

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, Gary A. Sojka, Kenneth Trujillo; Commissioners Christopher B. Craig representing Robert McCord, State Treasurer; Robert Coyne representing Daniel P. Meuser, Secretary of Revenue; Jorge Augusto representing George Greig, Secretary of Agriculture

HEARING: Wednesday, August 1, 2012
10:00 a.m.

LOCATION: Hearings and Appeals Office
303 Walnut Street
2nd Floor, Strawberry Square Complex
Harrisburg, PA, 17101

WITNESSES: None

Reporter: Cynthia Piro Simpson

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A P P E A R A N C E S

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CHAIRMAN:

I'm Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I'd like to ask everyone to please turn off their cell phones, PDAs, and other electronic devices. Thank you very much.

Joining us today is Christopher Craig representing State Treasurer, Rob McCord. Robert Coyne representing Secretary of Revenue, Daniel Meuser, and Jorge Augusto representing Secretary of Agriculture, George Greig. Thank you gentlemen for being here.

We have all of our members present so I'll call this meeting to order. First will be the Pledge of Allegiance, so I'd ask everyone to stand.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

By way of announcements the Board held an Executive Session yesterday, July 31st. 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.

1 Next order of business will be our
2 minutes and transcript. We have consideration of a
3 motion to approve the transcript and minutes of the
4 Board's June 13th, 2012 meeting.

5 CHAIRMAN:

6 May I have a motion?

7 MR. MCCALL:

8 Mr. Chairman, I move to approve the
9 minutes and the transcripts of the June 13th, 2012
10 meeting.

11 CHAIRMAN:

12 Second?

13 MR. MOSCATO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN:

22 Motion carries. Next, Doug Sherman,
23 Chief Counsel. Doug?

24 ATTORNEY SHERMAN:

25 Good Morning, Chairman and members of the

1 Board. Today the Board has just two petitions before
2 it for votes, each of those will be considered on the
3 documentary records. In addition to the petitions the
4 Board has been provided any answers or other pleadings
5 from my office of Assistant Counsel, and any
6 evidentiary records.

7 The first petition before the board is
8 that of Shred-It USA, Inc., their petition for removal
9 from the Prohibited Gaming Service Provider List.
10 Shred-It is a mobile document shredding and paper
11 recycling company. It was first issued a Vendor
12 Registration in September of 2007, but was
13 subsequently placed on the Prohibited Gaming Service
14 Provider List when they failed to pay \$795 in
15 investigative fees, as well as provide signed and
16 notarized statement of conditions and an
17 indemnification agreement.

18 Shred-It has averred that the company
19 inadvertently failed to follow through on its
20 obligations to the Board, and is willing to do so, and
21 desires to be removed from the Prohibited Gaming
22 Service Provider List. It has also represented that
23 it will promptly submit the necessary application
24 documents and pay the outstanding fee.

25 With that condition and representation the Office

1 of Enforcement Counsel (OEC) does not object to the
2 removal of Shred-It from this list provided that they
3 pay a civil penalty of \$1,500, in addition to the \$795
4 outstanding investigative fees, and the matter is now
5 ready for the Court's consideration.

6 CHAIRMAN:

7 Questions or comments from the Board?
8 Ex Officio members of the Board? May I have a motion?

9 MR. SOJKA:

10 Yes, Mr. Chairman. I'll move that the
11 Board issue an order to approve Shred-It USA Inc.'s
12 petition as described by the Office of Chief Counsel
13 (OCC).

14 CHAIRMAN:

15 Counsel. Second?

16 MR. TRUJILLO:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 NO RESPONSE

24 CHAIRMAN:

25 The motion carries.

1 ATTORNEY SHERMAN:

2 The next petition before the Board is
3 that of Killian Digital, LLC, a commercial audio,
4 video, consultation firm. It also requests to be
5 removed from the Prohibited Gaming Service Provider
6 List.

7 Killian Digital submitted a Vendor
8 Certification Application and disclosure, and
9 information form in November of 2008. Killian
10 admitted that in error failed to pay the fees
11 associated with the background investigation and
12 certification in a timely, and subsequently was placed
13 on the Prohibited Gaming Service Provider List.

14 They now request to be removed from the list, and
15 have already provided a check in the amount of
16 \$11,000.79, which was the amount of the investigative
17 fees previously owed.

18 The OEC does not object to Killian being removed
19 from the list providing payment of an additional
20 \$1,500 civil penalty associated with that placement
21 and removal from the list. In addition, we note that
22 a check in the amount of \$1,500 has already been
23 received by the Board from Killian. With that
24 explanation, the matter is now ready for the Court's
25 consideration.

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CHAIRMAN:

Questions or comments from the Board?
Ex Officio members? May I have a motion?

MR. TRUJILLO:

Mr. Chairman, I'll move that the Board
issue an order approving Killian's Digital LLC's
petition as described by the OCC.

CHAIRMAN:

Second?

MR. FAJT:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed?

NO RESPONSE

CHAIRMAN:

The motion carries.

ATTORNEY SHERMAN:

Next presenting withdrawals and reports
for recommendations is Assistant Chief Counsel Neil
Hittinger.

ATTORNEY HITTINGER:

Good Morning, Chairman Ryan,

1 Commissioners.

2 Next before the Board are three unopposed
3 petitions withdrawing the applications, or surrender
4 their credentials of three businesses, and the subject
5 of these petitions are Flair Development (phonetic)
6 Systems, LLC, Lightening Poker, Inc. and Video
7 Visions, Inc.

