

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; Annmarie Kaiser; Keith R.
McCall; John J. McNally, III; Anthony C.
Moscato; David W. Woods, Members
Jennifer Langan, representing Robert
McCord, State Treasurer; Robert Coyne,
representing Daniel Meuser, Secretary of
Revenue

HEARING: Wednesday, April 9, 2014
10:01 a.m.

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

Reporter: Rhonda K. Thorpe

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CHAIRMAN:

Good morning. My name is Bill Ryan. I'm Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would ask everyone to please turn off or at least put on silent your cell phones or other electronic devices. Thank you very much.

With us today is Jennifer Langan, representing State Treasurer Robert McCord; and Bob Coyne, representing Dan Meuser, the Secretary for the Department of Revenue. Thank you both for being here. All the members of the Board are present; therefore, I will formally call today's meeting to order. And I would ask everyone to please rise for the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you very much, ladies and gentlemen. First, as always, some announcements. The Board held Executive Sessions on March 19th and April 1st for the purpose of conducting quasi judicial deliberations related to the awarding of a Category 2 Slot Machine License in the City of Philadelphia. We also held an Executive Session yesterday, April 8th,

1 for the purpose of discussing personnel matters and to
2 conduct quasi judicial deliberations relating to
3 matters being considered by the Board this morning.

4 I would also like to, once again, remind
5 everyone that the Board has scheduled a public input
6 hearing concerning Endeka Entertainment's application
7 for a Category 1 Slot Machine License at a facility
8 proposed to be built in Lawrence County. The hearing
9 will be held on May 8th, 2014, beginning at 10:00
10 a.m., at the Mahoning Township Community Center, 4512
11 West State Street, Hillsville, Pennsylvania. The
12 purpose of the hearing is to permit individuals to
13 learn more about the proposal, as well as to make
14 comments about the proposal. Anyone wishing to speak
15 at the public input hearing must register by May 6th,
16 2014. You can register by visiting the Board's
17 website or by calling the Board Secretary, Mickey
18 Kane, at (717)346-8325. All are welcome to submit
19 written comments. Those comments should be addressed
20 to the Board Secretary and can be mailed to PA Gaming
21 Control Board, P.O. Box 69060, Harrisburg, PA, 17106.
22 All comments received, whether written or oral, will
23 become part of the record in the Endeka license
24 application proceedings.

25 Next we will have consideration of a

1 motion to approve the minutes and transcript of the
2 February 26th meeting. May I have such a motion?

3 MR. WOODS:

4 Mr. Chairman, I move that the Board
5 approve the minutes of the transcript of the February
6 26th, 2014 meeting.

7 CHAIRMAN:

8 Second?

9 MR. MOSCATO:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries.

16 Next we'll have our Executive Director's
17 Report, Kevin O'Toole. Kevin?

18 MR. O'TOOLE:

19 Good morning, Chairman and members of
20 the Board. With me today, as you all know, is Kevin
21 Kile, our Director of Racetrack Operations. We're
22 very fortunate at the Board to have an Executive like
23 Kevin, who is very knowledgeable and experienced in
24 horse and harness racing.

25 Kevin has been the primary researcher

1 and author of all seven of our benchmark reports,
2 which cover the racetrack industry in Pennsylvania, so
3 I've asked Kevin to give a brief summary of the
4 Seventh Annual Benchmark Report.

5 MR. KILE:

6 Good morning, Chairman and members of
7 the Board.

8 CHAIRMAN:

9 Morning, Kevin.

10 MR. KILE:

11 As you all know, one of the primary
12 objectives of the Gaming Act is to assist the horse
13 and harness racing industries in Pennsylvania.
14 Approximately 11 percent of revenue generated from
15 slot machine gaming was earmarked for the Pennsylvania
16 Racehorse Development Fund in 2013. As a result, more
17 than \$209 million was earmarked specifically for the
18 horseracing industry, to enhance purses, assist
19 breeding operations and provide health and pension
20 benefits for horsemen. In addition, the Category 1
21 Slot Machine Licensees are continuing to improve the
22 infrastructure of the racetracks by investing \$6
23 million in 2013 and approximately \$52 million to date
24 to improve the stable and backside areas of their
25 racetracks. This has resulted in much needed

1 improvements to barns and related structures, which
2 has enhanced the living and working conditions for
3 horsemen and their employees.

4 This year's Benchmark Report closely
5 examines trends and total dollars wagered on
6 horseracing. Total dollars wagered on races held in
7 Pennsylvania, also known as live racing handle, was
8 four percent higher in 2013 compared to the same time
9 period in 2012. This is due solely to an increase on
10 wagering on Pennsylvania races by patrons outside the
11 Commonwealth. In other words, racing fans located in
12 neighboring jurisdictions wagered more on live races
13 held at the six tracks here in PA.

14 At the same time, it's very important to
15 note that the racing industry faces significant
16 challenges. Although live racing handle increased
17 slightly in 2013, taxable handle continues to steadily
18 decrease year over year. In fact, taxable handle
19 decreased by approximately eight percent in 2013
20 compared to the same time period last year. And this
21 is mainly due to decreases in simulcast wagering on
22 races held outside of the state. This trend is not
23 unique to Pennsylvania, as wagering via simulcast has
24 been on the decline throughout the rest of the country
25 as well. As the information within this report

1 suggests, however, revenue generated from slot machine
2 gaming continues to provide an overall positive impact
3 on Pennsylvania races and continues to benefit
4 agriculture within the Commonwealth. The report is
5 available for public review and can be accessed from
6 the Board's website directly on our homepage. Thank
7 you very much. And I'd be happy to answer any
8 questions you all have.

9 CHAIRMAN:

10 Questions or comments from the Board?

11 MR. MOSCATO:

12 Just one, Bill. Kevin, a very nice
13 report.

14 MR. KILE:

15 Thank you.

16 MR. MOSCATO:

17 Just one question, though, that regards
18 the number of foals that are being born with both the
19 thoroughbred and the standardbred.

20 MR. KILE:

21 Yes, sir.

22 MR. MOSCATO:

23 The number of foals seems to be down
24 while the number of breeders seems to be on the
25 increase.

1 MR. KILE:

2 Sure.

3 MR. MOSCATO:

4 Is there any correlation for that?

5 MR. KILE:

6 There is. The plus side is that more
7 people are investing in Pennsylvania breeding
8 throughout the state, as evidenced by the number of
9 breeders who are receiving awards.

10 As you know, in the last couple of years
11 the economy has been slow. And in the horse breeding
12 industry, you do not realize an instant gain in the
13 year in which the foal is born. So, due to downturns
14 in the economy several years ago, the breeding
15 industry is now seeing the impact of that, as we see
16 less investment several years ago, and now we have
17 less horses being bred which are racing at the tracks.
18 As the economy improves, we expect that figure to
19 increase or stabilize up to where it was three or four
20 years ago.

21 MR. MOSCATO:

22 Okay. Thank you.

23 MR. MCCALL:

24 I have one question.

25 CHAIRMAN:

1 Sure.

2 MR. MCCALL:

3 Kevin, one question as well. I'm
4 wondering, do we track attendance numbers at these
5 facilities to see how many people are attending? I
6 know we don't probably get into the demographic of
7 who's attending as far as age. You know, are we
8 tracking young people to these races or not, and you
9 know, is there a measure that we have to maybe talk to
10 the operators to, you know, work on getting more
11 people into these tracks, these facilities?

12 MR. KILE:

13 Attendance is tracked by the operators
14 and reported to the Pennsylvania Horse and Harness
15 Racing Commissions. Over the several past years,
16 attendance has been rather stagnant. I believe it
17 increased in 2012, but we may have saw another
18 decrease in 2013.

