



Meeting Minutes

- Date/Time:** September 19, 2013 – 9:30 a.m.
- Place:** Boston Convention and Exhibition Center
415 Summer Street, Room 109-A
Boston, Massachusetts
- Present:** Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga
- Absent:** None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript pages 2.

9:38 a.m. Chairman Crosby opened the 77th public meeting.

Approval of Minutes

See transcript page 2-5.

9:38 a.m. Commissioner McHugh stated that the minutes for the public meeting spanning September 4th and 6th are ready for approval.

Motion made by Commissioner McHugh that the minutes of August 4th and 6th, 2013 be accepted. Motion seconded by Commissioner Stebbins. The motion passed unanimously.

Administration

Report by Executive Director Day. See transcript pages 5-88.

9:40 a.m. Executive Director Day provided an update on a variety of administrative matters at the Commission. The Commission is working on acquiring a licensing database

system. A temporary document management system will be in place to facilitate RFA-2 application review. The staff is working with DCAM to secure permanent office space. The Director of Workforce and Supplier Development has completed the inaugural meeting of the statewide task force designed to strengthen the Commission's efforts to support positive impacts from gaming establishments. The Commission has selected a human resources manager who will start on October 7th, is currently conducting background checks on the top candidates for the CIO position and the CFAO position, and is in the final stages of hiring accounting and reception staff. The first suitability reports for the casino proposals will be available in early October. The licensing team completed a week of gaming enforcement training hosted by the Ohio Casino Control Commission. The Racing Division has a new license application form and is preparing to receive completed applications in October.

- 9:45 a.m. Executive Director Day discussed the timeline for the RFA-2 evaluation process for Category 2 applicants. Applicant presentations will be held on October 7th and the Licensing Department expects to have the applications ready to start substantive evaluation by October 14th.
- 9:51 a.m. The Commission discussed how the suitability reports will be factored into the RFA-2 evaluation and agreed that the full Commission, rather than individual evaluation teams, will be able to consider relative suitability in making its final determination.
- 9:54 a.m. The Commission discussed the types of questions that it will be able to ask of applicants during the RFA-2 evaluation process. The Commission agreed that applicants may clarify their answers but the Commission does not want applicants to be able to improve their responses after the deadline. The Commission requested that staff provide a written description of the process and standards for asking questions of applicants during the RFA-2 evaluation.
- 10:21 a.m. The Commission discussed whether individual evaluators are required to provide a rating and explanation for the answers to each question that an applicant submits. The Commission agreed that evaluators are only required to provide bullet points of their ideas regarding an answer without giving a rating.
- 10:48 a.m. The Commission discussed the language on how to interpret the ratings that the evaluation teams agree on and made several modifications to the language proposed in the packet.
- 10:54 a.m. The Commission took a brief recess.
- 11:05 a.m. Commissioner Zuniga introduced the draft annual report to the legislature and briefly discussed several portions of the report.

IEB Report

Report by Director Wells. See transcript pages 88-114.

- 11:10 a.m. Director Wells raised several questions for the Commission's consideration regarding who must submit applications by the September 30 deadline for the Region C RFA-1 process. The Commission was in agreement that it would like to see applications from interested parties on September 30 even if an operator has not been identified. Existing applicants in other regions or for the Category 2 license may also apply to Region C and introduce new land partners after the September 30 deadline.
- 11:27 a.m. Director Wells discussed the staffing needs of the IEB for placing State Police into the gaming establishments and how training will be conducted.

Ombudsman Report

Report by Ombudsman Ziemba. See transcript pages 115-167.

- 11:33 a.m. Ombudsman Ziemba presented the Milford citizen's notice to the Commission and recommended that the Commission approve the notice's language.

Motion made by Commissioner McHugh that the Commission approve the Milford citizens notice as set forth in the Commission packet. Motion seconded by Commissioner Cameron. The motion passed unanimously.

- 11:33 a.m. The Commission discussed several of the clarifications that the staff proposed to the RFA-2 application in response to questions from applicants.
- 11:44 a.m. Ombudsman Ziemba reported on the status of surrounding communities. Category 2 applicants have not executed any agreements with surrounding communities. The Commission will not extend the deadline but will monitor the progress. Commissioner McHugh recommended that the Commission proactively encourage agreements between the parties. Staff will provide more details on the process by the October 3rd public meeting.

Executive Session

See transcript pages 167-169.

- 12:23 p.m. Chairman Crosby stated that the Commission will hold an executive session pursuant to G.L. c. 30A, § 21(a)(5), § 21(a)(7), G.L. c. 66, G.L. c. 4, § 7, and G.L. c. 4, § 26(f). The Commission will reconvene in open session at the end of the executive session.

Motion made by Commissioner Stebbins to enter into executive session. Motion seconded by Commissioner McHugh. The motion passed unanimously by roll call vote.