8 The OEC has no objections to these
9 withdrawals and surrenders. As a result if the Board
10 chooses to grant the requests, it would be doing so
11 without prejudice for each requestor. These matters
12 are now ripe for the Board's consideration.

13 CHAIRMAN:

14 Questions or comments from the Board?
15 Ex Officio members? May I have a motion?

16 MR. FAJT:

17 Mr. Chairman, I'll move that the Board
18 issue orders to approve the withdrawals and surrenders
19 as described by the OCC.

20 CHAIRMAN:

21 Second?

22 MR. GINTY:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed?

4 NO RESPONSE

5 CHAIRMAN:

6 The motion carries.

7 ATTORNEY HITTINGER:

8 The next matters before the Board for
9 consideration are the Report and Recommendations from
10 the Office of Hearings and Appeals (OHA) relative to
11 one Non-Gaming Employee Registration and two Gaming
12 Employee occupation permits.

13 These reports and recommendations, along with the
14 evidentiary records from each hearing have been
15 provided to the Board in advance of this meeting.

16 Additionally each case and the person involved has
17 been notified that the Board is considering their
18 matter today and that they have the right to be
19 present to briefly address the Board.

20 If any of these parties are present today, they
21 should come forward when the matter is called.

22 The first report and recommendation before the
23 Board pertains to Adam Cloud. Mr. Cloud submitted a
24 Non-Gaming Employee Registration Application on April
25 2nd, 2012 seeking work in a food service position at

1 the Rivers Casino. Mr. Cloud disclosed on his
2 application that he had been arrested for conspiracy
3 to commit robbery and for possession of marijuana, and
4 that the charges were pending.

5 During the Bureau of Investigation and Enforcement
6 (BIE) background investigation, it was discovered the
7 Mr. Cloud was, in fact, arrested and charged with one
8 count of robbery, infliction of threat of immediate
9 bodily injury, one count of conspiracy to commit
10 robbery and infliction and threat of immediate bodily
11 injury, one count of receiving stolen property, one
12 count of conspiracy to commit robbery, and take
13 property from another by force.

14 On April 26th, 2012, Mr. Cloud plead guilty to a
15 misdemeanor of receiving stolen property charge.
16 Thereafter he was sentenced to 18 months of probation,
17 including random drug testing. All other charges were
18 withdrawn.

19 The facts underlying these charges was that Mr.
20 Cloud was accompanying other individuals, one of whom
21 assaulted and robbed a gas station employee and
22 thereafter split the money with others, including Mr.
23 Cloud.

24 As a result of this criminal conviction, we
25 received a notice and recommendation of denial based

1 upon the nature and recency of Mr. Cloud's conviction.
2 A hearing was requested and held before the OHA on
3 June 20th, 2012. Although properly served, Mr. Cloud
4 failed to attend the hearing and it was held in
5 absentia. Thereafter the Hearing Officer issued a
6 report and recommendation, recommending Mr. Cloud's
7 application be denied. This matter is now ripe for
8 the Board's consideration.

9 CHAIRMAN:

10 Any questions or comments from the Board?
11 Ex Officio members? May I have a motion?

12 MR. GINTY:

13 Mr. Chairman, I'll move that the Board
14 adopt the full recommendation of the OHA as described
15 by the OCC.

16 CHAIRMAN:

17 Second?

18 MR. MCCALL:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed?

25 NO RESPONSE

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CHAIRMAN:

The motion carries.

ATTORNEY HITTINGER:

The next report and recommendation is that of Frederick Marshall. Mr. Marshall is employed as a table games dealer at the Rivers Casino. On June 22nd, 2011, the Bureau of Casino Compliance was notified by the poker room supervisor and overnight manager that two poker dealers, one being Mr. Marshall, had violated the Board's regulations and allowed side bets between patrons to occur during poker play.

As a result of this incident, the Rivers suspended Mr. Marshall pending an investigation. Mr. Marshall's employment was later terminated for having violated company policy. Thereafter OEC brought an Enforcement Action against Mr. Marshall requesting that the Board revoke his Gaming Employee Occupation Permit based upon a violation of the Board's regulations.

Mr. Marshall requested a hearing on the event Enforcement Action was held on February 14th, 2012. Both Mr. Marshall and OEC appeared and offered testimony and exhibits at the hearing.

At the hearing, Mr. Marshall testified that before the day in question, he had never seen side bets at a

1 table in which he had been dealing for. Evidence was
2 also presented indicating that Rivers did not train
3 table games dealers on how to properly handle patrons
4 making side bets during play. Moreover the evidence
5 presented indicated that Mr. Marshall had to speak to
6 the supervisor at the end of the shift in question
7 about how to handle such wagers. It was also
8 discovered during the hearing that the poker room
9 supervisor happened to be at Marshall's table when the
10 incidents occurred and did not intervene. After the
11 conclusion of the hearing, the Hearing Officer issued
12 a Report and Recommendation recommending that the
13 OEC's complaint to revoke Mr. Marshall's Gaming Permit
14 be dismissed. This matter is now ready for the
15 Board's consideration.

16 CHAIRMAN:

17 Questions or comments from the Board? Ex
18 Officio members of the Board? May I have a motion?

19 MR. MOSCATO:

20 Mr. Chairman, I'll move that the Board
21 adopt the Report and Recommendation of the OHA as
22 described by the OCC.

23 CHAIRMAN:

24 Second?

25 MR. SOJKA:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed?

7 NO RESPONSE

8 CHAIRMAN:

9 The motion carries.

10 ATTORNEY HITTINGER:

11 The last matter before the Board this
12 morning is that of William Rua. Mr. Rua was also
13 employed as a table games dealer at the Rivers Casino
14 and was the dealer who relieved Mr. Marshall at the
15 end of his shift. While Mr. Rua dealt poker at the
16 table previously manned by Mr. Marshall, two
17 additional side bets between patrons occurred. Rivers
18 reported the incidence to the Bureau of Casino
19 Compliance and suspended Mr. Rua pending an
20 investigation. Mr. Rua's employment was then
21 terminated for violating company policy.