19 The manner in which attendance is
20 tracked at the casinos now is difficult, given that we
21 do have casino patrons entering the casino as well.
22 So, right now I believe, according to the Racing
23 Commission, that attendance is tracked by program
24 sales, which can be rather difficult to have an
25 accurate figure for actual attendance figures of folks

1 who are actually going to the races. It can be
2 improved. Attendance definitely is a major factor, and
3 we do track that. However, we also have to keep in
4 mind that there's many other avenues to wager on
5 racing beyond going to the track. You can wager on
6 racing at the off-track wagering facilities throughout
7 the Commonwealth, by phone wagering services offered
8 by other racetrack operators and via internet. So,
9 that also has a direct and indirect impact on
10 attendance as well.

11 MR. MCCALL:

12 And the only way we collect handle is if
13 the bet is in Pennsylvania, on a Pennsylvania horse or
14 a Pennsylvania racetrack; correct? If I'm betting ---
15 if I'm in Pennsylvania betting on a race in Jersey,
16 we'll get handle on that; correct?

17 MR. KILE:

18 Correct.

19 MR. MCCALL:

20 But if somebody, conversely, is betting
21 in New Jersey on a race in Pennsylvania, we don't get
22 any handle on that?

23 MR. KILE:

24 The racetrack operator retains a portion
25 of that wager, some of that wager ---.

1 MR. MCCALL:

2 Does any of that come to the
3 Commonwealth?

4 MR. KILE:

5 Yes.

6 MR. MCCALL:

7 It does? Okay. So someone betting,
8 again, in California on a Pennsylvania race ---?

9 MR. KILE:

10 That's not taxable.

11 MR. MCCALL:

12 Okay. Thank you.

13 MR. KILE:

14 The opposite is true.

15 MR. MCCALL:

16 The opposite is true; correct?

17 MR. KILE:

18 It's taxable, correct.

19 CHAIRMAN:

20 Dave?

21 MR. WOODS:

22 Just one question here. Race days
23 versus non-race days on page three says in 2013 race
24 days were 16 percent higher than compared to non-race
25 days. Not having seen the previous report, is that a

1 trend that's been going on for the seven reports that
2 you've been involved in.

3 MR. KILE:

4 We started tracking that several years
5 ago, and we began to incorporate that again this year
6 just to see if that trend was actually continuing.
7 It's an important statistic to note. I mean, given
8 that racing does provide an additional amenity in the
9 casinos, in addition to conventions, hotels,
10 restaurants, concerts that may be going on in the
11 facilities, any offering that the casino can give the
12 general public has a direct impact on gaming itself,
13 such as slot machines and table games. So, this is a
14 very important statistic to note. However, it's
15 important to also note at the same time that it's
16 holding all other factors constant. So, it doesn't
17 take into consideration peak time, such as when racing
18 is scheduled or other casino-related promotions that
19 might have been taking place at the same time.

20 MR. WOODS:

21 So, we don't actually have a chart,
22 though, that would show this over the last five to
23 seven years?

24 MR. KILE:

25 No, but I can prepare that for you.

1 MR. WOODS:

2 We'd be interested in just a general
3 impression if it's always up and if it's significant
4 in a double digit or if this is unusual. Thank you.

5 CHAIRMAN:

6 Greg.

7 MR. FAJT:

8 Thank you, Mr. Chairman. Kevin, I think
9 most members of the Board and people in this room are
10 aware of the issues surrounding the funding of the
11 Horse and Harness Racing Commissions now and that
12 their funding via the horseracing is down. And could
13 you explain, because we do live stream this --- there
14 are people on the outside that may not be aware of
15 that --- can you explain to the Board and the public
16 how that money is calculated, where that money comes
17 from, and talk a little bit about the decrease in that
18 money to fund the Horse and Harness Racing Commissions
19 over the last couple years? And I hate to put you on
20 the spot. If you don't have that, we can do it later.
21 But if you could just talk in generalities that would
22 be fine.

23 MR. KILE:

24 Yeah. In general, I can give a brief
25 overview. Horseracing in Pennsylvania and the

1 regulation of horseracing in Pennsylvania is funded
2 right now, a hundred percent, by a portion of total
3 dollars wagered within Pennsylvania. So, anywhere
4 within Pennsylvania that a wager is placed, regardless
5 of where the race takes place, is taxable within
6 Pennsylvania.

7 The Pennsylvania Horse and Harness
8 Racing Commissions are funded a hundred percent by
9 that taxable revenue. So, as taxable revenue
10 decreases or taxable wagers decreases throughout
11 Pennsylvania, that has a direct impact on resources
12 available for the regulatory agency that's responsible
13 for horse and harness racing to carry out their duties
14 properly and strongly.

15 Decreases in revenue via simulcast
16 wagering, as I mentioned before, is not unique to
17 Pennsylvania, but it's creating very significant
18 challenges because, again, it's limiting the resources
19 available to be able to regulate industry itself.

20 Will simulcast wagering increase in the
21 future? It hasn't for many years. So, it is a very
22 significant challenge. And for everybody that's
23 involved in the regulation of racing and the racing
24 industry itself, needs to be cognizant of that and
25 take appropriate action hopefully in the future.

1 MR. FAJT:

2 Thank you.

3 CHAIRMAN:

4 Kevin, a lot of people involved in the
5 industry and the regulation of the industry don't like
6 talking about it, but the reality is that the industry
7 has been facing challenges for a number of years. And
8 from everything I know, which admittedly isn't a whole
9 lot, that challenge continues. Would that be an
10 accurate statement?

11 MR. KILE:

12 It is. Although the live racing product
13 is doing --- is stabilized due to slot machine gaming,
14 in my opinion, the overall --- I guess the overall
15 health of the industry nationwide, including
16 Pennsylvania, is struggling.

17 CHAIRMAN:

18 And in fact, it probably would be
19 accurate to say that, perhaps due to the revenue that
20 the casinos produce, the industry is in better shape
21 relatively in Pennsylvania than in a lot of other
22 states.

23 MR. KILE:

24 Absolutely.

25 CHAIRMAN:

1 And in fact, there seems to be an
2 indication from the fact that there's more interest
3 outside the state to bet over simulcast on
4 Pennsylvania races than interest within the state to
5 bet on races elsewhere, that a quality of racing
6 relative to the quality of racing --- the quality of
7 racing here in PA relative to the quality of racing
8 elsewhere probably is improving.

9 MR. KILE:

10 Absolutely. That's a trend we've seen
11 for the last six, seven years.

12 CHAIRMAN:

13 Okay. Thank you, Kevin. Anybody else?
14 Thank you both.

15 Next our Human Resources Director,
16 Claire Yantis. Good morning, Claire.

17 MS. YANTIS:

18 Good morning, Chairman, members of the
19 Board. The Office of Human Resources has one motion
20 for your consideration today relative to the hiring of
21 two individuals. First, Mr. Charles Leister has been
22 selected for the position of Statistician with the
23 Bureau of Gaming Laboratory Operations. Second, Mr.
24 Michael Reardon has been selected as an Information
25 Technology Generalist in the Office of Information

1 Technology. Both Mr. Leister and Mr. Reardon have
2 completed the PGCB interview process, background
3 investigation and drug screening and are recommended
4 for hire by Chief Technology Officer Michael Cruz.
5 Unless you have any questions, I ask that the Board
6 consider a motion to hire these individuals as
7 indicated.

