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COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

* * * * *

BEFORE: WILLIAM H. RYAN, JR., Chairman
Gregory C. Fajt; Anthony C. Moscato;
Annemarie Kaiser; Keith R. McCall; John
J. McNally; David W. Woods; Members,
Jennifer Langan, Representing State
Treasurer, Robert M. McCord, Robert P.
Coyne, Representing Secretary to
Department of Revenue Daniel P. Meuser
and Jorge Augusto, Representing Secretary
of Agriculture George Greig

HEARING: Wednesday, January 8, 2014

LOCATION: Pennsylvania Gaming Control Board
Strawberry Square Complex
Second Floor
Harrisburg, PA 17101

WITNESSES: Charles Cornell

Reporter: Lacey C. Gray

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2

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NONE OFFERED

P R O C E E D I N G S

CHAIRMAN:

Good morning, ladies and gentlemen.

I'm Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, as we do every other year, I'll start this year by asking everyone to please turn off cell phones and other devices, or at least put them on vibrate so we don't have to listen to them. With us today is Jennifer Langan representing State Treasurer Robert McCord and Bob Coyne representing the Secretary of the Department of Revenue, Dan Meuser and Jorge Augusto representing the Secretary of Agriculture, George Greig.

Thank you, ladies and gentlemen, for being here. A quorum of Board members, in fact, all of us are present and I will therefore call today's meeting to order. First I would ask everyone to stand for the pledge of allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Good afternoon, ladies and gentleman.

We will now begin our regularly scheduled meeting. The Board held an Executive Session yesterday and just prior to today's public hearing. Yesterday's

1 Executive Session was for the purpose of discussing
2 personnel matters and to conduct quasi-judicial
3 deliberations relating to matters being considered by
4 the Board today. And today's Executive Session was
5 for the purpose of further deliberation on the
6 matters heard by the Board earlier today.

7 I would also like to remind everyone
8 that the public suitability hearings on the available
9 Category 2 License for the City of Philadelphia will
10 be held in Philadelphia for each of the Applicants
11 between January 28th and January 30th, 2014. Each of
12 the hearings is scheduled for a four hour block of
13 time beginning on January 28, 2014 at 9:00 a.m. The
14 hearings will all be held in Ballroom A of the
15 Pennsylvania Convention Center in Philadelphia. For
16 more information you may visit our website at
17 www.gamingcontrolboard.pa.gov and click on applicant
18 information under Quick Links.

19 First order of business will be
20 consideration of a motion to approve the minutes and
21 transcripts of the November 20th and December 11th,
22 2013 meetings. May I have such a motion?

23 MR. FAJT:

24 Mr. Chairman, I move that the Board
25 approve the minutes and transcripts of the

1 November 20th and December 11, 2013 minutes.

2 MS. KAISER:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries. Next
9 would be Claire Yantis, our Director of Human
10 Resources. Good afternoon, Claire.

11 MS. YANTIS:

12 Good afternoon, Chairman, members of
13 the Board. The Office of Human Resources ---.

14 CHAIRMAN:

15 Why don't you go to the one next to it
16 and see if that works? Thank you.

17 MS. YANTIS:

18 The Office of Human Resources has one
19 motion for your consideration today relative to the
20 hiring of Mr. Anthony Penna. Mr. Penna has been
21 selected for the position of Casino Compliance
22 Representative and will be placed at The Meadows
23 Casino. Mr. Penna has completed the PGCB interview
24 process, background investigation and drug screening
25 and has been recommended for hire by Director of

1 Casino Compliance, Jerry Stoll. Unless you have any
2 questions, I ask that the Board consider a motion to
3 hire Mr. Penna as indicated.

4 CHAIRMAN:

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

7 MS. KAISER:

8 Mr. Chairman, I move that the Board
9 approve the Applicant as proposed on the conditions
10 that the necessary background investigation and drug
11 testing are completed.

12 MR. FAJT:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 MS. YANTIS:

20 Thank you.

21 CHAIRMAN:

22 Thank you very much, Claire. Next
23 we'll have David Rhen, our Director of Financial
24 Management. Dave.

25 MR. RHEN:

1 Good afternoon. I'm here today to
2 provide a mid-year fiscal year budget update for
3 expenditure activity through December 31st.
4 Expenditures for the first six months of the fiscal
5 year were up \$675,000, or 4.3 percent, from the first
6 half of last year. The total expenditures for the
7 first half of the year were \$16.12 million versus
8 \$15.5 million last year.

9 The increase is the result of rise in
10 personnel costs. For the year personnel expenses
11 totaled \$13,856,000 up \$848,000, or 6.5 percent over
12 the first half of last year with one less payroll
13 posting in the first half of this year than in the
14 first half of last year. If an equal number of
15 payrolls had posted, the cost increase would be
16 approximately 15 percent, about \$150,000 per payroll,
17 pay period.