12:24 p.m. Meeting moved to executive session.

2:32 p.m. Chairman Crosby reconvened the public meeting. Meeting adjourned.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission September 19, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission September 4 & 6, 2013 Meeting Minutes
3. Massachusetts Gaming Commission Draft Annual Report
4. Massachusetts Gaming Commission Definitions of RFA-2 Evaluation Ratings
5. Massachusetts Gaming Commission Outstanding/New Policy Questions Relative to Phase 2- Parts 2&3
6. Massachusetts Gaming Commission RFA-2 Application Q&A
7. Notice to Milford Voters issued pursuant to 205 CMR 115.00 and Special Election on Destination Resort Casino
8. Massachusetts Gaming Commission Draft Agenda for the Forum on Responsible Gaming
9. Massachusetts Gaming Commission Memo Regarding Accepting Applications from Non-Gaming Establishment Applicants.

/s/ Catherine Blue
Catherine Blue
Assistant Secretary



MEMORANDUM

Date: October 2, 2013
To: Commissioners
From: Enrique Zuniga
Re: Fees/Stipends for Individual Evaluator Assistance

Recommendation: That the Gaming Commission establish a not-to-exceed stipend and/or fee for certain individuals with particular or unique expertise in consideration for their assistance throughout the gaming application evaluation process. The not-to-exceed fee is suggested at \$10,000.

Discussion

The Commission has divided the evaluation of the gaming responses into five categories. We have also conducted four separate procurements for help and assistance evaluating the highly technical aspects of the proposals, and those teams of consultants are currently engaged.

At least three teams have identified the desire and need to engage individuals with particularly relevant experience on certain categories (tourism, building design, etc.). Some of these individuals include current or past employees of the Commonwealth, with relevant experience in key aspects of the application, given their current or prior work at such agencies. There are others who have been identified who are not, or were not Commonwealth employees, but bring unique perspective and expertise.

We anticipate that all teams will rely to a great degree on the advisors specifically procured for this purpose, as well as on Commission staff. Furthermore, the assistance and input by these individuals in the evaluation is anticipated to be at a high level. However, we recognize that such review will entail a number of hours not only reading and understanding the materials presented, but also attending presentations and relevant meetings of the evaluation teams.



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In accordance with best practices, I recommend that a stipend be set at a not-to-exceed fee, communicated to these individuals in advance of the work, and stipulated on the basis of the current responses that we expect to receive for each license. Accordingly, the fee is suggested on a per-license and/or region basis, payable on a lump sum basis, upon completion of the review.

Additional Discussion – Commonwealth Employees

Certain of the individuals that have been identified to assist in the review and evaluation of responses include current employees of the Commonwealth. In this case, stipends and fees cannot be issued to the individual, but may be transferred by an ISA (inter agency service agreement) or MOU (memorandum of understanding) to the agency in question.



Massachusetts Gaming Commission



October 3, 2013

Governor Deval Patrick
Attorney General Martha Coakley,
Treasurer Steven Grossman
Clerks of the House and Senate
Chairs of the Joint Committee on Economic Development & Emerging Technologies
Chairs of the House and Senate Committees on Ways and Means:

Honorable Madams and Messrs.:

We are pleased to deliver the second annual report of the Massachusetts Gaming Commission. This report covers our operations as of the end of Fiscal Year 2013 (June 30, 2013), and is submitted in accordance with section 70 of Chapter 23K.

As we look back to our first full year of operations, we see many important achievements and much that remains to be done. We have made significant progress towards building a new agency and anticipate awarding three gaming licenses during FY14 (Regions A, B and the Slots license). At the same time we continue to make progress towards building the gaming regulatory and oversight framework in the Commonwealth.

The Commission is committed to moving forward transparently with all of the speed that prudent oversight of this important new venture permits. We look forward to continued progress and remain eager to discuss with you at your convenience the efforts the Commission is making, the results it is achieving and any other aspect of our operations about which you would like additional information.

Sincerely,

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Mission

The mission of the Massachusetts Gaming Commission is to create a fair, transparent, and participatory process for implementing the expanded gaming law passed by the Legislature and signed by the Governor in November, 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

Core Values

The Commissioners and all employees are committed to a set of core values:

- We value an unyielding commitment to a participatory, transparent and fair process for the licensing of expanded gaming in Massachusetts
- We value an environment with a free-flowing and open exchange of ideas in which all are encouraged to question and participate, with the understanding that all will use their best efforts to implement the resulting decisions
- We value an uncompromising commitment to the integrity of the licensing and regulatory process, and strict adherence to the letter and spirit of our Enhanced Code of Ethics, with a thoughtful balance between the need for rigorous regulation and the burden of compliance
- We value a diverse workforce and supplier base, and an inclusive culture internally and among our partners in the Massachusetts Gaming Industry
- We value a deep commitment to customer service that assures a respectful and professional experience for all with whom we come in contact, no matter their point of entry or point of view



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Introduction

The Commission has been in existence since March 21 of 2012, and this report entails the first full fiscal year of operations in the process of implementing the expanded gaming legislation (**Chapter 194 of the Acts of 2011 – An Act Establishing Expanded Gaming in the Commonwealth**) enacted by the General Court and signed into law by the Governor November, 2011.