8 CHAIRMAN:

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

11 MR. MOSCATO:

12 Mr. Chairman, I move that the Board
13 approve the Applicants, as proposed by the Director of
14 Human Resources.

15 MR. MCNALLY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? Motion carries.

22 MS. YANTIS:

23 Thank you.

24 CHAIRMAN:

25 Thank you, Claire. Next will be Dave

1 Rhen, our Director of Financial Management, for his
2 report. Good morning.

3 MR. RHEN:

4 Good morning. Today's report covers
5 expenses reported by PGCB through the third quarter of
6 fiscal year 2013/'14. Spending to date this fiscal
7 year totaled \$25,493,000 as of March 31st. Spending
8 for the third quarter was \$9,271,000. Payroll
9 expenses in the first three quarters totaled
10 \$21,938,000 or 86.1 percent of total spending for the
11 fiscal year, with salaries totaling \$19,911,000 and
12 benefits totaling \$7,731,000 or 54 percent of salary
13 expenses. Payroll for the third quarter alone was
14 \$8,082,000.

15 Operating expenses reported in the third
16 quarter totaled \$1,189,000, bringing the year-to-date
17 total of operating expenses to \$3,387,000. Operating
18 expenses were 12.8 percent of third-quarter spending
19 and 13.3 percent of overall year-to-date spending.

20 Rentals and leases totaling \$1,377,000
21 is a large category of operating expenses to date and
22 represents 40.7 percent of operating expenses for the
23 year. The third-quarter rental expense was \$485,000.

24 The second largest category of operating
25 expenses for the year is services, which contributed

1 \$258,000 to the quarter's operating expenses and
2 \$978,000 year to date. This category represents 28.9
3 percent of year-to-date operating expenditures.
4 Expenditures in the third quarter included IT
5 consultant services of \$27,924, financial advisory
6 services utilizing the Category 2 Applicant background
7 investigations of \$49,100, software license costs of
8 \$23,366 and interagency billings of \$22,000 for
9 payroll preparation services this fiscal year.

10 The third largest category of
11 year-to-date operating expenses was other operating
12 expenditures, which accounted for \$359,000 or 10.6
13 percent of the total. Subscription costs for date of
14 services using background investigations are the
15 majority of this category. Recurring
16 telecommunication costs of \$310,000 were the majority
17 of our utility costs, which comprised 9.1 percent of
18 operating expenses this year. And finally, travel
19 expenses totaling \$244,000 represented 7.2 percent of
20 operating expenses for the year. That concludes my
21 report. And I'd be happy to take any questions if
22 there are any.

23 CHAIRMAN:

24 Questions or comments from the Board?
25 Ex-officio members? Thank you, David.

1 MR. RHEN:

2 Thank you.

3 CHAIRMAN:

4 Appreciate it. Next, Office of Chief
5 Counsel (OCC), Doug Sherman. Good morning.

6 ATTORNEY SHERMAN:

7 Good morning, Chairman, members of the
8 Board. Today, the Board's agenda has one report and
9 two petitions before it for consideration. Each of
10 the matters will be considered on the documents. And
11 the Board has, in advance of the meeting, been
12 provided with the entire record in each case.

13 The first matter before the Board is the
14 report received from the Office of Hearings and
15 Appeals (OHA) relative to a Rule to Show Cause
16 previously issued by the Board and served upon James
17 D. Schneller and Eastern Pennsylvania Citizens Against
18 Gambling. At issue is whether Mr. Schneller and his
19 group should be allowed to continue to practice and
20 conduct business with the Board based upon their
21 general moral opposition to gambling.

22 Not including filings attempted to be
23 made with the Board's Clerk, which were returned as
24 procedurally defective, since 2011, Mr. Schneller and
25 the Eastern Pennsylvania Citizens Against Gambling

1 have filed no less than 26 separate Petitions to
2 Intervene, to stay proceedings, and to have Board
3 decisions reconsidered. The underlying basis of these
4 attempts to become a party in the various proceedings
5 has been the asserted moral and religious opposition
6 to gambling. The Board has consistently found that
7 such opposition does not support intervention in the
8 proceedings, and the Commonwealth Court has upheld the
9 Board repeatedly on that same basis.

10 Notwithstanding the continued lack of
11 standing, as well as admonitions from both the Board
12 and Commonwealth Court, given his careless and
13 oftentimes indecipherable pleadings and speeches to
14 the Board, Mr. Schneller has continued to make filings
15 with this Board without a legally sufficient basis for
16 doing so and with complete indifference toward the
17 Board and the Court's prior precedent.

18 Most recently, Mr. Schneller has filed
19 six Petitions to Intervene in the Category 2 licensing
20 proceedings in Philadelphia, upon the same moral
21 opposition. The Board denied those petitions at its
22 September 18th, 2013 meeting.

23 On the same date, the Board issued a
24 Rule to Show Cause, directing Mr. Schneller and his
25 group to appear before the Board's OHA and explain why

1 they should be allowed to continue to practice before
2 the Board. After continuances requested by Mr.
3 Schneller, the Rule to Show Cause hearing was held on
4 January 17th, 2014. Both Mr. Schneller and the Office
5 of Enforcement Counsel (OEC) appeared at the hearing
6 and addressed the Hearing Officer.

7 In addition, both parties filed post-
8 hearing briefs. And the transcript of that hearing,
9 along with the briefs and all materials filed, along
10 with the report, which contains Findings of Fact of
11 the hearing, have been submitted to the Board prior to
12 this meeting. And it's now appropriate for the Board
13 to take up a motion considering the continued ability
14 of Mr. Schneller to practice before this Board.

15 CHAIRMAN:

16 Any questions or comments from the
17 Board?

18 MR. FAJT:

19 I'd like to make one comment, Bill.
20 Thank you, Mr. Chairman. This Board, I think,
21 reluctantly, you know, takes the move that we do
22 today. We have bent over backwards to be hospitable
23 and respectful to Mr. Schneller over the years. He
24 has appeared before this Board numerous times, as
25 Chief Counsel has outlined. And the thing that really

1 kind of started pushing me the other day was when we
2 had --- or a couple months ago was when we had lawyers
3 for the opposing parties to Mr. Schneller come before
4 this Board and talk about the amount of money that
5 they had to expend to respond to his speeches,
6 arguments and pleadings before this Board. And it got
7 me to thinking about the amount of time that this
8 Board, both as a Board and also as our lawyers and
9 other folks in the Agency have spent on these matters.
10 And again, reluctantly I think we are at this point,
11 but enough is enough, and I'm prepared to vote to ---
12 in favor of this motion. Mr. Chairman, thank you.

13 CHAIRMAN:

14 Keith?

15 MR. MCCALL:

16 Just a point of clarification for the
17 record. This motion is pretty surgical, though, isn't
18 it?

19 ATTORNEY SHERMAN:

20 Yes, it is.

21 MR. MCCALL:

22 It only applies to Mr. Schneller for any
23 arguments that he makes before this Board based on
24 morals and religion. If he wants to argue suitability
25 or any other facts that come before the Board, he

1 would still have that opportunity. We're just saying
2 you can't make this argument before this Board based
3 on moral and religious concerns; is that correct?

4 ATTORNEY SHERMAN:

5 That's exactly right. The requirements
6 for legal standing to participate before an
7 administrative board like this would be that they have
8 to establish the existence of a direct, substantial
9 interest of Mr. Schneller separate from that of, you
10 know, what the general population would have or
11 something more like his moral opposition. He would
12 have to show that the matter that is at issue before
13 the Board that he would want to intervene in, if
14 granted, would actually cause some type of tangible or
15 punitive harm to him.