22 OEC subsequently initiated an enforcement
23 action requesting Mr. Rua's Gaming Permit be revoked.
24 Mr. Rua requested a hearing which was held on March 6,
25 2012 before OHA. Mr. Rua represented by Counsel and

1 OEC attended the hearing and offered testimony and
2 exhibits. In addition to the evidence that the Rivers
3 did not train its dealers on how to properly handle
4 patrons making side wagers.

5 The evidence also showed that on both
6 occasions, Mr. Rua's attention was diverted from the
7 side wagers when they occurred. Specifically the
8 parties, including Mr. Rua's own witness testified
9 that during the first incident, Mr. Rua's attentions
10 were focused on a problem with the card shuffler and
11 during the second incident, Mr. Rua was busy
12 collecting cards at the opposite end of the table.

13 At the conclusion of the hearing, the
14 Hearing Officer issued a Report and Recommendation
15 recommending that the OEC's complaint to revoke Mr.
16 Rua's Gaming Permit be dismissed.

17 This matter is now ready for the Board's
18 consideration.

19 CHAIRMAN:

20 Questions or comments from the Board?

21 MR. SOJKA:

22 And at this point, these cases are
23 clearly linked and I think it's clear by what the
24 Hearing Officer's saying, and I can't disagree with
25 him, but I'm still left with a somewhat unsettling

1 feeling about what's going on with side bets,
2 training, and so on.

3 And I'm hoping that there will be some
4 mechanism by which we can clearly define what these
5 kinds of side bet activities are and make sure that
6 that gets built into training for dealers and
7 supervisors so that we don't get back into situations
8 of this kind.

9 CHAIRMAN:

10 Having said that, I agree with the Board
11 member. Any other comments from the Board? Ex
12 Officio members? Do I have a motion?

13 MR. SOJKA:

14 Yes, Mr. Chairman, I'll move that the
15 Board accept the Board's recommendation of the OHA as
16 described by the OCC.

17 CHAIRMAN:

18 Second?

19 MR. TRUJILLO:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed?

1 NO RESPONSE

2 CHAIRMAN:

3 The motion carries.

4 ATTORNEY SHERMAN:

5 And that concludes all matters for the
6 OCC.

7 CHAIRMAN:

8 Next up, Susan Hensel, Bureau of
9 Licensing. Susan, you can come up.

10 ATTORNEY HENSEL:

11 Thank you, Chairman Ryan and members of
12 the Board.

13 Before the Board today will be motions
14 regarding the issuance of Principal and Key Employee
15 and Non-Gaming Employees. In addition there will be
16 the consideration of 13 gaming service provider
17 applicants.

18 The first matter for your consideration
19 is the approval of Principal and Key Employee
20 Licenses. Prior to the State's Bureau of Licensing
21 provided me with a proposed order for one Principal
22 and five Key Employee Licenses, Category 1, 2 and 3
23 Licensing. I ask that the Board consider the Order
24 approving these Licenses.

25 CHAIRMAN:

1 Any comments from Enforcement Counsel?

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Questions or comments from the Board? Ex
6 Officio members? Do I have a motion?

7 MR. FAJT:

8 Mr. Chairman, I move that the Board
9 approve the Issuance of Principal and Key Employee
10 Licenses as described by the Bureau of License.

11 CHAIRMAN:

12 Second?

13 MR. GINTY:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN:

22 The motion carries.

23 ATTORNEY HENSEL:

24 Also for your consideration are Temporary
25 Key Employee Licenses. Prior to this meeting, the

1 Bureau of Licensing provided you with an Order
2 regarding the issuances of licenses for four Key
3 Employees. I ask that the Board consider the Order
4 approving these licenses.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel?

7 ATTORNEY PITRE:

8 Enforcement Counsel has no objection.

9 CHAIRMAN:

10 Questions or comments from the Board? Ex
11 Officio members of the Board? May I have a motion?

12 MR. GINTY:

13 Mr. Chairman, I'll move that the Board
14 approve the issuance of Temporary Key Employee
15 credentials as described by the Bureau of License.

16 MR. MCCALL:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 NO RESPONSE

24 CHAIRMAN:

25 The motion carries.

1 ATTORNEY HENSEL:

2 Next are Gaming Permits and Non-Gaming
3 Registrations. Prior to this meeting the Bureau of
4 Licensing provided you with a list of 643 individuals
5 who the Bureau has granted Temporary or Full
6 Occupation Permits to and 126 individuals who the
7 Bureau has granted registrations to under the
8 authority delegated to the Bureau of Licensing. I ask
9 that the Board consider a motion approving the Order.

10 CHAIRMAN:

11 Any comments from Enforcement Counsel?

12 ATTORNEY PITRE:

13 Enforcement Counsel has no objection.

14 CHAIRMAN:

15 Questions or comments from the Board? Ex
16 Officio members? May I have a motion?

17 MR. MCCALL:

18 Mr. Chairman, I'll move that the Board
19 approve the issuance of Key Employee Permits and
20 Non-Gaming Employee Registrations as described by the
21 Bureau of Licensing.