This report has been divided into what are now effectively major functional areas at the Massachusetts Gaming Commission:

1. Commission Operations and Licensing
2. Investigations and Enforcement Bureau
3. Research and Problem Gambling
4. Administration
5. Racing Division
6. Finance
7. Communications and Outreach



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Executive Summary

The Massachusetts Gaming Commission made significant progress towards its mission during FY13. We continue to build both an agency and the regulatory framework to enable this Commission to issue, award and regulate the gaming licenses that the Gaming Act allows.

During FY13 this Commission has:

1. Promulgated two sets of regulations that govern the many important aspects of the gaming licensing process
2. Received Phase 1 applications for 11 gaming applicants in regions A, B and for the slots parlor license
3. Began the intensive background check and investigation of all individuals associated with the gaming applicants, and made determinations of suitability for four applicants
4. Started a comprehensive and ambitious research project to study the social and economic impacts of the introduction of expanded gaming
5. Assumed all responsibilities for the racing operations in the Commonwealth, and promulgated two sets of comprehensive amendments to State Racing regulations (205 CMR 3.00 and 4.00)
6. Implemented and complied with a series of statutory requirements including
 - a. A review, analysis and recommendations regarding the charitable gaming laws (section 103 of the Session Laws – chapter 194 of the Acts of 2011)
 - b. A review of the pari-mutuel and simulcasting statutes (128A and 128C) and a report to the Legislature (section 104 of the Session Laws)
7. Decided to open Region C to commercial bids after carefully considering ample public comment, statutory requirements and other considerations for that license
8. Made significant progress in constructing the agency that will oversee the licensing and regulatory framework for the operations of the gaming licensees, including several key hires with significant experience in the related fields. These hires include the Executive Director, Director of Research and Problem Gambling, Director of Racing, Director of Supplier Diversity & Workforce Development, other key positions and staff.
9. Held 56 public meetings, 3 public educational forums, and 6 public hearings. Commissioners and other staff attended approximately 70 speaking engagements (the vast majority of speaking engagement attended by Chairman Crosby).



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Major Milestones Anticipated for Fiscal Year 14

The phase 2 (final phase) application deadline for the Category 2 License is October 4, 2013. We are currently forecasting to issue the Category 2 License (Slots Parlor) around December 2013 – January 2014.

The phase 2 application deadline for the Category 1 Licenses is December 31 2013. We anticipate to award two of the Category 1 Licenses (Casino License) for Region A (Central-Metro-North) and Region B (Western Mass) around April 2014.

The phase 1 application deadline for the Category 1 License for Region C is September 30, 2013. We will continue to monitor developments associated with this region to ensure that the Commonwealth and the region derive the anticipated benefits from expanded gaming.

The award of the above licenses will necessitate implementation and staffing of additional functions within the Gaming Commission. Such functions include:

- A “Licensing” unit and its associated licensing system, in order to begin licensing and registering casino and slots parlor employees and vendors
- Development, adoption and implementation of electronic gambling equipment testing protocols & procedures to ensure the machines and games on the gaming floor are operating as intended
- Promulgation of regulations Phase 3, which will govern operational functions at the gaming establishments, including the rules of games, approval protocols, gaming equipment standards, gaming software, internal controls, reporting, cash management, licensing, tax payment, self-exclusion and research support
- Initial results of the Baseline Study, described in section 3 of this report
- A forum on Responsible Gaming in October 2013, to develop a “Massachusetts Responsible Gaming Framework” with the ultimate goal of drafting regulations that protect those who may be at risk of experiencing problem gambling. In addition, the Commission is also preparing for forums on the Future of Horse Racing and Internet Gambling
- Formulation and refinement of protocols and procedures in conjunction with the State Police, the Attorney General’s office and the ABCC, for the oversight of operations of gaming licensees



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1. Commission Operations and Licensing

During FY13 the Commission completed and/or initiated the following three major aspects in the core business of solicitation and award of the gaming licenses:

- A. Drafted and promulgated two sets of regulations that govern the investigation, evaluation and award of gaming licenses**
- B. Solicited and received Phase 1 applications for Region A, Region B and the slots license**
- C. Assumed responsibility for other statutorily required functions**

Promulgation of Regulations:

During FY13, the Commission drafted and promulgated what is now known as the two-phase approach to the solicitation, evaluation and award of the gaming licenses.