16 MR. MCCALL:

17 Thank you for that clarification.

18 CHAIRMAN:

19 Anyone else? I haven't been on the
20 Board as long as my colleague, Mr. Fajt, has, but I've
21 been on the Board long enough to know that what he
22 says is true. And what you have just said, Mr.
23 Sherman, is also true. And I would concur completely
24 that enough is enough. And I would simply ask you,
25 have you or, to your knowledge, has anyone else in the

1 agency ever had contact with any human being who
2 claims to be a member of the Eastern PA Citizens
3 Against Gambling?

4 ATTORNEY SHERMAN:

5 Not other than Mr. Schneller. He is the
6 only individual who has ever come on behalf of the
7 organization. He has been asked in the past to
8 identify the members. He has steadfastly refused to
9 do that, claiming that their anonymity is necessary to
10 protect their rights. We note that we have identified
11 other groups that allegedly is associated with,
12 litigating matters in other courts, unrelated to
13 gaming. And curiously, those groups also are
14 identified as having 150 anonymous members, also.

15 CHAIRMAN:

16 All right. Any other questions?

17 MR. MCNALLY:

18 Just a question real quick. You know, I
19 want to make sure that everybody understands here and
20 outward, this motion that we're making, this decision,
21 is not to diminish Mr. Schneller's position, his moral
22 beliefs about gaming. I think we take that all very
23 seriously because our number one purpose here is to
24 protect the public. So, I just want to make sure the
25 people understand that we understand it, but we can

1 take judicial notice that on virtually everything we
2 do Mr. Schneller is going to object. So, with that in
3 mind, I just wanted to make that point.

4 CHAIRMAN:

5 Thank you, John. Anyone else?
6 Ex-officio members? May I have a motion?

7 MR. MCNALLY:

8 Mr. Chairman, I move that, based upon
9 Mr. Schneller's past conduct before this Board, as
10 summarized by the OCC, I move that the Board bar
11 Eastern PA Citizens Against Gambling and James
12 Schneller from practicing before this Board.

13 MR. MCCALL:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries.

20 ATTORNEY SHERMAN:

21 The next matter and somewhat ironic and
22 yet a cleanup from things that are hanging out there
23 is a petition by James Schneller and Eastern
24 Pennsylvania Citizens Against Gambling. Actually,
25 it's an appeal of the OHA's January 14th, 2014 Order,

1 which denied a request to stay the Category 2
2 licensing proceedings in Philadelphia. Again, the
3 asserted basis was the general opposition to gambling.
4 As the Board has barred Mr. Schneller and Eastern
5 Pennsylvania Citizens Against Gambling from using that
6 as a basis for standing before the Board, we would
7 recommend that the Board consider a motion to deny his
8 appeal as moot.

9 CHAIRMAN:

10 Any questions, comments from the Board?
11 Ex-officio members? May I have a motion?

12 MR. MCCALL:

13 Mr. Chairman, I'd move that the Board
14 deny James D. Schneller and Eastern Pennsylvania
15 Citizens Against Gambling's appeal as moot, as
16 described by the OCC.

17 MS. KAISER:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? The motion carries.

24 ATTORNEY SHERMAN:

25 The final petition before the Board

1 today is Jason Hannon's Petition for Removal from the
2 Board's Exclusion List.

3 By way of background, on December 3rd,
4 2011, Mr. Hannon left his 12-year-old son unattended
5 in his car at Hollywood Casino for 30 minutes while he
6 gambled inside the facility. As a result of the
7 incident, Mr. Hannon was permanently evicted from Penn
8 National Hollywood Casino and charged with one count
9 of disorderly conduct, to which he pled guilty one
10 week later.

11 Upon learning of the incident, the OEC
12 filed a petition on January 3rd, 2012, requesting that
13 Mr. Hannon be placed on the Board's Exclusion List.
14 Subsequently, Mr. Hannon requested a hearing, which
15 was held during February of 2012. And at that
16 hearing, Mr. Hannon testified and explained his
17 actions, as well as placed a substantial amount of
18 evidence into the record concerning his good
19 character.

20 Upon completion of the hearing, the
21 Hearing Officer issued a Report and Recommendation,
22 recommending that Mr. Hannon be placed on the
23 Exclusion List but be allowed to petition for removal
24 after one year. The Board adopted that recommendation
25 on April 11th, 2012.

1 It has now been nearly two years since
2 his placement on the list, and Mr. Hannon is now
3 requesting to be removed from the Exclusion List. The
4 OEC has no objection to the request, and it's ready
5 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 MS. KAISER:

10 Mr. Chairman, I move that the Board
11 grant Jason Hannon's request to be removed from the
12 Involuntary Exclusion List, as described by the OCC.

13 MR. FAJT:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? Motion carries.

20 ATTORNEY SHERMAN:

21 Next, presenting Surrenders and one
22 Report and Recommendation is Deputy Chief Counsel
23 Steve Cook.

24 ATTORNEY COOK:

25 Good morning.

1 CHAIRMAN:

2 Good morning, Steve.

3 ATTORNEY COOK:

4 The Board has received two unopposed
5 petitions to surrender licenses, specifically the
6 Principal License of Francesco Dominic Cecchini, who
7 has resigned from his position on the Board of
8 Directors of GTECH, as well as the Principal Entity
9 License of Cannery Casino Resort Finance Corp., an
10 affiliate of Washington Trotting Association, which
11 has now dissolved. The OEC has no objection to either
12 of these surrenders. As a result, if the Board were
13 to grant same, it would be doing so without prejudice.

14 CHAIRMAN:

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

17 MR. FAJT:

18 Mr. Chairman, I move that the Board
19 issue an Order to approve the surrenders, as described
20 by the OCC.

21 MR. WOODS:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

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CHAIRMAN:

Opposed? The motion carries.

ATTORNEY COOK:

Next before the Board for consideration is one Report and Recommendation received from the OHA. The Report and Recommendation pertains to an individual with the initials L.F. and her petition to recover winnings while on the Self-Exclusion List. The Report and Recommendation, along with the complete evidentiary record in this matter, has been provided to the Board in advance of this meeting.

Additionally, L.F. has been notified that the Board would take up the matter today and that she had the right to come forward and briefly address the Board. If this woman is present in the room today, I would ask her to come forward at this time.

Briefly, L.F. is requesting the Board issue an Order allowing her to collect a jackpot that she won at a Pennsylvania casino while still on the Self-Exclusion List. On March 1st, 2012, L.F. entered Parx Casino, met with a Casino Compliance representative, and requested to be placed on the Board's Voluntary Self-Exclusion List for a period of one year.

The Casino Compliance representative

1 conducted the mandatory interview with this woman and
2 completed all of the required procedures, which
3 included a checklist explaining what happens when one
4 is placed on the list, as well as an explanation that
5 if one is placed on the list for a year, as this woman
6 was recommending, that she is not automatically
7 removed from the list after a year but remains on the
8 list until she requests removal. A copy of the
9 checklist and the paperwork that was reviewed with
10 L.F. was given to her at the conclusion of the
11 meeting.

12 On September 9th, 2013, 18 months after
13 being placed on the Exclusion List, but prior to
14 requesting removal from the list, L.F. was at Parx
15 Casino and won a \$10,000 jackpot while gambling. Parx
16 refused to pay the jackpot and, instead, as required
17 by Board regulations, the money was provided to the
18 Board to support compulsive and problem gambling
19 programs. As a result of this action, L.F. filed the
20 petition at issue.

