10 be admitted as fact and his right to a hearing has
11 been waived. On February 29th, 2012 the OEC filed a
12 Request to Enter Judgment Upon Default. The matter is
13 now before the Board to consider the placement of
14 Bertram Chapman on the Board's excluded persons list.

15 CHAIRMAN:

16 Is Bertram Chapman in the hearing room?
17 Any questions or comments from the Board? Ex-officio
18 members? May I have a motion?

19 MR. TRUJILLO:

20 Mr. Chairman, I move that the Board issue
21 an Order to approve the addition of Bertram Chapman's
22 to the PGCB Involuntary Exclusion List as described by
23 the OEC.

24 MR. FAJT:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? The motion carries. Thank you,
6 Dustin.

7 ATTORNEY MILLER:

8 That concludes the business of the OEC.

9 CHAIRMAN:

10 Ladies and Gentlemen, that concludes the
11 business of today's meeting. Our next scheduled
12 public meeting will be held here on Wednesday, May 2nd
13 at 10:00 a.m. Any final comments from the Board?
14 Ex-officios? May I have a motion to adjourn?

15 MR. FAJT:

16 So moved.

17 CHAIRMAN:

18 The meeting is adjourned. Thank you all

19 * * * * *

20 MEETING CONCLUDED AT 1:42 P.M.

21 * * * * *

22

23 CERTIFICATE

24 I hereby certify that the foregoing

25 proceedings, meeting held before Chairman Ryan, was

1 reported by me on 04/11/2012 and that I Jolynn C.
2 Prunoske read this transcript and that I attest that
3 this transcript is a true and accurate record of the
4 proceeding.

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6 Jolynn C. Prunoske
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