22 CHAIRMAN:

23 Second?

24 MR. MOSCATO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed?

6 NO RESPONSE

7 CHAIRMAN:

8 The motion carries.

9 ATTORNEY HENSEL:

10 We also have for your consideration
11 withdrawal requests for Key Employees and Gaming
12 Employees. In each case, the License Permit or
13 Registration is no longer required. For today's
14 meeting, I had provided the Board with a list of two
15 Key and 23 Gaming Employee withdrawals for approval.
16 I asked that the Court consider the Orders approving
17 these withdrawals.

18 CHAIRMAN:

19 Any comments from Enforcement Counsel?

20 ATTORNEY PITRE:

21 Enforcement Counsel has no objection.

22 CHAIRMAN:

23 Any questions or comments from the Board?

24 Ex Officio members? May I have a motion?

25 MR. MOSCATO:

1 Mr. Chairman, I move that the Board
2 approve the withdrawals as described by the Bureau of
3 Licensing.

4 MR. SOJKA:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed?

11 NO RESPONSE

12 CHAIRMAN:

13 The motion carries.

14 ATTORNEY HENSEL:

15 Next we have an order regarding Gaming
16 Service Provider Registrations. The Bureau of
17 Licensing provided you with an Order and an attached
18 list of 12 registered Gaming Service Providers. I ask
19 that the Board adopt a motion approving the Order of
20 registering these Gaming Service Providers.

21 CHAIRMAN:

22 Comments from Enforcement Counsel?

23 ATTORNEY PITRE:

24 Enforcement Counsel has no objection.

25 CHAIRMAN:

1 Any questions or comments from the Board?
2 Ex Officio members? May I have a motion?

3 MR. SOJKA:

4 Yes, Mr. Chairman, I'll move that the
5 Board issue an Order that approves the application for
6 Gaming Service Provider Registration as described by
7 the Bureau of Licensing.

8 MR. TRUJILLO:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed?

15 NO RESPONSE

16 CHAIRMAN:

17 The motion carries.

18 ATTORNEY HENSEL:

19 Finally the Bureau of Licensing provided
20 you with an Order regarding the Gaming Service
21 Provider IEP, Ltd. This is a company that is
22 recommended for the Prohibited Gaming Service Provider
23 List. The company conducted business with a slot
24 machine licensee, but failed to complete the
25 application process. Once added to the Prohibited

1 Gaming Service Provider List, no slot machine
2 licensing can conduct business with the company. I
3 ask that the Board consider the Order adding IEP, Ltd.
4 to the Prohibited Gaming Service Provider List.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel?

7 ATTORNEY PITRE:

8 Enforcement Counsel's in support of their
9 motion.

10 CHAIRMAN:

11 Any questions or comments from the Board?

12 Ex Officio members? May I have a motion?

13 MR. TRUJILLO:

14 Mr. Chairman, I'll move that the Board
15 issue an Order approving the addition of IEP, Ltd. to
16 the Prohibited Gaming Service Provider List.

17 MR. FAJT:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1 The motion carries.

2 MS. HENSEL:

3 That concludes the matters of the Bureau
4 of Licensing.

5 CHAIRMAN:

6 Next is Cyrus Pitre, Chief Enforcement
7 Counsel.

8 ATTORNEY PITRE:

9 We have five matters for the Board's
10 consideration today. Two Consent Agreements, two
11 revocations, and looks like one motion that puts an
12 individual on the Exclusion List.

13 First matter is the Consent Agreement between the
14 Office of Enforcement and Greenwood Gaming, Inc. and
15 Entertainment Inc.

16 I see Mr. Kohler's here representing
17 Greenwood Gaming. Dustin Miller will present the
18 matter on behalf of OEC.

19 CHAIRMAN:

20 Good morning, Mr. Kohler.

21 ATTORNEY KOHLER:

22 Good morning, Chairman.

23 CHAIRMAN:

24 Perhaps you should ensure the name on the
25 record so the court reporter has it and list your

1 capacity who you're here for.

2 ATTORNEY KOHLER:

3 Certainly. My name is Alan Kohler,
4 K-O-H-L-E-R. I'm with Eckert Seamans representing
5 Greenwood Gaming and Entertainment, Inc.

6 CHAIRMAN:

7 Go ahead.

8 ATTORNEY MILLER:

9 Good Morning, Chairman Ryan and members
10 of the Board. At this time, the OEC has a Consent
11 Agreement prepared for the Board's approval. The
12 Consent Agreement is between the OEC and Greenwood
13 Gaming and Entertainment, Inc., doing business as Parx
14 Casino. And this Consent Agreement arises from a
15 business transaction between Greenwood Gaming and
16 Entertainment and Vision Solutions, Inc.

17 Pursuant to Section 437a.8.(b) of the
18 Board's Regulations, a slot machine licensee may not
19 enter into an agreement or continue to do business
20 with a Gaming Service Provider on the Board's
21 Prohibited Gaming Service Provider List.

22 Visions Solutions, Inc. was placed on the
23 Board's Prohibited Gaming Service Provider List on
24 December 16th, 2010. Pennsylvania Gaming Control
25 Board's Prohibited Gaming Service Provider List is

1 posted on the Board's website. Vision Solutions,
2 Inc.'s name was added to the website following its
3 placement on the Prohibited Gaming Service Provider
4 List.