21 A hearing was held on January 14th,
22 2014, before a Board Hearing Officer. At that time,
23 L.F. testified that she had been to Parx and gamed on
24 several occasions during her one-year exclusion and
25 even after her one-year exclusion but while still on

1 the list. During her testimony she essentially blamed
2 Parx and the Board for not noticing her being on the
3 floor prior to winning the \$10,000 jackpot and
4 essentially indicated that it was both the Board,
5 staff's and Parx's fault that this situation had
6 arisen.

7 The Report and Recommendation
8 subsequently issued --- in that Report and
9 Recommendation the Hearing Officer recommends that
10 L.F. not be allowed to obtain this jackpot in that she
11 was, in fact, still on the Self-Excluded List at the
12 time the jackpot was won.

13 L.F. subsequently filed exceptions to
14 the Report and Recommendation, basically reiterating
15 her prior arguments, as well as indicating that, as
16 somebody with a compulsive gambling problem, she
17 didn't have the competence needed to essentially enter
18 into a contract with the Board and with the casino to
19 not enter onto the casino. She really couldn't help
20 her actions.

21 The Report and Recommendation, as well
22 as those exceptions, are presently before the Board.
23 The OCC would recommend that the Board agree with the
24 Hearing Officer and uphold the Report and
25 Recommendation. The matter is now ripe.

1 CHAIRMAN:

2 Any questions or comments from the
3 Board? Ex-officio members? May I have a motion?

4 MR. WOODS:

5 Mr. Chairman, I move that the Board
6 adopt the Report and Recommendation, as described by
7 the OCC and that L.F. be precluded from receiving
8 winnings at issue.

9 CHAIRMAN:

10 Second?

11 MR. MOSCATO:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries. Thank
18 you, gentlemen.

19 Next, we'll have Susan Hensel, the
20 Director of the Bureau of Licensing. Good morning,
21 Susan.

22 MS. HENSEL:

23 Thank you, Chairman Ryan and members of
24 the Board. Before the Board today will be motions
25 regarding Slot Machine and Table Game Manufacturers,

1 as well as 520 Principal Key Gaming and Non-Gaming
2 Employees. In addition, there will be the
3 consideration of 12 Gaming Service Provider
4 Applicants.

5 The first matter for your consideration
6 are the renewals of Manufacturer Licenses. For each
7 Applicant, the Bureau of Investigations and
8 Enforcement (BIE) has completed its investigation, and
9 the Bureau of Licensing has provided you with the
10 Renewal Background Investigation and Suitability
11 Reports. The Applicants are Aristocrat Technologies,
12 Inc. for Slot Machine and Table Games Manufacturer
13 Licenses and Aristocrat Technologies Australia Pty
14 Limited for a Table Game Manufacturer License.

15 Aristocrat Technologies is a Nevada
16 corporation that manufactures, among other products,
17 slot machines and table game management systems.

18 Aristocrat Technologies Australia is an
19 Australian corporation, which also produces slot
20 machines and other gaming-related equipment.

21 With respect to the Table Game
22 Manufacturer License, Aristocrat Technologies, Inc.
23 has asked that the Board grant it a reduced licensing
24 fee. The fee for renewal of a Manufacturer License is
25 \$90,000 for a three-year renewal. Under the Gaming

1 Act, the Board may modify the fee for a table game
2 manufacturer if it determines that the fee will
3 unreasonably limit table game devices or associated
4 equipment. Consistent with this provision of the Act,
5 the Bureau of Licensing has adopted a reduced
6 licensing fee policy, which has previously been
7 presented to the Board. Aristocrat has requested a
8 reduced fee of \$10,000 for a three-year renewal, which
9 is consistent with the Bureau's policy. The Bureau of
10 Licensing recommends that the Board grant the reduced
11 fee.

12 I have provided you with draft Orders
13 and ask that the Board consider approval of the
14 licenses described, as well as the reduced table game
15 licensing fee for Aristocrat Technologies. I ask that
16 you consider the licenses separately, beginning with
17 the Slot Machine and Table Game Manufacturer Licenses
18 for Aristocrat Technologies, Inc.

19 CHAIRMAN:

20 Any comments from Enforcement Counsel?

21 ATTORNEY PITRE:

22 Enforcement Counsel has no objection.

23 CHAIRMAN:

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

1 MR. MOSCATO:

2 Mr. Chairman, I move that the Board
3 approve the Slot Machine and Table Game Manufacturer
4 Licenses for Aristocrat Technologies, Inc., as
5 described by the Bureau of Licensing.

6 MR. MCNALLY:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. HENSEL:

14 Next would be Aristocrat Australia Pty
15 Limited.

16 CHAIRMAN:

17 Any ---?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Thank you. Question, 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 approve the Slot Machine Manufacturer License for

1 Aristocrat Technologies Australia Pty Limited, as
2 described by the Bureau of Licensing.

3 MR. MCCALL:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion carries.

10 MS. HENSEL:

11 Also for your consideration is the
12 approval of Principal and Key Employee Licenses.
13 Prior to this meeting, the Bureau of Licensing
14 provided you with a proposed Order for one Principal
15 and three Key Employee Licenses for Category 1 and
16 Manufacturer Licensees. I ask that the Board consider
17 the Order approving the licenses.

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
24 Board? Ex-officio members? May I have a motion?

25 MR. MCCALL:

1 Mr. Chairman, I move that the Board
2 approve the issuance of Principal and Key Employee
3 Licenses, as described by the Bureau of Licensing.

4 MS. KAISER:

5 Second.

6 CHAIRMAN:

7 All in favor.

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 MS. HENSEL:

12 Next, there are Temporary, Principal and
13 Key Employee Licenses. Prior to this meeting, the
14 Bureau of Licensing provided you with an Order
15 regarding the issuance of Temporary Licenses for seven
16 Principal and 13 Key Employees. I ask that the Board
17 consider an Order approving the licenses.

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
24 Board? Ex-officio members? May I have a motion?

25 MS. KAISER:

1 Mr. Chairman, I move that the Board
2 approve the issuance of Temporary, Principal and Key
3 Employee credentials, as described by the Bureau of
4 Licensing.

5 MR. FAJT:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? The motion carries.

12 MS. HENSEL:

13 There are also Gaming Permits and
14 Non-Gaming Registrations. Prior to this meeting, the
15 Bureau of Licensing provided you with a list of 386
16 individuals to whom the Bureau has granted Temporary
17 or Full Occupation Permits and 83 individuals to whom
18 the Bureau has granted registrations under the
19 authority delegated to the Bureau of Licensing. I ask
20 that the Board consider a motion approving the Order.

21 CHAIRMAN:

22 Any comments from Enforcement Counsel?

23 ATTORNEY PITRE:

24 Enforcement Counsel has no objection.

25 CHAIRMAN:

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

3 MR. FAJT:

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

8 MR. WOODS:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? Motion carries.

15 MS. HENSEL:

16 Also for your consideration are
17 Withdrawal Requests for Gaming and Non-Gaming
18 Employees. In each case, the license, permit or
19 registration is no longer required. For today's
20 meeting, I provided the Board with a list of 20 Gaming
21 and 7 Non-Gaming Withdrawals for approval. I ask that
22 the Board consider the Order approving the
23 Withdrawals.

24 CHAIRMAN:

25 Any comments from Enforcement Counsel?

1 ATTORNEY PITRE:

2 Enforcement Counsel has no objection.

3 CHAIRMAN:

4 Any questions or comments from the
5 Board? Ex-officio members? May I have a motion?

6 MR. WOODS:

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

10 CHAIRMAN:

11 Second?

12 MR. MOSCATO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 MS. HENSEL:

20 In addition, we have an Order to certify
21 the following Gaming Service Provider, Lighthouse
22 Electric Company, Inc. I ask that the Board consider
23 the Order approving the Gaming Service Provider for
24 certification.