18 The increase is largely due to the
19 increase in cost of employee health and retirement
20 benefits. These cost increases were anticipated and
21 budgeted. Year to date salary and payout expenses
22 total \$8,972,000, or 65 percent, of payroll costs and
23 benefits total \$4.9 million, or 35 percent, of
24 payroll costs. Operating in fixed asset expenses
25 combined are \$2,367,000 for the year. This total is

1 \$173,000, or 6.8 percent, less than the prior total
2 of \$2,539,000.

3 Year to date the largest operating
4 expense is rentals and leases at \$892,000 comprising
5 of 41 percent of all operating expenses. Services is
6 next at \$720,000 or 33 percent, followed by Office
7 Voice and data communications at \$206,000, or
8 9 percent. Travel at \$180,000, or 8 percent, and
9 other operating expenses at \$116,000, or 5 percent,
10 of operating expenditures. The fixed asset component
11 of the budget total is \$169,000 and is comprised of
12 software licensed purchases.

13 In other notes I'd like to mention that
14 the budget appropriations hearings have been
15 scheduled for February 10th in the House and
16 February 19th in the Senate for consideration of next
17 year's budget request. That concludes my remarks.

18 CHAIRMAN:

19 Thank you, David. Any questions,
20 comments from the Board? Ex-Officio members? Thank
21 you very much.

22 MR. RHEN:

23 Thank you.

24 CHAIRMAN:

25 Next we have Doug Sherman, Chief

1 Counsel.

2 ATTORNEY SHERMAN:

3 Good afternoon, Chairman, members of
4 the Board. Today we have four petitions on the
5 agenda. Each of the matters were heard by the Board
6 earlier today during the public hearings. In
7 addition to the presentations that were provided to
8 the Board, the Board has in advance of this meeting
9 been provided with all pleadings or other documents
10 of record.

11 The first matter for the Board's
12 consideration is that of Eclair Holdings. Eclair
13 Holdings Company together with MTR Gaming Group and
14 their related entities have requested the Board
15 approve a Transfer of Interest in the ownership
16 structure of Presque Isle Downs, Inc. Specifically a
17 merger between MTR and the El Dorado Group of
18 companies in which a new publicly traded entity, El
19 Dorado Resorts, would be formed.

20 As the Board heard earlier today, the
21 OEC does not oppose the granting of the petition
22 subject to seven conditions, which are outlined in
23 OEC's Answer. These conditions largely require
24 licensure of all new Principals prior to consummation
25 of the merger as well as the payment of costs of

1 investigation and the imposition of a change of
2 control fee as required by Section 1328 of the Act.
3 With that the matter is now ready for the Board's
4 consideration.

5 CHAIRMAN:

6 Any questions, comments from the Board?
7 Ex-Officio members? May I have a motion?

8 MR. MOSCATO:

9 Mr. Chairman, I move that the Board
10 grant the petition as described by the Office of
11 Chief Counsel (OCC) subject to the conditions
12 recommended by the Office of Enforcement Counsel
13 (OEC) including the payment of \$2.5 million Change of
14 Control Fee payable prior to or at the time of the
15 change of control contemplated in the petition.

16 MR. WOODS:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 ATTORNEY SHERMAN:

24 The next petition is that of Mount
25 Airy, LLC. In that petition Mount Airy generally is

1 requesting that the Board modify its June 13, 2012
2 Order, which under condition number five required
3 that Louis A. DeNaples not benefit directly or
4 indirectly through any remuneration, cash or property
5 distributions from the Mount Airy Casino. As heard
6 earlier from Mount Airy, they are asking that the
7 Board vacate condition number five or in the
8 alternative issue an Order clarifying that condition
9 number five pertains only to Mr. DeNaples personally,
10 and not to any companies in which he has an ownership
11 interest. The matter is now appropriate for the
12 Board's consideration.

13 CHAIRMAN:

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

16 MR. WOODS:

17 Mr. Chairman, I move that the Board
18 table the petition for a period of 90 days, during
19 that time the Petitioner and the OEC meet for the
20 purpose of agreeing on the scope of any background
21 investigation required of Louis DeNaples.

22 MR. FAJT:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? Motion carries.

4 ATTORNEY SHERMAN:

5 The next matter pertains to
6 Congregation Rodeph Shalom, The Mathematics, Civics
7 and Science Charter School and Friends Select
8 Schools' joint Petition to Intervene in Tower
9 Entertainment's Category 2 Slot Machine License
10 Application. As we heard earlier, the Petitioners
11 state that the granting of the Category 2 License to
12 Tower Entertainment will cause traffic, parking and
13 security problems, unique to each of them. And as
14 such they possess direct, immediate and substantial
15 interest to intervene.

16 Petitioners also question the
17 appropriateness of placing a casino in close
18 proximity to schools and places of worship. As the
19 Board has heard from all parties in the matter, the
20 record on the matter is closed and ready for the
21 Board's consideration.