5 On September 20, 2011, Greenwood Gaming
6 and Entertainment purchased a maintenance program from
7 Vision Solutions Inc. for \$4,947.80. Visions
8 Solutions Inc. was on the Board's Prohibited Gaming
9 Service Provider List at that time and remained on the
10 Prohibited Gaming Service Provider List until July 11,
11 2012, when the Board granted Visions Solutions Inc.
12 petition to be removed from Prohibited Gaming Service
13 Provider List.

14 On July 5th, 2012, the parties entered
15 into a Consent Agreement to settle this outstanding
16 compliance matter. This agreement was Greenwood
17 Gaming and Entertainment's first Consent Agreement
18 with the OEC related to conducting business with a
19 company on the Prohibited Gaming Service Provider
20 List.

21 The terms of the agreement include a
22 provision that Greenwood Gaming and Entertainment,
23 Inc. shall institute policies and provide training,
24 guidance, and reinforcement to employees to minimize
25 the opportunity for a similar incident of this nature

1 from occurring in the future. And also Greenwood
2 Gaming and Entertainment, Inc. shall pay a total fine
3 of \$4,947.80. This civil penalty represents a dollar
4 for dollar match for the contract entered into between
5 Greenwood Gaming and Entertainment, Inc. and Vision
6 Solutions, Inc., while Vision Solutions, Inc., was on
7 the Prohibited Gaming Service Provider List.

8 As stated earlier, Alan Kohler is here on
9 behalf of Greenwood Gaming and Entertainment, Inc. to
10 answer any questions you may have.

11 CHAIRMAN:

12 Mr. Kohler, do you have anything you want
13 to add to that?

14 ATTORNEY KOHLER:

15 Nothing to add.

16 CHAIRMAN:

17 Any questions, comments for the Board?

18 MR. FAJT:

19 Yes. I would like to just add a comment.
20 In the Executive Session yesterday, we expressed some
21 heartburn or uncomfortableness, if you will, upon
22 matching the fine to the amount of their contract, and
23 we don't want to set a precedent.

24 So I think while we think the fine is
25 appropriate and the amount of the fine is pretty much

1 appropriate in this area, I am going to make a motion
2 to reject the Consent Agreement and just ask that you
3 go back and look at that fine again. Again, we don't
4 want to set a precedent of matching the fine with the
5 amount of the contract. I think that's a bad
6 precedent.

7 ATTORNEY PITRE:

8 May I respond before the motion?

9 CHAIRMAN:

10 Go ahead Cyrus.

11 ATTORNEY PITRE:

12 And I understand perfectly. Our thinking
13 behind this is we are trying to find a minimum
14 threshold that would be fair across the board in the
15 industry. Obviously if someone pays a vendor a
16 \$100,000, I'm not going to go and seek a \$100,000
17 penalty, that's not what the intention behind this is.
18 But I also was striving to be fair to those who might
19 just pay \$1,000 to a vendor who was on that list. So,
20 we approach this with the minimum threshold being
21 \$10,000, meaning anything above \$10,000 would be a
22 \$10,000 fine and it escalates, if it's egregious or if
23 it happens more than one time. So, it would be dollar
24 for dollar below \$10,000 and then above \$10,000, then
25 we would look at the instance and then fine

1 appropriately, based on that. That's what the
2 thinking was behind that.

3 Outside of that, if the Board's
4 uncomfortable with even that scenario, I did speak to
5 Mr. Kohler prior to here in anticipation that the
6 Board might have some questions, and if the Board is
7 willing to set the minimum threshold, like we did much
8 with underage gaming, and self-exclusion violations at
9 \$5,000, I think Mr. Kohler would be willing to accept
10 the Consent Agreement on the record at \$5,000. And
11 then any subsequent Consent Agreements we have coming
12 forward, we'll adjust to present those matters to the
13 Board in keeping with that.

14 CHAIRMAN:

15 If I can ask the question, Cyrus, is this
16 a matter of first impression?

17 ATTORNEY PITRE:

18 Yes. Yes.

19 CHAIRMAN:

20 And that's the reason for ---

21 ATTORNEY PITRE:

22 Right.

23 CHAIRMAN:

24 --- a little bit of angst that we're all
25 experiencing right now.

1 ATTORNEY PITRE:

2 That's correct.

3 CHAIRMAN:

4 And what you're all suggesting is that
5 this matter of \$5,000 be the penalty?

6 ATTORNEY PITRE:

7 If the Board rejected --- doesn't want to
8 go along with the dollar for dollar below \$10,000.

9 CHAIRMAN:

10 We are.

11 ATTORNEY PITRE:

12 Okay. Well, then if that's the case and
13 if Mr. Kohler is willing --- we're willing to amend
14 the Consent Agreement on the record with a \$5,000
15 minimum penalty and going forward with other Consent
16 Agreements in that fashion.

17 CHAIRMAN:

18 Okay. I think I understand.

19 MR. SOJKA:

20 Since this is a matter of first
21 impression, I think it's worth our time to flush this
22 out a little bit. You mentioned in your first
23 response to Commissioner Fajt, that some other
24 extenuating circumstances like for example, flagrant
25 disregard for our regulations, and multiple violations

1 and so on can come into effect, if we are setting this
2 amount, probably going to agree to here, is it
3 understood that this one then is in the category of
4 essentially oversight, if it's not flagrant, it's not
5 a flagrant disregard of our regulations, but a slip
6 up.

7 MR. PITRE:

8 Correct.

9 MR. SOJKA:

10 That's so this number would be associated
11 with that kind of violation?

12 MR. PITRE:

13 That's correct.

14 MR. SOJKA:

15 Okay. And we would then have latitude
16 if you sensed something a little more pernicious could
17 come to us with a larger number?