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?

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

7 MR. MOSCATO:

8 Mr. Chairman, I move that the Board
9 issue an Order to approve the applications for Gaming
10 Service Provider Certification, as described by the
11 Bureau of Licensing.

12 MR. MCNALLY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 MS. HENSEL:

20 Next for your consideration are Gaming
21 Service Provider Registrations. The Bureau of
22 Licensing provided you with an Order and attached list
23 of ten registered Gaming Service Provider Applicants.
24 I ask that the Board consider the Order registering
25 these Gaming Service Providers.

1 CHAIRMAN:
2 Any comments from Enforcement Counsel?

3 ATTORNEY PITRE:
4 Enforcement Counsel has no objection.

5 CHAIRMAN:
6 Questions or comments from the Board?
7 Ex-officio members? May I have a motion?

8 MR. MCNALLY:
9 Mr. Chairman, I move that the Board
10 issue an Order to approve the applications for Gaming
11 Service Provider Registrations, as described by the
12 Bureau of Licensing.

13 MR. MCCALL:
14 Second.

15 CHAIRMAN:
16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:
19 Opposed? The motion carries.

20 MS. HENSEL:
21 Finally, we have a recommendation of
22 denial for Philadelphia Music Connection, Inc.'s
23 Gaming Service Provider Application. Prior to this
24 meeting, the Bureau of Licensing provided you with an
25 order addressing this Applicant, who the OEC has

1 recommended for denial. The Applicant failed to
2 request a hearing within the specified time period. I
3 ask that the Board consider the Order denying
4 Philadelphia Music Connection, Inc.'s Gaming Service
5 Provider Application.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 Enforcement Counsel would continue to
10 request denial in this matter.

11 CHAIRMAN:

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

14 MR. MCCALL:

15 Mr. Chairman, I move that the Board
16 issue an Order to approve the denial of Philadelphia
17 Amusement Connection, Inc.'s Gaming Service Provider
18 Application, as described by the Bureau of Licensing.

19 MS. KAISER:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1 MS. HENSEL:

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

4 CHAIRMAN:

5 Thank you, Susan. Next, we have the
6 OEC. Cyrus?

7 ATTORNEY PITRE:

8 We have nine matters for the Board's
9 consideration today, one Revocation and eight
10 Involuntary Exclusions. The first three matters on
11 the agenda will be presented by Assistant Enforcement
12 Counsel Jim Armstrong.

13 CHAIRMAN:

14 Good morning, Jim.

15 ATTORNEY ARMSTRONG:

16 Good morning, Chairman, Commissions.
17 James Armstrong for the OEC. It's A-R-M-S-T-R-O-N-G.
18 The first matter before you is a motion to consider
19 the revocation of Mr. Christopher Roulhac's Gaming
20 Permit.

21 Commissioners, on August 19th of 2013,
22 the OEC filed a Revocation Complaint with the Board
23 against Mr. Roulhac. The basis of the complaint was
24 Mr. Roulhac committing thefts while employed by
25 SugarHouse Casino as a bartender at the Lucky Red Bar.

1 On April 30th of 2013, Mr. Roulhac came
2 under suspicion that he was stealing from SugarHouse
3 Casino. He was placed under surveillance. The
4 investigation revealed Mr. Roulhac was improperly
5 ringing up sales and placing the money in his tip jar.
6 The Pennsylvania State Police were notified, but at
7 the request of SugarHouse personnel, he was not
8 charged criminally.

9 Mr. Roulhac was terminated from
10 SugarHouse Casino and is not presently employed in the
11 Pennsylvania Gaming Industry. Mr. Roulhac was served
12 by regular and certified mail with the Revocation
13 Complaint. Mr. Roulhac did not request a hearing in
14 regard to the complaint. Mr. Roulhac has now properly
15 been served by the OEC's request for judgment upon
16 default, and he has not responded in any way. Based
17 on the foregoing, the OEC requests the Board revoke
18 Mr. Roulhac's Non-Gaming Employee Registration at this
19 time. Thank you.

20 CHAIRMAN:

21 Is Chris Roulhac in the hearing room?
22 Any questions or comments from the Board? Ex-officio
23 members? May I have a motion?

24 MS. KAISER:

25 Mr. Chairman, I move that the Board

1 issue an Order to approve the revocation of Chris
2 Roulhac's Non-Gaming Employee Registration, as
3 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 ARMSTRONG:

12 Thank you. Chairman and Commissioners,
13 the next matter on the agenda is a motion to consider
14 a Board Order to add Borys Boretsky to the Board's
15 Involuntary Exclusion List.

16 On August 14th of 2013, the OEC filed a
17 petition for placement on the Exclusion List with the
18 Board against Borys Boretsky. The basis for the
19 petition was Mr. Boretsky being charged by the
20 Pennsylvania State Police a number of times with theft
21 and trespassing at SugarHouse Casino, Parx Casino and
22 Harrah's between 2008 and 2013.

23 On February 19th of 2013, Mr. Boretsky
24 was captured on surveillance coverage stealing a
25 voucher valued at \$330.35 from a patron playing slots

1 at SugarHouse Casino. The patron had inadvertently
2 left the voucher in one machine and left the machine
3 to play another. When he did this, Mr. Boretsky went
4 up to the machine and cashed out the forgotten
5 voucher. Pennsylvania State Police investigated the
6 theft and recovered the patron's money. The patron
7 did not want to prosecute Mr. Boretsky. Mr. Boretsky
8 was permanently evicted from SugarHouse Casino.

9 The Pennsylvania State Police
10 investigation revealed that Mr. Boretsky was involved
11 in four other similar stealing incidents over the past
12 five years, two occurring at Parx Casino and two
13 occurring at Harrah's. The Pennsylvania State Police
14 recommended Mr. Boretsky to the Bureau of Casino
15 Compliance and the OEC for placement on the Board's
16 Exclusion List. Mr. Boretsky was properly served by
17 regular and certified mail with the petition. Mr.
18 Boretsky did not request a hearing in regard to the
19 petition. Mr. Boretsky was properly served with the
20 OEC's request for judgment upon default and has not
21 responded in any way. Based on the foregoing, the OEC
22 requests that the Board place Mr. Boretsky on the
23 Board's Involuntary Exclusion List at this time.

24 CHAIRMAN:

25 Is Borys Boretsky in the hearing room?

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

3 MR. FAJT:

4 Mr. Chairman, I move that the Board
5 issue an Order to approve the addition of Borys
6 Boretsky to the PGCB Involuntary Exclusion List, as
7 described by the OEC.

8 MR. WOODS:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? The motion carries.

15 ATTORNEY ARMSTRONG:

16 Thank you. Mr. Chairman, Commissioners,
17 the next matter is a motion to consider a Board Order
18 to add Michael Ware to the Board's Involuntary
19 Exclusion List. On August 23rd of 2013, the OEC filed
20 a petition for placement on the Exclusion List with
21 the Board against Mr. Ware. The basis for the
22 petition was Mr. Ware being charged by the
23 Pennsylvania State Police a number of times with theft
24 and trespassing at SugarHouse Casino.

25 On May 8th of last year, the

1 Pennsylvania State Police reported to the Bureau of
2 Casino Compliance that they investigated and charged
3 Mr. Ware with theft and trespassing on six occasions
4 at SugarHouse Casino for stealing from patrons and
5 trespassing at SugarHouse Casino between January 15th
6 of 2012 and May 4th of 2013. Mr. Ware has been
7 permanently evicted from SugarHouse Casino. Mr. Ware
8 was charged five times with trespassing and with three
9 charges of theft. He has been convicted a number of
10 times. Mr. Ware also failed to appear in Court last
11 summer and Bench Warrants were issued for his arrest.
12 On August 21st of 2013 he was arrested again at
13 SugarHouse Casino for trespassing. He was turned over
14 to the custody of the Philadelphia Police, based on
15 the warrants that were outstanding for him.