22 CHAIRMAN:

23 Any questions or comments from the
24 Board? Ex-Officio members? May I have a motion?

25 MR. FAJT:

1 Mr. Chairman, I move that the Board
2 grant the petition as described by the OCC limited to
3 issues of traffic and parking, and deny the petition
4 to the degree that the Petitioner seeks to object to
5 Tower Entertainment, LLC's project for any other
6 reason. I further move the Petitioners must submit
7 all information they wish to present to the Board
8 consistent with the Board's regulation by noon on
9 January 10, 2014.

10 MR. MCCALL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? The motion carries.

17 ATTORNEY SHERMAN:

18 The final petition before the Board
19 today pertains to Sugarhouse HSP Gaming and that's
20 their Petition to Intervene in the Philadelphia
21 Category 2 Licensing proceedings. HSP is requesting
22 that the Board allow them intervention in those
23 proceedings given that they are a casino operator in
24 the vicinity of the five Applicants. And as they
25 assert that they possess a direct, immediate and

1 substantial interest not adequately represented by
2 another party.

3 Again, the Board has heard from all
4 parties on this matter and the record is closed, and
5 ready for the Board's consideration.

6 CHAIRMAN:

7 Any questions or comments from the
8 Board? Ex-Officio members? May I have a motion?

9 MR. MCCALL:

10 Mr. Chairman, I move that the Board
11 grant the petition as described by the OCC limited to
12 issues surrounding the Philadelphia gaming market and
13 the impact the second Philadelphia casino will have
14 on that market. I further move that intervention on
15 issues of compliance by the Applicants with Sections
16 1304 and Section 1330 of the Act be denied as
17 intervenors interests in those areas are adequately
18 represented by the OEC.

19 Finally I move that the Petitioner
20 shall submit all information it wishes to present to
21 the Board consistent with the Board's regulations by
22 noon on January 10th, 2014.

23 CHAIRMAN:

24 Second?

25 MR. MCNALLY:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 ATTORNEY SHERMAN:

8 Next presenting Withdrawals and Reports
9 and Recommendations is Deputy Chief Counsel, Steve
10 Cook.

11 ATTORNEY COOK:

12 Good afternoon. The Board has received
13 two unopposed petitions to withdraw the applications
14 or surrender the credentials from the following
15 individuals, Seamus McGill and Barbara Jeannette
16 Reed. The OEC has no objection to these withdrawals.
17 As the result if the Board will grant the same doing
18 so without prejudice. The matter is now ripe for the
19 Board's decision.

20 CHAIRMAN:

21 Any questions or comments from the
22 Board? Ex-Officio members? May I have a motion?

23 MR. MCNALLY:

24 Mr. Chairman, I move that the Board
25 issue an Order to approve the Withdrawals and

1 Surrenders as described by the OCC.

2 CHAIRMAN:

3 Second?

4 MR. MOSCATO:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 ATTORNEY COOK:

12 Next before the Board for consideration
13 are three Reports and Recommendations received from
14 the Office of Hearings and Appeals (OHA). These
15 Records and Recommendations along with the
16 evidentiary record for each hearing have been
17 provided to the Board in advance of this meeting.
18 Additionally, in each case the person involved has
19 been notified that the Board is considering his or
20 her matter today and that they have the right to be
21 present to briefly address the Board. If any of
22 these persons are present I would ask them to come
23 forward when their matter is called.

24 First Report and Recommendation before
25 the Board today pertains to Karri Jean Graham. Ms.

1 Graham was issued a Gaming Permit on June 17th, 2013
2 and worked as a Table Games Dealer at the Rivers
3 Casino. On August 1st, 2013 the Bureau of
4 Investigations and Enforcement (BIE) was notified by
5 the Pennsylvania State Police that Ms. Graham had
6 been arrested and charged with allowing persons to
7 assemble to gamble as well as knowingly permitting
8 gambling. Specifically it was alleged that Ms.
9 Graham had operated a biweekly Texas Hold'Em
10 tournament at a private club.

11 Upon learning of this matter the OEC
12 filed a request for an Emergency Suspension and
13 presented it to the Executive Director who signed
14 that Emergency Suspension August 28th, 2013. A
15 hearing was scheduled and held on September 7th ---
16 excuse me, September 17th, 2013. Enforcement Counsel
17 appeared at the hearing and offered testimony and
18 exhibits. Ms. Graham did not appear at the hearing,
19 however, the next day she contacted the OHA
20 requesting that the record be reopened.

21 Hearings and Appeals did reopen the
22 record and at that point in time she submitted into
23 the record evidence that her criminal charges were in
24 abeyance and she was placed into the ARD Program in
25 Beaver County, which was scheduled to be completed in

1 October of 2014. Subsequently a Report and
2 Recommendation was issued by the Hearing Officer
3 recommending that the Emergency Suspension remain in
4 place as the criminal charges remain pending against
5 Ms. Graham at this time. And that is the
6 recommendation before the Board.