- i. **Regulations Phase 1** (205 CMR 101 through 117) were promulgated on October 12, 2012, and govern the investigatory process and determination of suitability of the gaming license applicants (determination that is required prior to licensing). Furthermore, these regulations also govern the general workings of the commission as well as administrative rules including (a) the hearings the Commission will hold, (b) the records the Commission will keep, (c) the political and other contributions the Commission will monitor and (d) the initial reimbursement of expenses incurred by cities and towns that the Commission will oversee.
- ii. **Regulations Phase 2** (205 CMR 118 through 131) were promulgated on February 21, 2013 and govern how the Commission will evaluate the site-specific proposals (Phase 2) and award the gaming licenses.

Throughout the process of promulgation of regulations this Commission received significant and substantive public comment and public input, including that of gaming applicants.

Gaming Applications (Phase 1 - Regions A, B, Slots Parlor):

On the January 15, 2013 phase 1 application deadline, the Commission received 11 responses competing for three casino licenses: Seven applicants vying for a Category 1 license (casino license) in either region A or region B, two applicants vying for a Category 2 license (slots parlor license), and two applicants without a specified license (which later determined they were seeking the category 2 license).



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Since then, the Commission has made determinations of suitability for four category 2 applicants (completed the Phase 1 review) and continues to work towards the determination of suitability for the rest of the applicants.

In addition to releasing the Phase 1 application, and in preparation to the release of Phase 2 application, the staff of the Commission undertook multiple discussions with other departments and agencies regarding processes for consolidating and streamlining at the state and local level the permitting processes necessary for construction of gaming facilities. The initial concern by several relevant secretariats and departments (DOT, EOEEA, MEPA, etc.), relative to having to deal with or respond to multiple questions and scenarios from gaming applicants, host communities and surrounding communities, yielded the need for and creation of a director-level position of an **Ombudsman**, at the Commission.

Other Statutory Requirements and Directives:

During FY13, we completed and complied with a number of statutorily required functions or statutory directives as follows:

- Coordinated and planned with other affected state agencies the statutorily required **Enhanced Code of Ethics**. This code was issued and adopted on February 21, 2013, and binds the Commissioners, the employees of the Commission and the Commission's consultants, the Gaming Enforcement Unit of the State Police and the ABCC agents that will eventually be assigned to oversee the liquor licenses of the gaming licensees.
- Conducted a review, analysis and recommendations of the laws related to **Charitable Gaming** as required in section 103 of the session laws and cooperated with the agencies involved to submit a legislative proposal.
- Conducted a review, analysis and recommendations of the laws related to the **pari-mutuel and simulcasting law** (chapters 128A and 128C), as required in section 104 of the session laws. Further comment on this analysis is included in section 5 of this report.
- Conducted a review and analysis of matters contained in **Section 91**, which stipulates certain dates relative to opening **Region C** for commercial bids. The Commission conducted hearings on this matter, solicited, received and reviewed copious written comments on this topic, and ultimately decided to open up the region for commercial bids. The Phase 1 responses are currently due on September 30, 2013.
- Convened the first meeting of the statutory Gaming Policy Advisory Committee (detailed discussion on this committee is on section 3 of this report).



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With the exception of adjudicatory proceedings on the suitability of applicants, **the Commissioners only deliberate and make decisions in a public meeting**. Throughout FY13, the Commission conducted the following open public meetings or hearings:

- 51 regular meetings of the Commission
- 3 Public Educational Forums (on design & sustainability, economic development & mitigation, and supplier diversity)
- 6 Public Hearings
- 5 additional public meetings specifically designed to discuss policy issues prior to the formulation of associated regulations
- 2 Adjudicatory Hearings for the determination of suitability of two of the four applicants which determination of suitability has been completed

2. Investigations and Enforcement Bureau (IEB)

The Gaming Enforcement Unit of the State Police was established within the Commission on November 2012. From its inception **Commissioner Gayle Cameron** functioned as the acting Deputy Director of the Investigations and Enforcement Bureau (IEB).

On January 2013, we hired the Deputy Director of the IEB. Director **Karen Wells** came to the IEB having previously served as the undersecretary for the Executive Office of Public Safety of the Commonwealth.

The IEB is responsible for conducting the detailed background check of each and every individual in a position of control of the entities that form the gaming applicants (“qualifiers”). Depending on the equity participation and ownership structure of a gaming company, the qualifiers may include a number of individuals and even a number of different entities. In some cases, one gaming applicant alone may include dozens of individual qualifiers and several entity qualifiers.

Each of the individual qualifiers submits a multi-jurisdictional personal disclosure form, and a Massachusetts-based supplemental disclosure form. Furthermore, each qualifier is interviewed in person (oftentimes these interviews are conducted under sworn testimony). The IEB also conducts detailed investigations on the financial and personal background and makes recommendations to the Commission regarding findings of suitability.