18 MR. PITRE:

19 I would have latitude and obviously the
20 Board has great latitude and can accept and reject and
21 comment upon anything we bring before it.

22 CHAIR:

23 Anything else?

24 MR. TRUJILLO:

25 The one discomfort that I have is simply

1 doesn't relate to the size of the fine here, but the
2 notion of having any kind of actual threshold, so I
3 understand your thinking in terms of all the
4 presumptive threshold I think it's helpful to us to
5 know what your thinking is, but I think the Board ---
6 the one thing we want to make sure it's clear, that
7 our discretion remains regardless of being presumptive
8 of the thoughts you might have and so we appreciate
9 the thinking and the guidance, but I think our
10 discretion remains regardless.

11 CHAIRMAN:

12 And I think everybody on the Board agrees
13 with you, Ken, that that's exactly what we're saying
14 here, that as far as the Board is concerned, the
15 dollar for dollar just doesn't seem to be the way to
16 go. I think what we're doing in this case and what
17 we've said so far is appropriate and with that I would
18 ask if anyone else has anything else to add to this.

19 ATTORNEY PITRE:

20 I just ask that Mr. Kohler agree on the
21 record to amend the Consent Agreement of \$5,000.

22 ATTORNEY KOHLER:

23 As I told Cyrus before the hearing, I'd
24 be willing to pay the \$52 to resolve this matter. But
25 no, I was able to get a hold of the client. We are

1 fine with the \$5,000 fine.

2 CHAIR:

3 Okay. With all of that as the
4 background, is there a motion?

5 MR. FAJT:

6 Yes, Mr. Chairman, I move that the Board
7 issue an Order to approve the Consent Agreement
8 between the OEC, Greenwood Games Entertainment as
9 described by the OEC and the amendment thereto to be a
10 \$5,000 fine.

11 MR. GINTY:

12 Second.

13 CHAIRMAN:

14 All in favor.

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed?

18 NO RESPONSE

19 CHAIRMAN:

20 Motion carried. Thank you.

21 ATTORNEY PITRE:

22 The next matter is the Consent Agreement
23 between the OEC and Washington Trotting Association.
24 Kathleen Higgins will be here representing the OEC and
25 presenting the matter. Marie Jones is here on behalf

1 of Washington Trotting Association.

2 CHAIRMAN:

3 Good morning ladies. Perhaps you should
4 state your names and your positions on the record.

5 ATTORNEY HIGGINS:

6 My name is Katie Higgins, H-I-G-G-I-N-S,
7 Assistant Enforcement Counsel for the OEC.

8 ATTORNEY JONES:

9 Good morning. Marie Jones, Fox
10 Rothchild, on behalf of Washington Trotting
11 Association.

12 CHAIRMAN:

13 Go ahead.

14 ATTORNEY HIGGINS:

15 Thank you. Chairman Ryan, members of the
16 Board, we have today for the Board's consideration a
17 Consent Agreement between the OEC and the Meadows.
18 The agreement involves four incidences of underage
19 gaming. On March 24, 2012 an 18-year-old male entered
20 the Meadows gaming floor through the main entrance
21 after providing a California identification card
22 indicating that he was 18 years old to a Meadow's
23 security officer who did not use an ID scanner to
24 check the ID. The 18 year old was present on the
25 gaming floor and played slot machines for

1 approximately one hour and at one point exited the
2 gaming floor and reentered after again presenting the
3 California ID to another Meadow's security officer.
4 This 18 year old individual was cited by the
5 Pennsylvania State Police with underage gaming.

6 The second incident occurred on April
7 3rd, 2012 when a 20-year-old male entered the Meadow's
8 gaming floor through the racetrack entrance after
9 providing an Illinois identification card indicating
10 that he was 20 years old to a Meadow's security
11 officer who did not use the scanner to check the ID.
12 The 20 year old was present on the gaming floor for
13 approximately five hours and played ten different slot
14 machines for a total of approximately one and a half
15 hours.

16 The third instance of underage gaming
17 also occurred on April 3rd, 2012 when a male
18 individual entered the Meadow's gaming floor through
19 the racetrack entrance after providing photo
20 identification that indicated at the top that it was a
21 non-government issued international driving document.
22 A Meadow's security officer unsuccessfully attempted
23 to twice scan the identification but allowed the
24 individual on to the gaming floor anyway. The
25 identification indicated that the individual was 34

1 years old, however the individual later admitted that
2 he was under 21 years of age and that the ID was fake.
3 This underage individual was present on the gaming
4 floor for approximately five hours, and played five
5 different slot machines for a total of approximately
6 45 minutes.

7 The fourth instance occurred on May 19th,
8 2012, when a 20-year-old male entered the Meadow's
9 gaming floor through the racetrack entrance after
10 providing military ID indicating that he was 20 years
11 old to a Meadow's security officer who did not use the
12 ID scanner. The 20 year old was present on the gaming
13 floor for approximately three and a half hours, during
14 which time he played Blackjack at two different tables
15 for approximately three hours and played roulette for
16 approximately 18 minutes. The 20 year old individual
17 was cited by the Pennsylvania State Police with
18 underage gaming.

19 In all instances the Meadows properly
20 notified the Bureau of Casino Compliance and
21 Pennsylvania State Police. As part of this Consent
22 Agreement the Meadows has agreed to institute policies
23 and provide training and guidance and reinforcement of
24 all policies regarding underage gaming to its
25 employees which will minimize the opportunity for

1 similar incidents to occur in the future. In addition
2 the parties have agreed that within five days of the
3 Board's order the Meadows shall pay a civil penalty in
4 the amount of \$45,000. And the OEC asks that the
5 Board approve this Consent Agreement as presented
6 today.