7 CHAIRMAN:

8 Any questions or comments from the
9 Board? Ex-Officio members? May I have a motion?

10 MR. FAJT:

11 Mr. Chairman, I move that the Board
12 adopt the Report and Recommendation issued by the OHA
13 regarding Karri Jean Graham's Gaming Employment
14 Permit as described by the OCC and that Ms. Graham's
15 suspension remain in place until at least successful
16 completion of her Beaver County ARD Program at which
17 time she may petition the Board to have her
18 suspension lifted.

19 CHAIRMAN:

20 Second?

21 MR. WOODS:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Oppose? The motion carries.

3 ATTORNEY COOK:

4 The next Report and Recommendation
5 before the Board pertains to Mr. Jamar Larry. Mr.
6 Larry submitted a Non-Gaming Employee Application on
7 June 28th, 2013 seeking work as a steward at the
8 Sugarhouse Casino. Mr. Larry disclosed in his
9 application that he had been arrested for robbery and
10 related offenses. During the background
11 investigation of his application it was confirmed
12 that in addition to robbery, Mr. Larry had also been
13 arrested and charged with theft by unlawful taking,
14 terroristic threats and simple assault, all as a
15 result of the same incident.

16 Specifically, Mr. Larry threatened an
17 individual and subsequently stole her pocketbook. On
18 August 21st, 2011 Mr. Larry pleaded guilty to
19 conspiracy to commit robbery as a felony offense and
20 remaining charges were withdrawn. The OEC issued a
21 Notice of Recommendation of Denial of the application
22 based upon the nature and relative recency of these
23 charges and convictions.

24 Mr. Larry requested a hearing before
25 the OHA, which was held on October 31st, 2013. The

1 OEC attended the hearing and presented evidence.
2 Although he requested the hearing, Mr. Larry did not
3 attend. Thereafter a Report and Recommendation was
4 issued recommending that Mr. Larry's application be
5 denied based upon his criminal charges and subsequent
6 conviction and the proximity in time to present day.
7 That is the recommendation before the Board and it's
8 ready for the Board's consideration.

9 CHAIRMAN:

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

12 MR. WOODS:

13 Mr. Chairman, I move that the Board
14 adopt the Report and Recommendation issued by the OHA
15 regarding Jamar Larry's Non-Gaming Employee
16 Registration as describe by OCC.

17 MR. FAJT:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? The motion carries.

24 ATTORNEY COOK:

25 The final Report and Recommendation

1 before the Board pertains to Jihad Abdur-Razzaq. On
2 April 22nd, 2013 the OEC filed a complaint to place
3 Mr. Abdur-Razzaq on the Board's Exclusion List for
4 utilizing counterfeit bills while gaming at Harrah's
5 as well as due to two prior convictions on weapons
6 related charges. A hearing in this matter was held
7 on September 26th, 2013. Mr. Abdur-Razzaq received
8 proper notice, however, he did not attend the
9 hearing, nor did he request a continuance. The OEC,
10 however, did attend the hearing and put evidence into
11 the record to support their position that this
12 individual should be placed on the Exclusion List.

13 Subsequent to the hearing, the Hearing
14 Officer issued a Report and Recommendation stating
15 that there was insufficient evidence to place Mr.
16 Abdur-Razzaq on the Involuntary Exclusion List based
17 upon his alleged use of counterfeit bills at the
18 Harrah's Casino as well as at the individual's 2009
19 and 2012 convictions for felony weapons offenses were
20 not causally connected to any Pennsylvania casino,
21 and as a result they could not be used as the basis
22 for exclusion.

23 Upon receipt of the Report and
24 Recommendation the OEC filed exceptions arguing that
25 the Hearing Officer did not adequately consider the

1 totality of the evidence presented including the
2 testimony of the Pennsylvania State Police Trooper as
3 to his findings in the counterfeiting investigation.
4 The OEC further argued that the Board had a past
5 practice of excluding individuals known to frequent
6 Pennsylvania casinos when they had a history of prior
7 bad acts even if those bad acts occurred outside of
8 the casino.

9 As I indicated, the Report and
10 Recommendation recommends that this individual not be
11 placed on the Exclusion List and that is the
12 recommendation before the Board today.

13 CHAIRMAN:

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

16 MR. MOSCATO:

17 Mr. Chairman, upon review of the Report
18 and Recommendation and the OEC's exceptions thereto,
19 I move that the Board reject the Report and
20 Recommendation issued by the OHA regarding Jihad
21 Abdur-Razzaq's placement on the Board's Involuntary
22 Exclusion List as described by the OCC, and that Mr.
23 Abdur-Razzaq be immediately placed on the Board's
24 Exclusion List.