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After the January 15 2013 deadline and for the remaining part of FY13, the IEB completed four detailed investigative reports and recommendations of suitability, and continues to make progress in the investigation of additional applicants.

Some aggregate figures of IEB activities for FY13 include:

- Over 200 individuals and over 100 entity qualifiers are or have been the subject of intense investigations
- Review of tens of thousands of documents as part of the above investigations
- Over 100 in-person interviews (often necessitating travel domestically and internationally)
- Additional in-person and on-site review of operations and documents
- The direct involvement of approximately 100 individual investigators

3. Research and Problem Gambling

A very important topic throughout the Gaming Act is the framework and funding that allows this Commission, with the help and input of other key stakeholders to establish an annual research agenda and provide scientific-based recommendations to the Legislature for policy making.

Section 71 of the Gaming Act requires that the Commission, with the help of the Gaming Policy Advisory Committee develop an annual research agenda in order to understand the social and economic effects of expanding gaming in the Commonwealth.

One of the key components of that research agenda is contained in § 1 of the same Section 71, which directs the Commission to study the existing occurrence of problem gambling and report the findings of the “**Baseline Study**” to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health and substance abuse and the joint committee on public health. **A full report of research activities to date will be submitted as required under Section 108 of Chapter 23k no later than November 21, 2013.**

In order to begin taking the necessary steps on this broad topic, we consulted with a number of experts in the field and our own gaming consultants. We researched the approach taken by other jurisdictions in the field of responsible gambling. We further conducted a formal



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Request for Information (RFI) from interested parties to ascertain different ways in which the Commission could begin scoping and implementing the broad mandate of studying impacts contained in the Gaming Act.

To oversee this important project as well as to comply with one of the most important goals of the Gaming Act to provide protections, safeguards and support to individuals who may experience problem gambling, we hired **Mark Vander Linden as the Commission's Director of Research and Problem Gambling** on June 2013. Director Vander Linden has extensive experience in managing state systems to address gambling disorders. Most recently he came from the Iowa Department of Public Health where he directed state Office of Problem Gambling Treatment and Prevention and oversaw state-wide problem gambling treatment, prevention, workforce and research efforts. Additionally, Director Vander Linden has provided consultation and training on the development and improvement of problem gambling service systems throughout the United States. He serves on the Board of Directors of the National Center for Responsible Gaming and the Association of Problem Gambling Service Administrators.

Request for Response (RFR) for Research Services

After the RFI and period of research and consultation, the Commission decided to issue a competitive Request for Response (RFR) for research services. The Research RFR was issued on November 2012 and centered on conducting:

- i. A baseline study of problem gambling and existing prevention and treatment programs
- ii. A study of the economic and sociological impacts of the introduction of casino gambling in Massachusetts

In April of 2013, the Commission awarded a contract to an interdisciplinary team of researchers based in UMASS, Amherst to fulfill the baseline research activities.

Gaming Policy Advisory Committee

Chapter 23K (the Gaming Act) stipulates in Section 67 the Gaming Policy Advisory Committee. This committee is comprised of the Governor or his designee, the Chair of the Commission, 2 members of the Senate, 2 members of the House, Commissioner of Public Health (or designee), and 8 persons appointed by the Governor (of whom shall be representatives of gaming licensees, organized labor, a federally recognized Indian tribe in the Commonwealth, and representatives of the host and surrounding communities).



Massachusetts Gaming Commission

While all members of this Committee could not be appointed prior to the award of licenses (i.e., representatives of the host communities, and representatives of licensees), it was very important to convene the Committee, especially in light of the general goals of the research agenda and in particular the baseline study.

Governor Patrick appointed **Mr. Rob Hubbard as the chair of the Advisory Committee**. Mr. Hubbard recently retired from the positions of Director of Community Development and Planning for the City of Gardner and Executive Director of the Gardner Redevelopment Authority (GRA).

Current designees to the Committee include: **Senator Jennifer Flanagan**, designated by the Senate, **Senator Richard Ross**, appointed by the Senate Minority Leader, **Representative Ann-Margaret Ferrante**, designated by the House, and **Representative Angelo L. D’Emilia**, appointed by the House Minority Leader, **Hilary Jacobs**, designated by the Commissioner of Public Health and **Brian Lang**, a representative of organized labor appointed by the Governor.

The Gaming Act also prescribes **Chairman Steve Crosby** as an ex-officio member to the Gaming Policy Advisory Committee.