16 Commissioners, Mr. Ware was properly
17 served by regular and certified mail with the
18 petition. Mr. Ware did not request a hearing in
19 regard to the petition. And Mr. Ware was properly
20 served with the OEC's request for judgment upon
21 default, and he has not responded to it in any way.
22 Based on the foregoing, the OEC requests that Mr. Ware
23 be placed on the Board's Involuntary Exclusion List at
24 this time. Thank you.

25 CHAIRMAN:

1 Is Michael Ware in the hearing room?
2 Any questions or comments from the Board? Ex-officio
3 members? May I have a motion?

4 MR. WOODS:

5 Mr. Chairman, I'd move that the Board
6 issue an Order to approve the addition of Michael Ware
7 to the PGCB Involuntary Exclusion List, as described
8 by the OEC.

9 CHAIRMAN:

10 Second?

11 MR. MOSCATO:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 ATTORNEY ARMSTRONG:

19 Thank you.

20 ATTORNEY PITRE:

21 The next matter on the agenda will be
22 presented by Assistant Enforcement Counsel Dustin
23 Miller.

24 ATTORNEY MILLER:

25 Good morning, Chairman Ryan, members of

1 the Board. Dustin Miller on behalf of the OEC. The
2 next matter today is a request for placement on the
3 Board's Excluded Persons List involving Jemal
4 Kavtuashvilli.

5 The OEC filed a petition to place Mr.
6 Kavtuashvilli on the Exclusion List for cheating while
7 playing Spanish 21 at Parx Casino on August 3rd and
8 4th, 2013. At approximately 1:15 a.m. in the morning
9 on August 4th, 2014, Mr. Kavtuashvilli was caught past
10 posting a \$50 Match the Dealer wager while playing
11 Spanish 21 at Parx Casino. The dealer spotted Mr.
12 Kavtuashvilli's past post and refused to honor the
13 wager. Mr. Kavtuashvilli was ejected from the casino
14 for a 48-hour period for his actions.

15 The Parx Casino surveillance department
16 subsequently reviewed Mr. Kavtuashvilli's wagering
17 activity prior to the incident. The review found that
18 Mr. Kavtuashvilli either past posted or capped wagers
19 on eight separate occasions before being caught. The
20 illegal wagers allowed Mr. Kavtuashvilli to win \$910
21 that he should not have won.

22 Mr. Kavtuashvilli returned to Parx
23 Casino on August 6th, 2013 and was arrested by on-site
24 Pennsylvania State Police for his illegal wagers on
25 August 3rd and 4th. Mr. Kavtuashvilli was charged

1 with eight criminal violations of the Gaming Act for
2 his actions on August 3rd and 4th.

3 On December 2nd, 2013, Mr. Kavtuashvilli
4 entered the ARD program for a one-year period to
5 resolve these criminal charges. A condition of Mr.
6 Kavtuashvilli's placement in the ARD program was that
7 he not be allowed to enter any Pennsylvania casino.

8 The petition to place Mr. Kavtuashvilli
9 on the Exclusion List was properly served upon Mr.
10 Kavtuashvilli to his home address by both certified
11 and first-class mail. Mr. Kavtuashvilli did not
12 respond to the filing in any way. Due to Mr.
13 Kavtuashvilli's failure to respond, the averments in
14 the petition are deemed to be admitted as fact and his
15 right to a hearing has been waived.

16 On March 6th, 2014, the OEC filed a
17 request to enter judgment upon default. The matter is
18 now before the Board to consider the placement of
19 Jamel Kavtuashvilli on the Board's Excluded Persons
20 List.

21 CHAIRMAN:

22 Is Jamel Kavtuashvilli in the hearing
23 room? 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 issue an Order to approve the addition of Jamel
3 Kavtuashvilli to the PGCB Involuntary Exclusion List,
4 as described by the OEC.

5 MR. MCNALLY:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? The motion carries.

12 ATTORNEY MILLER:

13 Thank you.

14 CHAIRMAN:

15 Thank you.

16 ATTORNEY PITRE:

17 The next two matters on the agenda will
18 be presented by Assistant Enforcement Counsel
19 Cassandra Fenstermaker.

20 ATTORNEY FENSTERMAKER:

21 Good morning, Chairman Ryan, members of
22 the Board. I'm Cassandra Fenstermaker,
23 F-E-N-S-T-E-R-M-A-K-E-R. I have today for the Board's
24 consideration two Exclusion Petitions which arise from
25 the same incident at Harrah's Philadelphia Casino and

1 Racetrack. So, with your permission, I'll address the
2 facts together, and then present each petition
3 individually for your consideration.

4 CHAIRMAN:

5 That's fine.

6 ATTORNEY FENSTERMAKER:

7 On September 21st, 2013, a patron
8 contacted Harrah's to report a missing cell phone. A
9 surveillance review discovered that Thao Thanh Ha had
10 found the cell phone in question and had given it to
11 Phong Hoang Truong, who then placed it in his jacket
12 pocket. The two were questioned by the Pennsylvania
13 State Police regarding the theft, at which time it was
14 determined that Mr. Truong had presented false
15 identification to Harrah's security and was under the
16 age of 21.

17 As a result, on December 13th, 2013, the
18 OEC filed a petition to place Thao Thanh Ha on the
19 Board's Exclusion List as a result of her actions
20 while patronizing Harrah's Casino. The complaint was
21 sent to Ms. Ha by first-class and certified mail. Ms.
22 Ha failed to respond to the complaint in any way, and
23 therefore, all facts alleged in the complaint are
24 deemed admitted. A request to enter judgment upon
25 default was filed on February 10th, 2014. And at this

1 time, the OEC requests that Ms. Ha be added to the
2 Board's Excluded Persons List.

3 CHAIRMAN:

4 Is Thao Thanh Ha present in the hearing
5 room? Any questions or comments from the Board?
6 Ex-officio members? May I have a motion?

7 MR. MCNALLY:

8 Mr. Chairman, I move that the Board
9 issue an Order to approve the addition of Thao Thanh
10 Ha to the PGCB Involuntary Exclusion List, as
11 described by the OEC.

12 MR. MCCALL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 ATTORNEY FENSTERMAKER:

20 Now, the petition regarding Phong Hoang
21 Truong. On December 13th, 2013, the OEC filed a
22 petition to place Phong Hoang Truong on the Board's
23 Exclusion List as a result of his actions while
24 patronizing Harrah's Casino. A complaint was sent to
25 Mr. Truong by first-class and certified mail. Mr.

1 Truong failed to respond to the complaint in any way
2 and, therefore, all facts alleged in the complaint are
3 deemed admitted.

4 A request to enter judgment upon default
5 was filed on February 10th, 2014. And at this time,
6 the OEC requests that Mr. Truong be added to the
7 Board's Excluded Persons List.

8 CHAIRMAN:

9 Is Phong Hoang Truong present in the
10 hearing room? Any questions or comments from the
11 Board? Ex-officio members? May I have a motion?

12 MR. MCCALL:

13 Mr. Chairman, I move that the Board
14 issue an Order to approve the addition of Phong Hoang
15 Truong to the PGCB's Involuntary Exclusion List, as
16 described by the OEC.