25 CHAIRMAN:

1 Second?

2 MS. KAISER:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? Motion carries.

9 ATTORNEY SHERMAN:

10 That concludes all matters of the OCC.

11 CHAIRMAN:

12 Thank you both. Next we'll have Susan
13 Hensel with the licensing matters. Good afternoon,
14 Susan.

15 MS. HENSEL:

16 Thank you, Chairman Ryan and members of
17 the Board. Before the Board today will be motions
18 regarding 488 Key Gaming and Non-Gaming Employees.
19 In addition, there will be the consideration of 15
20 Gaming Service Provider Applicants. The first matter
21 for your consideration is the approval of Principal
22 and Key Employee Licenses. Prior to this meeting the
23 Bureau of Licensing provided you with a Proposed
24 Order for two Principal and four Key Employee
25 Licenses for Category 1, Category 3 and Manufacturer

1 Licensees. I ask that the Board consider the Order
2 approving these licenses.

3 CHAIRMAN:

4 Any comments from Enforcement Counsel?

5 ATTORNEY PITRE:

6 Enforcement Counsel has no objection.

7 CHAIRMAN:

8 Any questions or comments from the
9 Board? Ex-Officio members? May I have a motion?

10 MS. KAISER:

11 Mr. Chairman, I move that the Board
12 approve the issuance of Principal and Key Employee
13 Licenses as described by the Bureau of Licensing.

14 MR. MCNALLY:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 MS. HENSEL:

22 Next is the approval of Temporary
23 Principal and Key Employee Licenses. Prior to this
24 meeting the Bureau of Licensing provided you with an
25 Order regarding the issuance of Temporary Licenses

1 for 1 Principal and 15 Key Employees. I ask that the
2 Board consider the Order approving these licenses.

3 CHAIRMAN:

4 Any comments from Enforcement Counsel?

5 ATTORNEY PITRE:

6 Enforcement Counsel has no objection.

7 CHAIRMAN:

8 Any questions or comments from the
9 Board? Ex-Officio members? May I have a motion?

10 MR. MCCALL:

11 Mr. Chairman, I move that the Board
12 approve the issuance of Temporary Principal and Key
13 Employee Licenses as described by the Bureau of
14 Licensing.

15 MR. MCNALLY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 MS. HENSEL:

23 There are also Gaming Permits and
24 Non-Gaming Registrations. Prior to this meeting the
25 Bureau of Licensing provided you with an Order and an

1 attached list of 330 individuals to whom the Bureau
2 has granted temporary or full Occupation Permits, and
3 107 individuals to whom the Bureau has granted
4 registrations under the authority delegated to the
5 Bureau of Licensing. I ask that the Board consider a
6 motion approving the Order.

7 CHAIRMAN:

8 Any comments from Enforcement Counsel?

9 ATTORNEY PITRE:

10 Enforcement Counsel has no objection.

11 CHAIRMAN:

12 Any questions or comments from the
13 Board? Ex-Officio members? May I have a motion?

14 MR. MCNALLY:

15 Mr. Chairman, I move that the Board
16 approve the issuance of Gaming Employee Permits and
17 Non-Gaming Employee Registrations as described by the
18 Bureau of Licensing.

19 CHAIRMAN:

20 Second?

21 MR. MOSCATO:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed? The motion carries.

3 MS. HENSEL:

4 Next there is a recommendation of
5 denial for Tyheed Roane's Gaming Employee
6 Application. The Bureau of Licensing has provided
7 you with the Order addressing this Applicant who the
8 OEC has recommended for denial. The Applicant failed
9 to request a hearing within the specified time
10 period. I ask that the Board consider the Order
11 denying the Gaming Employee Application.

12 CHAIRMAN:

13 Any comments from Enforcement Counsel?

14 ATTORNEY PITRE:

15 Enforcement Counsel requests that the
16 application be denied.

17 CHAIRMAN:

18 Any questions or comments from the
19 Board? Ex-Officio members? May I have a motion?

20 MR. MOSCATO:

21 Yes, sir. I move that the Board
22 approve the denial of Tyheed Roane's Gaming Employee
23 Application.

24 MR. WOODS:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? The motion carries.

6 MS. HENSEL:

7 Also for your consideration are
8 withdrawal requests for Key Employee, Gaming and
9 Non-Gaming Employee Applicants. In each case the
10 License, Permit or Registration is no longer
11 required. For today's meeting I have provided the
12 Board with a list of 1 Key Employee, 22 Gaming and 5
13 Non-Gaming Employee Applicant withdrawals for
14 approval. I ask that the Board consider the Orders
15 approving the lists of withdrawals.

16 CHAIRMAN:

17 Any comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Any questions or comments from the
22 Board? Ex-Officio members? May I have a motion?