Additional Activities on Research and Problem Gambling:

- Completed initial research plan including identifying key variables and methods for the socioeconomic and cross sectional population survey, Institutional Review Board (IRB) approval and launch of the population survey.
- Convened an informal Gaming Research Advisory Committee in August. This committee will provide a peer review of the research activities and recommend activities for the ongoing research agenda.
- Received and responded to numerous inquiries from the media and public about the research agenda and the Commission’s overall efforts to mitigate problem gambling once casinos and slot parlor are operational.
- A recommendation for the research agenda for the coming year will be developed after consulting the Gaming Policy Advisory Committee which will meet in October 2013. This recommendation will be included in the full report of research activities.



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4. Administration

In the last year the Commission moved from a planning/organizing phase to building the organization as well as the licensing and oversight framework. During FY13 we filled the bulk of the executive management, including the important hiring of an Executive Director. **Executive Director Rick Day** was hired on March 2013 and comes to the Commission with significant gaming and regulatory experience. Director Day relocated from Washington State, where he was the director of the Washington Gaming Commission.

The early part of FY13 centered on the need to build the agency. Throughout FY13 and the early parts of FY14 we continue to be in a hiring mode in order to support the evolving needs of the licensing process and the regulatory and oversight structure.

The Commission is grateful to the Comptroller's office, in particular, Comptroller Marty Benison and Deputy Comptroller Kathy Sheppard for their assistance in standing up the Commission and in the transition of the Racing Commission to the Commission's control.

Human Resources - Personnel

During FY13 the Commission grew from 12 FTE's to 36 FTE's. The approximately 24 FTE's that became Commission employees included an Executive Director, several important management positions and other support staff.

While the search for an executive director was on-going, the Commission hired a Director of Administration to oversee accounting, procurement, human resources and information technology. Furthermore, the Commission also hired support staff in key functional areas (finance, information technology, legal, racing, etc.).

The following two statutory-required positions were filled in FY13:

- Executive Director
- Deputy Director of Investigations and Enforcement Bureau (IEB)

Other key positions filled in FY13 include:

- Director of Racing (see section 5 of this report)
- Director of Research and Problem Gambling (see section 3 of this report)
- General Counsel



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- Deputy General Counsel
- Staff Attorney (2)
- Ombudsman
- Financial Business Analyst
- IT Business Analyst
- Chief Pari-mutuel Officer
- Executive Assistants (3)

In compliance with enabling legislation, the Commission performs extensive background checks on finalists for all positions. These checks were largely done by the State Police in FY2013, and will be handled internally in the future.

There is one more position that is required by the Gaming Act: Chief Financial and Accounting Officer. The candidate for this position is anticipated to start in October 2013.

The Commission also anticipates concluding the search for a Chief Information Officer in the fall of 2013.

Human Resources - Other

During the early part of FY13, Commissioners drafted, discussed and adopted many policies and procedures that have resulted in an employee manual.

The Commission uses the state's HRCMS system for Payroll. We moved to Self Service Time and Attendance (SSTA), along with many other agencies, in February 2013.

The Commission is also statutorily required to adopt an enhanced code of ethics. This effort was completed on February 2013, and all employees and Commissioners are required to attend annual training.

Accounts Payable and Accounts Receivable:

The Commission began accepting funds, in a newly set-up bank account for application fees in early August, 2012. The statutorily prescribed \$400,000 non-refundable application funds were down payments on the suitability investigations that began after the January 15, 2013 filing deadline. However, a number of applicants signaled their interest in filing as soon as possible.



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The Commission assesses applicants for additional costs of investigations. We set up separate accounts in the state accounting system (MMARS) to record deposits for investigative payments. When the investigative forecasts were complete, all applicants were invoiced for the additional costs (as most investigation forecasts exceeded the \$400,000 application fee). The Commission reviews and pays bills for the investigations from these accounts. In addition, the applicants are charged an overhead rate to cover Commission central office costs. No taxpayer money was spent on investigations costs or any Commission's costs altogether.

Procurements:

The Commission is exempt from public procurement regulations, but early on voted to adopt the Commonwealth's Administration and Finance procurement regulations (801.CMR.21.00). As such, the Commission offers procurements to the public through the state supported CommPASS system, and follows the procedures and best practices inherent in the procurement regulations.

We conducted the following procurements during FY2013:

- Web vendor and brand identity consultant
- Stenography services for transcripts of public meetings
- Investigation consultants to assist with suitability investigations
- Research Agenda to support the Legislature's requirement for a baseline study and other studies on the impact of expanded gaming in the Commonwealth, particularly in the areas of problem gambling (additional discussion on the research agenda is included in section 3 of this report)
- Equine Testing to support the Racing division's Uniform Model Testing Rules
- Audit software for racing to eliminate redundancy, automate transmission, and increase the transparency of daily information from the tracks
- Document management system

Other procurements for the evaluations of gaming applications:

- Financial advisor
- Program coordinator

The early part of FY14 will include the balance of advisors for the evaluation of gaming applications (Economic Development Consultant, and Building and Site Design Consultants).