7 CHAIRMAN:

8 Any comments?

9 ATTORNEY JONES:

10 Just a couple of additions to the Consent
11 Agreement that has been --- these security officers in
12 question, one of which has been terminated. In
13 addition our director of security has recently
14 resigned and Michael Keeline (phonetic) is temporarily
15 acting as director of security as well as director of
16 compliance. During his review they realized the level
17 of security was very low. They have in the last month
18 hired 13 additional security officers and have another
19 13 in either HR processing or license processing.
20 We're staffing up. And he again is reiterating all
21 policies and training with the staff and is personally
22 walking the floor reminding the guards. When we
23 looked at it we realized that the staffing levels were
24 low and that overtime was being utilized which of
25 course, after the guards are there for a number of

1 hours they start not being as productive as they
2 should be. I encourage you to accept this agreement.
3 Thank you.

4 CHAIRMAN:

5 Questions or comments from the Board?

6 MR. AUGUSTO:

7 I do have one question. In terms of how
8 many security officers are typically positioned at the
9 racetrack entrances. That would be a concern for the
10 harness commission.

11 ATTORNEY JONES:

12 I again, really don't know off the top of
13 my head 13, but there's normally at least two if I
14 understand.

15 MR. AUGUSTO:

16 Are there sufficient signage to reflect
17 the idea that, you know, you're coming from the
18 racetrack in so now you're entering on to gaming ---
19 to the gaming floor to give people, these minors
20 notice?

21 ATTORNEY JONES:

22 Yes, there is. Again, if you would like
23 us to review the report, I'd be happy to do that.

24 MR. AUGUSTO:

25 That would be helpful. Thank you.

1 MR. SOJKA:

2 If you provide that, will you also
3 provide it to the gaming board as well.

4 ATTORNEY JONES:

5 Absolutely.

6 MR. SOJKA:

7 Thank you.

8 CHAIRMAN:

9 Tony?

10 MR. MOSCATO:

11 Thank you, Mr. Chairman. With the
12 addition of these 26 security guards, do you feel that
13 is a sufficient number, or are you looking to hire
14 more than ---?

15 ATTORNEY JONES:

16 They believe that will be a sufficient
17 number and it will be enough that there won't be
18 over-time being utilized and that the new guards will
19 be well trained.

20 MR. MOSCATO:

21 Very good. Thank you.

22 CHAIRMAN:

23 Any other questions or comments? May I
24 have a motion?

25 MR. GINTY:

1 Mr. Chairman, I move that the Board issue
2 an order to approve the Consent Agreement between the
3 OEC and Washington Trotting Association as described
4 by the OEC.

5 MR. MCCALL:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed?

12 NO RESPONSE

13 CHAIRMAN:

14 The motion carries.

15 ATTORNEY HIGGINS:

16 Thank you.

17 ATTORNEY JONES:

18 Thank you.

19 ATTORNEY PITRE:

20 The next matter for the Board's
21 consideration is the revocation of Brian Dovin's
22 Non-gaming Employee Registration. Cassandra
23 Fenstermaker will present the matter on behalf of OEC.
24 If Mr. Dovin is present in the room, I ask that he
25 come forward.

1 ATTORNEY FENSTERMAKER:

2 Good morning, Chairman Ryan, members of
3 the Board. I'm Cassandra Fenstermaker, Assistant
4 Enforcement Counsel for the OEC. For the Board's
5 consideration today I have a complaint for the
6 revocation of a Non-Gaming Registration. The
7 complaint was filed on January 5th, 2012 against Brian
8 Dovin, a former valet attendant at Mohegan Sun. On
9 December 9th, 2011 Mr. Dovin pled guilty to numerous
10 violations of the controlled substance drug device and
11 cosmetic act, including three felony counts and four
12 misdemeanor counts. As a result of the guilty plea,
13 Mr. Dovin was sentenced to between two and four years
14 in prison. He was not employed by any Commonwealth
15 casino at the time of his arrest or conviction.
16 However, he still holds a valid Non-Gaming
17 Registration as issued by this Board. The complaint
18 was served upon Mr. Dovin in prison by first class and
19 certified mail. Mr. Dovin did not respond to the
20 complaint in any way, and therefore pursuant to Board
21 regulations of facts alleged in the complaint are
22 deemed admitted. The OEC filed a request for default
23 judgment on July 2, 2012 and at this time request that
24 Brian Dovin's Non-Gaming Registration be revoked.

25 CHAIRMAN:

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

3 MR. MCCALL:

4 Mr. Chairman, I move that the Board issue
5 an Order to approve the revocation of Brian Dovin's
6 Non-Gaming Registration as described by the OEC.

7 CHAIRMAN:

8 Second?

9 MR. MOSCATO:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed?

16 NO RESPONSE

17 CHAIRMAN:

18 The motion carries.

19 MR. PITRE:

20 The next matter we have for the Board's
21 consideration is the revocation of Mr. Shane Stone's
22 Key Employee License. Dustin Miller will present the
23 matter on behalf of OEC. If Mr. Stone is present in
24 the room I ask that he come forward.