17 MS. KAISER:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? The motion carries.

24 ATTORNEY FENSTERMAKER:

25 Thank you.

1 CHAIRMAN:

2 Thank you.

3 ATTORNEY PITRE:

4 And the final three matters on the
5 Board's agenda will be presented by Assistant
6 Enforcement Counsel Michael Roland.

7 ATTORNEY ROLAND:

8 Good morning, Mr. Chairman, members of
9 the Board. Michael Roland, R-O-L-A-N-D, with the OEC.
10 The next matter is a request to place Joseph Croughin
11 on the Board's Excluded Persons List. The OEC filed a
12 petition to place Mr. Croughin on the Exclusion List
13 because he gained access to the gaming floor at Sands
14 Casino while under the age of 21. Mr. Croughin was 19
15 at the time.

16 A surveillance review indicated Mr.
17 Croughin was asked for identification, provided it,
18 and it was successfully scanned by security when he
19 gained access to the floor. It was later discovered
20 that he used another individual's legitimate
21 identification card. Mr. Croughin was on the gaming
22 floor for a total of five hours and five minutes. He
23 was served and consumed seven unknown beverages. He
24 engaged in both table game play and slot machine play.
25 And the petition was properly served upon Mr. Croughin

1 to the address listed on the criminal complaint filed
2 against him. And that was, again, by both certified
3 and first-class mail. Mr. Croughin did not respond to
4 the filing in any way. And due to Mr. Croughin's
5 failure to respond, the averments in the petition are
6 deemed to be admitted as fact, and his right to a
7 hearing has been waived.

8 On February the 4th, 2014, the OEC filed
9 a request to enter judgment upon default. The matter
10 is now before the Board to consider the placing of
11 Joseph Croughin on the Board's Excluded Persons List.

12 Mr. Croughin was charged first under our
13 Act, Title 4, specifically under Section 1518(a)(13).
14 He was also charged under the Vehicle Code for
15 exhibiting or displaying another person's driver's
16 license. And he was also charged under the Crimes
17 Code with disorderly conduct. He has entered a guilty
18 plea to all three of those.

19 CHAIRMAN:

20 Is Joseph Croughin in the hearing room?
21 Any questions or comments from the Board? Ex-officio
22 members? May I have a motion?

23 MS. KAISER:

24 Mr. Chairman, I move that the Board
25 issue an Order to approve the addition of Joseph

1 Croughin to the Pennsylvania Gaming Control Board's
2 Involuntary Exclusion List, as described by the OEC.

3 MR. FAJT:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 ATTORNEY ROLAND:

11 The next matter is a request to place
12 Najila Smith on the Board's Excluded Persons List.
13 The OEC filed a petition to place Ms. Smith on the
14 Exclusion List because she gained access to Sands
15 Casino gaming floor after entering through the
16 licensed facility's bus entrance while she was still
17 20 years of age. Ms. Smith removed one of the
18 security ropes from the stanchion and entered the
19 gaming floor while Sands security officers were busy
20 assisting other patrons. Ms. Smith was originally
21 denied access to the casino when her identification
22 was inspected and scanned by the Sands security
23 officers, revealing that she was only 20 years of age.
24 Ms. Smith was on the gaming floor for approximately
25 eight minutes. She did not consume any alcoholic

1 beverages, nor did she game during that time. After
2 providing multiple fake names and addresses, Ms. Smith
3 was transported to Northampton County Prison and was
4 unable to post collateral in the amount of \$445. Ms.
5 Smith spent 12 days in Northampton County Prison, and
6 jail time compensation was agreed upon by the
7 Magisterial District Judge.

8 The petition was properly served upon
9 Ms. Smith to the address listed on the criminal
10 complaint and her driver's license by both certified
11 and first-class mail. Ms. Smith did not respond to
12 the filing in any way. Due to Ms. Smith's failure to
13 respond, the averments in the petition are deemed to
14 be admitted as fact, and her right to a hearing has
15 been waived.

16 On February 4th, 2014, the OEC filed a
17 request to enter judgment upon default. The matter is
18 now before the Board to consider the placement of
19 Najila Smith on the Board's Excluded Persons List.

20 Despite her actually gaining access to
21 the gaming floor, the only charge that was filed
22 against her was public drunkenness. And in the
23 recitation of facts, you heard me indicate that she
24 did not consume alcohol during the eight minutes on
25 the gaming floor. She actually showed up to the

1 facility already intoxicated. She has since entered a
2 guilty plea to that charge.

3 CHAIRMAN:

4 Is Najila Smith in the hearing room?
5 Any questions or comments from the Board? Ex-officio
6 members? May I have a motion?

7 MR. FAJT:

8 Mr. Chairman, I move that the Board
9 issue an Order to approve the addition of Najila Smith
10 to the PGCB Involuntary Exclusion list, as described
11 by the OEC.

12 MR. WOODS:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 ATTORNEY ROLAND:

20 And the last matter we have is a request
21 to place Yadira Torres on the Board's Excluded Persons
22 List. The OEC filed a petition to place Ms. Torres on
23 the Exclusion List because she was allegedly involved
24 in passing 35 counterfeit \$50 bills at Sands Casino.
25 A soft count manager initially discovered 17 of those

1 counterfeit bills while conducting a table count. The
2 counterfeits were identified by two reoccurring serial
3 numbers. All 35 of the counterfeit bills were
4 ultimately discovered in the drop boxes of three table
5 games which Ms. Torres and a male partner gamed. The
6 surveillance conducted a review of the tables where
7 the counterfeits were passed, and video footage
8 presented Ms. Torres and her partner buying in with
9 the counterfeit money.

10 The petition was properly served upon
11 Ms. Torres to the address listed on the criminal
12 complaint by both certified and first-class mail. Ms.
13 Torres did not respond to the filing in any way. Due
14 to Ms. Torres' failure to respond, the averments in
15 the petition are deemed to be admitted as fact, and
16 her right to a hearing has been waived.

17 On March the 13th, 2014, the OEC filed a
18 request to enter judgment upon default. The matter is
19 now before the Board to consider the placement of
20 Yadira Torres on the Board's Excluded Persons List.
21 Ms. Torres was charged first with forgery, then theft
22 by deception, conspiracy of both. The disposition of
23 the case, those charges are still pending. And her
24 partner is going to be coming before you shortly.
25 There was a problem with service. So, I just wanted

1 to assure the Board we have both of them.

2 CHAIRMAN:

3 Thank you. Is Yadira Torres in the
4 hearing room? Any questions or comments from the
5 Board? Ex-officio members? May I have a motion?

6 MR. WOODS:

7 Mr. Chairman, I move that the Board
8 issue an Order to approve the addition of Yadira
9 Torres to the PGCB Involuntary Exclusion List, as
10 described by the OEC.

11 CHAIRMAN:

12 Second?

13 MR. MOSCATO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries. Thank
20 you.

21 ATTORNEY ROLAND:

22 Thank you.

23 CHAIRMAN:

24 Ladies and gentlemen, that concludes
25 today's meeting. Our next scheduled public meeting

1 will be on Wednesday April 30th. The meeting will
2 begin at 10:00 a.m. Any final comments from the
3 Board? Ex-officio members? May I have a motion to
4 adjourn?

5 MR. MOSCATO:

6 Mr. Chairman, it pleases me to make a
7 motion to adjourn this revered panel.

8 MR. MCNALLY:

9 Second.

10 CHAIRMAN:

11 Thank you all very much. And ladies and
12 gentlemen, thank you.

13 * * * * *

14 MEETING CONCLUDED AT 11:00 A.M.


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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Chairman Ryan was reported by me
on 4/9/2014 and that I Rhonda K. Thorpe read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.


Court Reporter