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5. Racing Division

The Racing Division at the Commission made significant progress during FY13. On October 2012 we hired a new director of racing. **Dr. Jennifer Durenberger** is a former regulatory veterinarian with significant experience in the horse-racing industry, primarily in New York and California.

The chief accomplishments of this division can be grouped in the following major categories:

- A. Assumed all direct fiscal and operational activities at licensed racetracks in the Commonwealth (January 1, 2013)**
- B. Conducted a statutorily-required review of the Racing Chapters (m.g.l. c 128A and 128C) the racing and simulcasting statutes**
- C. Drafted and promulgated comprehensive amendments to the Commonwealth's Racing Regulations 205 CMR 3.00 and 4.00**

A discussion of each major accomplishment follows below, and is further detailed in the State Racing Report for the calendar year 2012 (which is forthcoming).

Operational Activities and Licensed Racetracks

Prior to the Gaming Act, the State's Racing Operations were administered by the Office of Consumer Affairs (OCA) and specifically the Division of Professional Licensure (DPL). From the time the Commission statutorily took over the racing operations (May 21, 2012) through the end of calendar 2012, we relied on OCA to manage the Racing Operations. We did this through an ISA (inter-agency service agreement).

Shortly after the Commission engaged a Director of Racing there was significant workload to manage and accomplish the transition of the State Racing Commission from OCA to the Commission. Dr. Durenberger took significant steps to enhance the professional resume of the Racing Division by aggressively recruiting experienced, nationally-accredited full-time and seasonal professional staff

During November 2012, we posted all racing jobs for the calendar year 2013 racing season. We posted these jobs, under the restructured organization, to CEO (Commonwealth Employment Office) and conducted interviews, giving priority to current racing employees. The Commission met frequently with OCA personnel representatives to ensure a smooth transition to Commission management on January 1, 2013. The Comptroller's office was



Massachusetts Gaming Commission

especially helpful in facilitating our understanding of past racing practices, and the structures of the financing and operations.

Review of the Racing and Simulcasting Chapters (c. 128A and 128C)

The session laws (c. 194 of the Acts of 2011) required that the Commission provide a review of chapters 128A and 128C (the pari-mutuel and simulcast chapters) for efficacy and need to change. That review was completed and a report and recommendations were submitted to the legislature on April 10, 2013. Most of the recommendations were related to modernizing these chapters in acknowledgement of a changed pari-mutuel business model while attempting to reconcile existing law with the expanded gaming act.

Comprehensive Amendments to State Racing Regulations

Of similar importance and significance, we drafted and adopted comprehensive amendments to the Commonwealth's Racing Regulations (205 CMR 3.00 and 4.00) in order to strengthen the racing regulatory framework, enhance the safety and welfare of racing participants and improve the integrity of the betting product. A comprehensive review of the Pari-Mutuel and Simulcasting Regulations (205 CMR 6.00 and 7.00) is currently underway.

This spring the Commission passed a resolution in support of a regional effort to promote uniformity in the areas of veterinary practices, medications used in racehorses, and drug testing methods. The Mid-Atlantic and Northeastern pari-mutuel states are home to dozens of tracks within a 250 mile radius, and the participants in racing are inherently mobile. Having uniform regulations makes playing by the rules much easier for occupational licensees who race their horses in multiple jurisdictions in any given week. Additionally, races run at these tracks are simulcast all over the country, and the pari-mutuel customers have strongly indicated that they would like to be assured that all races are run under the same conditions and that penalties for infractions are consistent across jurisdictions. Massachusetts has been recently recognized as a leader in this area.

Additional racing division activities:

- Requested and coordinated with the State Auditor's Office a transition audit, the results of which were published in December, 2012
- Assessed the needs of our licensing operations to facilitate seamless integration with the Commission's system for licensing of gaming participants



Massachusetts Gaming Commission

- Issued RFPs for equine drug testing and pari-mutuel auditing services and contracted with industry-recognized successful respondents
- As of July 30th, issued approximately 80 administrative rulings regarding occupational licenses
- As of July 30th, completed post-race drug testing on approximately 1,500 horses
- As of August 30th, this Commission has not had any appeals on the rulings of any judge or steward

6. Finance and Budget

The Gaming Act initially funded the Gaming Commission through a \$15,000,000 “loan” from the Commonwealth Stabilization Fund (aka “Rainy Day Fund”). This advance is re-payable shortly after award of either of the first gaming licenses. The Commission does not and will not receive any tax-payer funds, nor is the recipient of any line item appropriations (other than the one time loan for initial operations discussed herein).

The Commission started operations on March 21, 2012. Expenditures for the partial Fiscal Year 2012 (FY12) from March 21 to June 30, 2012 amounted to **\$855,101**. There were no revenues for FY12.