25 CHAIRMAN:

1 It appears he's not present. Mr. Miller.

2 ATTORNEY MILLER:

3 Good morning, once again. Mr. Stone was
4 employed as a soft account manager at Parx Casino and
5 licensed as a Key Employee. The OEC filed an
6 Enforcement Complaint to revoke Mr. Stone's Key
7 Employee License for failing to maintain suitability
8 on May 14, 2012. Mr. Stone was terminated from Parx
9 Casino. On May 1st, 2012 the Parks Casino
10 surveillance department observed Mr. Stone placing
11 money in to his jumpsuit while working in the count
12 room. Mr. Stone was arrested by onsite Pennsylvania
13 State Police officers. While in custody, Mr. Stone
14 consented to a search of his vehicle and his locker.
15 These searches revealed a plastic bag of marijuana,
16 two plastic bags of psilocybin mushrooms, prescription
17 bottle containing marijuana cigarettes and a
18 prescription bottle containing a pill different from
19 the prescription marked on the bottle. Mr. Stone
20 admitted to the Pennsylvania State Police that he
21 purchased the psilocybin mushrooms for delivery to
22 another individual. The Parx Casino surveillance
23 department also reviewed prior shifts where Mr. Stone
24 had worked in the count room to discover that he took
25 five \$100 bills from the Parx Casino count room on

1 April 14th, 2012, which he was not authorized to take.
2 Mr. Stone was charged with felony possession with
3 intent to distribute a controlled substance,
4 misdemeanor possession of a controlled substance, two
5 counts of misdemeanor possession of a small amount of
6 marijuana, two counts of first degree misdemeanor
7 theft, and two counts of first degree misdemeanor
8 receiving stolen property for his actions. The
9 enforcement complaint was properly served upon Mr.
10 Stone to the address listed on the criminal complaint
11 filed against him under certified and first class
12 mail. Mr. Stone did not respond to the filing in any
13 way. Due to Mr. Stone's failure to respond to the
14 averments in enforcement complaint are deemed to be
15 admitted as fact and his right to a hearing has been
16 waived. On July 13th, 2012 the OEC filed a request to
17 enter judgment upon default. The matter is now before
18 the Board to consider the revocation of Mr. Stone's
19 Key Employee License.

20 CHAIRMAN:

21 Questions or comments from the Board. Ex
22 Officio members? May I have a motion?

23 MR. MOSCATO:

24 Mr. Chairman, I move the Board issue an
25 Order to approve the revocation of Shane Stone's Key

1 Employee License as described by the OEC.

2 MR. SOJKA:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN:

11 The motion carries.

12 ATTORNEY PITRE:

13 The next matter is the placement of
14 Lordes Ortiz on the involuntary exclusion list. If
15 MS. Ortiz is present I ask that she come forward.
16 Cassandra Fenstermaker will present the matter on
17 behalf of OEC.

18 ATTORNEY FENSTERMAKER:

19 OEC's final matter before the Board today
20 is a Petition to place Lordes Ortiz on the Board's
21 exclusion list. On February 26th, 2012 Ms. Ortiz left
22 her 10 and 12-year old children unattended in the
23 valet lobby of Harrah's Philadelphia while she was on
24 the gaming floor. Ms. Ortiz was cited for disorderly
25 conduct by Pennsylvania State Police as a result of

1 her actions. She pled guilty to the charge on May
2 2nd, 2012. She was also permanently evicted from
3 Harrah's Philadelphia. The Petition was sent to Ms.
4 Ortiz by first class and certified mail. She did not
5 respond to the filing in any way and therefore
6 pursuant to Board's regulations all facts alleged in
7 the complaint are deemed admitted. The OEC filed a
8 request for default judgment on July 5th, 2012. And
9 at this time the OEC requests that Lordes Ortiz be
10 placed on the Board's excluded person's list.

11 CHAIRMAN:

12 Any questions or comments from the Board?

13 MR. SOJKA:

14 Just to note that this is slightly
15 different than children being left in cars, but I
16 think the message to parents or guardians should be
17 exactly the same, and that is you don't put a child in
18 a difficult dangerous or compromising position in
19 relation to your desire to game in Pennsylvania.

20 CHAIRMAN:

21 Here again, I think the Board agrees with
22 that whole heartedly. Any other questions or
23 comments? Ex Officio members? May I have a motion?

24 MR. SOJKA:

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

1 issue an order to approve the addition of Lordes Ortiz
2 on the PGCB Involuntary Exclusion List as described by
3 the OEC.

4 MR. TRUJILLO:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed?

11 NO RESPONSE

12 CHAIRMAN:

13 Motion carries. Thank you, ladies and
14 gentlemen. Ladies and gentlemen, I believe that
15 concludes today's meeting. Our next scheduled public
16 meeting will be here in this room on Wednesday, August
17 22nd at 10:00 a.m. Any comments from members of the
18 Board or Ex Officio members of the Board? May I have
19 a motion to adjourn?

20 MR. TRUJILLO:

21 So moved.

22 MR. FAJT:

23 Second.

24 CHAIRMAN:

25 The meeting is adjourned. Thank you all.

* * * * *

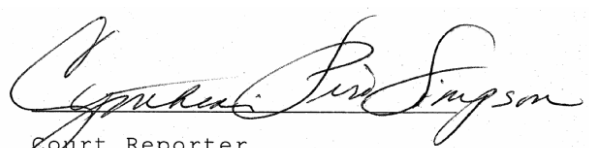
MEETING CONCLUDED AT 11:00 A.M.

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CERTIFICATE

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4
5 I hereby certify that the foregoing
6 proceedings, meeting held before Chairman Ryan, was
7 reported by me on 08/01/2012 and that I Cynthia Piro
8 Simpson read this transcript and that I attest that
9 this transcript is a true and accurate record of the
10 proceeding.

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Court Reporter