23 MR. WOODS:

24 Mr. Chairman, I move that the Board
25 approve the withdrawals as described by the Bureau of

1 Licensing.

2 MR. FAJT:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries.

9 MS. HENSEL:

10 Finally for your consideration are
11 Gaming Service Provider Registrations. The Bureau of
12 Licensing provided you with an Order and attached
13 list of 15 Registered Gaming Service Provider
14 Applicants. I ask that the Board consider the Order
15 registering these Gaming Service Providers.

16 CHAIRMAN:

17 Any comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Any questions or comments from the
22 Board? Ex-Officio members? May I have a motion?

23 MR. FAJT:

24 Mr. Chairman, I move that the Board
25 issue an Order to approve the applications for Gaming

1 Service Provider Registration as described by the
2 Bureau of Licensing.

3 MS. KAISER:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion carries.

10 MS. HENSEL:

11 That concludes the matters of the
12 Bureau of Licensing.

13 CHAIRMAN:

14 Thank you, Susan. Next will be Mr.
15 Pitre, the OEC.

16 ATTORNEY PITRE:

17 We have six matters for the Board's
18 consideration today, four Consent Agreements and two
19 involuntary exclusions. The first matter will be
20 presented by Assistant Enforcement Counsel Cassandra
21 Fenstermaker.

22 CHAIRMAN:

23 Good afternoon.

24 ATTORNEY FENSTERMAKER:

25 Good afternoon, Chairman Ryan, members

1 of the Board. I'm Cassandra Fenstermaker,
2 F-E-N-S-T-E-R-M-A-K-E-R. We have today for the
3 Board's consideration two Consent Agreements between
4 the OEC and Chester Downs and Marina, LLC doing
5 business as Harrah's Philadelphia Casino and
6 Racetrack. The first is the result of violations of
7 the Board's regulations and Harrah's internal
8 controls with respect to credit processes and
9 procedures utilized by the facility. Both the Bureau
10 of Casino Compliance and the Bureau of Operation ---
11 Gaming Operations conducted reviews of Harrah's
12 credit processes and procedures, after which both
13 Bureaus concluded that there were violations of the
14 Board's regulation and the facility's internal
15 controls.

16 Further review indicated that between
17 the opening of Harrah's credit office in July of 2010
18 and January 2013, Harrah's credit department
19 routinely violated the Board's regulations and the
20 facility's internal controls by failing to obtain
21 authorization from a second approver prior to the
22 issuance of credit, and by failing to separate the
23 verification process from the approval process.

24 Harrah's subsequently implemented
25 standard operating procedures for the issuance of

1 credit and the issuance of credit increases. The
2 parties have agreed that, within five days of the
3 Board's Order Harrah's Philadelphia shall pay a civil
4 penalty in the amount of \$70,000 and \$2,500 for cost
5 incurred by the OEC, BIE and other related staff in
6 connection with this matter.

7 The OEC asks that the Board approve the
8 Consent Agreement as presented today. The OEC and/or
9 representatives of Harrah's would be happy to answer
10 any questions that you may have.

11 CHAIRMAN:

12 Mr. Downey, you represent Harrah's; is
13 that correct, sir?

14 ATTORNEY DOWNEY:

15 Yes. Yes, sir.

16 CHAIRMAN:

17 Could you please put your name on the
18 record?

19 ATTORNEY DOWNEY:

20 I will. Bill Downey, D-O-W-N-E-Y,
21 representing Chester Downs and Marina, LLC. With me
22 at Counsel table is Lynn Hughes, H-U-G-H-E-S,
23 in-house with Chester Downs Marina. Mr. Chairman, we
24 would just concur in the reading of the recitation of
25 facts as presented by OEC and we're available for any

1 questions that you might have.

2 CHAIRMAN:

3 Any questions, comments from the Board?
4 Ex-Officio members? May I have a motion?

5 MS. KAISER:

6 Mr. Chairman, I move that the Board
7 issue the Order to adopt the Consent Agreement
8 between the OEC and Chester Downs Marina, LLC as
9 described by the OEC.

10 MR. MCCALL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? Motion carries. Go ahead,
17 Cassandra.

18 ATTORNEY FENSTERMAKER:

19 Thank you. The next Consent Agreement
20 we have for the Board's consideration today is
21 between the OEC and Charles Raymond Cornell, III.
22 The Consent Agreement resulted from the
23 investigations and reviews conducted regarding the
24 processes and procedures utilized by Harrah's credit
25 department. The reviews indicated that Mr. Cornell,

1 who was issued a G2 Employee Permit by the Board and
2 who was employed by Harrah's from July of 2010 until
3 March of 2012 as a Credit Executive, had violated the
4 Board's regulations in the facility's internal
5 controls.

6 The violations included failing to
7 obtain authorization from the second approver prior
8 to the issuance of credit and failing to adhere to
9 the required separation of the verification and
10 approval processes. Mr. Cornell has agreed to a
11 15-day suspension of his G2 Employee Permit as a
12 result of the findings. The OEC requests that the
13 Consent Agreement be adopted by the Board as
14 presented. Mr. Cornell is here today. And the OEC
15 and/or Mr. Cornell will be happy to answer any
16 questions you may have.

17 CHAIRMAN:

18 Mr. Cornell, do you wish to address the
19 Board?

20 MR. CORNELL:

21 Yes, sir.

22 CHAIRMAN:

23 Okay. I think what we should do is
24 have you sworn, sir. So, if you'll stand up just
25 state your name and spell your last name.

1 MR. CORNELL:

2 My name is Charles Cornell,

3 C-O-R-N-E-L-L.

4 -----

5 CHARLES RAYMOND CORNELL, III, HAVING FIRST BEEN DULY

6 SWORN, TESTIFIED AS FOLLOWS:

7 -----

8 CHAIRMAN:

9 Okay, sir.

10 MR. CORNELL:

11 First of all, I'd like to apologize to
12 the Board. I'd also like to emphasize that this will
13 not happen again and it is not happening at my
14 current employer, which is Valley Forge Casino
15 Resort.

16 CHAIRMAN:

17 Okay. Thank you. Any questions,
18 comments from the Board? Ex-Officio members? May I
19 have a motion?

20 MR. MCNALLY:

21 Mr. Chairman, I move to issue an Order
22 to adopt the Consent Agreement between the OEC and
23 Charles Cornell, III as described by the OEC.

24 CHAIRMAN:

25 Second?

1 MR. MOSCATO:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? The motion carries. Thank

8 you, sir.

9 ATTORNEY FENSTERMAKER:

10 The next Consent Agreement, this one
11 between the OEC and Paul Nyce, also resulted from the
12 investigations and reviews conducted regarding the
13 processes and procedures utilized by Harrah's credit
14 department. The reviews indicated that Paul Nyce who
15 was issued a G2 Employee Permit by the Board and who
16 was employed by Harrah's from July of 2010 until
17 March of 2013 as a Credit Executive, had violated the
18 Board's regulations and the facility's internal
19 controls.

20 The violations included failing to
21 obtain authorization from a second approver prior to
22 the issuance of credit and failing to adhere to the
23 required separation of the verification and approval
24 processes. Mr. Nyce has agreed to a 30-day
25 suspension of his G2 Employee Permit as a result of

1 the findings. I spoke with Mr. Nyce earlier this
2 week at which time he advised he would likely not
3 attend today's meeting. The OEC requests that the
4 Consent Agreement be adopted as presented, and I
5 would be happy to answer any questions that you may
6 have.

7 CHAIRMAN:

8 Any questions or comments from the
9 Board? Ex-Officio members? May I have a motion?

10 MR. MOSCATO:

11 Mr. Chairman, I move that the Board
12 issue an Order to adopt the Consent Agreement between
13 the OEC and Paul Nyce as described by the OEC.

14 MR. WOODS:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries. Welcome
21 back, Mr. Downey.

22 ATTORNEY DOWNEY:

23 Thank you, Mr. Chairman. Pleasure to
24 be here.

25 ATTORNEY FENSTERMAKER:

1 The final Consent Agreement we have for
2 the Board's consideration today is a Consent
3 Agreement between Harrah's Philadelphia and the OEC.
4 On April 20th, 2013 five females including 20 year
5 old Marissa Stokes entered Harrah's Philadelphia.
6 She presented identification to the security officer
7 at the main entrance, which indicated that she was
8 under 21 years of age.

9 Ms. Stokes was on the gaming floor for
10 approximately two hours during which time she wagered
11 at various slot machines and was served at least one
12 alcoholic beverage. One of the women Ms. Stokes was
13 with contacted Chester Police Department to make a
14 complaint regarding the fact that she was asked to
15 leave Harrah's. Ms. Stokes and her friend exited the
16 casino and proceeded to the parking garage where they
17 were met by officers from the Chester Police
18 Department.

19 It was at this time that Ms. Stokes was
20 determined to be under the age of 21 and was
21 transferred to Pennsylvania State Police custody.
22 The parties have agreed that within five days of the
23 Board's Order Harrah's Philadelphia shall pay a civil
24 penalty in the amount of \$20,000 and \$2,500 for costs
25 incurred by the OEC, BIE and related staff in

1 connection with this matter.

2 This is Harrah's fourth time for
3 underage gaming violations since the renewal of its
4 Slots License in 2009. The OEC ask that the Board
5 approve the Consent Agreement as presented today.
6 The OEC or representatives from Harrah's will be
7 happy to answer any questions that you may have.

8 CHAIRMAN:

9 Mr. Downey?

10 ATTORNEY DOWNEY:

11 Thank you, Mr. Chairman. Bill Downey,
12 D-O-W-N-E-Y. Again, with Chester Downs Marina. With
13 me at Counsel table is Lynn Hughes, H-U-G-H-E-S,
14 in-house Counsel. Again, Mr. Chairman, we concur in
15 the reading of the recitation of facts and we're
16 prepared to answer any questions you might have.

17 CHAIRMAN:

18 Questions, comments from the Board?
19 Ex-Officio members? May I have a motion?

20 MR. MCCALL:

21 Mr. Chairman, I move that the Board
22 issue an Order to adopt the Consent Agreement between
23 and OEC and Chester Downs and Marina, LLC as
24 described by the OEC.

25 MR. MCNALLY:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries. Thank
7 you both.

8 ATTORNEY FENSTERMAKER:

9 Thank you.

10 CHAIRMAN:

11 Thank you.

12 ATTORNEY PITRE:

13 The final two matters that we have on
14 the Board's agenda for today will be presented by
15 Assistant Enforcement Counsel, Alexandra Sacavage.

16 ATTORNEY SACAVAGE:

17 Good afternoon, Chairman Ryan.

18 CHAIRMAN:

19 Good afternoon.

20 ATTORNEY SACAVAGE:

21 I am the last but not least today. My
22 name is Alexandra Sacavage. It's S-A-C-A-V-A-G-E.
23 The first matter we have for excluded persons is a
24 request for placement on the Board's Excluded Persons
25 List involving Anna Marie Wilkins. On September

1 16th, 2013 the OEC filed a petition to place Ms.
2 Wilkins on the Exclusion List because she was charged
3 with theft by unlawful taking, receiving stolen
4 property and disorderly conduct when she stole an
5 empty slot machine bill validator box valued at \$375
6 from the Rivers Casino.

7 Petition was properly served upon Ms.
8 Wilkins to the address listed on the criminal
9 citation filed against her by both certified and
10 first class mail. Ms. Wilkins did not respond to the
11 filing in any way. Due to her failure to respond,
12 the averments in the petition are deemed to be
13 admitted as fact and her right to a hearing has been
14 waived.

15 On November 21st, 2013 the OEC filed
16 the request to enter judgment upon default. The
17 matter is now before the Board to consider the
18 placement of Anna Marie Wilkins on the Board's
19 Excluded Person List.

20 CHAIRMAN:

21 Is Anna Marie Wilkins in the hearing
22 room? Any questions or comments from the Board?
23 Ex-Officio members? May I have a motion?

24 MR. WOODS:

25 Mr. Chairman, I move that the Board

1 issue an Order to approve the admission of Anna Marie
2 Wilkins to the Pennsylvania Gaming Control Board
3 Involuntary Exclusion List as described by the OEC.

4 MR. FAJT:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 ATTORNEY SACAVAGE:

12 And our last matter is a request for
13 placement on the Board's Excluded Persons List
14 involving Alteese Williams. On August 28th, 2013 the
15 OEC filed the petition to place Mr. Williams on the
16 exclusion list because he was charged with unlawful
17 for persons under age 21 to wager or play slots and
18 unlawful to permit persons under 21 when he accessed
19 the gaming floor and played a table game at the
20 Rivers Casino.

21 A petition was properly served upon Mr.
22 Williams to the address listed on the criminal
23 citation filed against him by both certified and
24 first class mail. Mr. Williams did not respond to
25 the filing in any way. Due to his failure to respond

1 the averments are deemed to be admitted as fact and
2 his right to a hearing has been waived.

3 On November 21, 2013 the OEC filed a
4 request to enter judgment upon default. The matter
5 is now before the Board to place Alteese Williams on
6 the Board's Excluded Persons List.

7 CHAIRMAN:

8 Is Alteese Williams in the hearing
9 room? Any questions or comments from the Board?
10 Ex-Officio members? May I have a motion?

11 MR. FAJT:

12 Mr. Chairman, I move that the Board
13 issue an Order to approve the addition of Alteese
14 Williams to the PGCB Involuntary Exclusion List as
15 described by the OEC. I further move that Mr.
16 Williams may petition the Board for removal from the
17 list after one year.

18 MS. KAISER:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? The motion carries.

25 ATTORNEY PITRE:

1 That concludes our business. Thank
2 you.

3 CHAIRMAN:

4 Thank you both. That concludes today's
5 meeting. Our next scheduled public meeting will be
6 on Wednesday, January 22nd in this room. The meeting
7 will begin at 10:00 a.m. Any final comments for the
8 Board? May I have a motion to adjourn?

9 MS. KAISER:

10 Mr. Chairman, I move for adjournment.

11 MR. MCCALL:

12 Second.

13 CHAIRMAN:

14 Thank you very much. Appreciate it,
15 ladies and gentlemen.

16

17

* * * * *

18

MEETING CONCLUDED AT 2:54 P.M.

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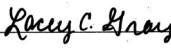
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CERTIFICATE

I hereby certify that the foregoing proceedings,
meeting held before Chairman Ryan was reported by me
on 1/8/2014 and I Lacey C. Gray read this transcript
and that I attest that this transcript is a true and
accurate record of the proceeding.


Court Reporter