FY13 included \$9,899,354 in revenues. This amount was comprised of the initial application fees (\$400,000 per applicant for eleven applicants), plus additional investigative fees assessed to applicants. Applicants are assessed both the direct costs of investigations (direct costs of investigative firms and investigation consultants to the Commission), as well as indirect costs of the Commission for the investigation effort (direct salaries of the Investigation and Enforcement Bureau of the Commission with a proportional overhead rate for central office expenditures).

FY13 expenditures amounted to \$13,134,870. These expenditures include all costs incurred by the Commission for its investigations and operations (excluding costs assessed to the Racing Oversight Fund and for the racing operations).



Massachusetts Gaming Commission

Summary of Revenues and Expenditures

| Fund | Name | Fiscal Year | Beginning Balance | Revenues | Expenditures | Ending Balance | Notes |
|--|------|-------------|-------------------|--------------|-----------------|----------------|-------|
| 10500001 | MGC | FY12 | \$ 15,000,000 | \$ - | \$ 855,101 | \$ 14,144,899 | 1 |
| 10500001 | MGC | FY13 | \$ 14,144,899 | \$ 9,899,354 | \$ (13,175,425) | \$ 10,868,828 | 2 |
| Notes | | | | | | | |
| 1) FY12 represents activities from March 21, 2012 through June 30, 2012 | | | | | | | |
| 2) Revenues include assessments to gaming applicants for investigations (detail in separate chart) | | | | | | | |

Revenues

The bulk of the FY13 revenues consisted of fees collected for the investigations effort, including initial application fees and additional investigations assessments.

| Revenue Item | FY13 Amount | Notes |
|-------------------------------|--------------|-------|
| Initial Application Fees | \$ 4,400,000 | 1 |
| Additional Investigation Fees | \$ 4,606,581 | 2 |
| Applicant Grant Activity | \$ 605,411 | 3 |
| All Other Revenue | \$ 287,362 | 4 |
| Subtotal | \$ 9,899,354 | |

Note 1: Eleven applicants at \$400,000 each, for slots license, and regions A and B.

Note 2: All applicants have been assessed additional investigation fees (proportional to the investigative effort required and given their companies and partnership structures). This figure includes all additional assessments, and reflects a Commission overhead rate of 13.71%

Note 3: The Commission acts as a conduit to fund certain expenditures of some cities and towns related to the negotiation of a Host Community Agreement. The costs are first agreed-upon between the applicant and the host community (or surrounding community), and remitted to the Commission from the applicant. The same monies (without any Commission overhead) are then remitted as a “grant” to the host community. This mechanism (vetted with the Division of Local Services at DOR) avoids the undesirable instance of Towns having to appropriate monies via town meeting for expenditures for



Massachusetts Gaming Commission

consultants and advisors during the host community negotiation period. The “grants” to Towns for FY13 amounted to \$605,411.

Note 4: The bulk of “all other” revenue are chargebacks to the Racing Development Oversight Trust fund to pay for costs that the Commission has incurred that are allocable to the racing operations (including the salaries of certain racing employees like the Director of Racing and other employees of the Commonwealth Racing Commission that transferred to the Commission’s Racing Division).

Expenditures

The expenditures for FY13 for gaming operations are summarized below. The bulk of costs during this fiscal year consisted of costs paid to investigators for the Phase 1 investigation effort, as well as Commission’s cost, including salaries, rent and other consultants.

| Expenditure Item | FY13 Amount | Notes |
|--------------------------|----------------------|-------|
| Investigation Costs | \$ 6,493,722 | 1 |
| Commission Costs | \$ 5,835,737 | 2 |
| Applicant Grant Activity | \$ 605,411 | 3 |
| City/Town Payments | \$ 200,000 | 4 |
| Subtotal | \$ 13,134,870 | |

Note 1: Reflects payments to outside consultants and investigator firms.

Note 2: The Commission approved a budget for these costs at the beginning of fiscal year FY13 for a total of \$7,411,652. Additional discussion on the Commission’s budget is provided in a separate section below.

Note 3: As explained in note 3 of the revenue section above, these are grants to cities and towns for the negotiation of host community agreements, and the Commission serves as a “pass-through” of such costs. The Communities that have taken advantage of this mechanism are: **Everett, Leominster, Millbury, Plainville, Raynham and West Springfield**. In addition, the applicant “Crossroads Massachusetts LLC” with a proposed project in Milford has agreed to fund monies via the Commission to the Metropolitan Area Planning Council (MAPC) to look at regional impacts for **Surrounding Communities to Milford**.

Note 4: The Gaming Act provides that \$50,000 of the initial application fee (\$400,000) may be used by communities to defray the costs of negotiating a host or surrounding community



Massachusetts Gaming Commission

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agreement. Alternatively, communities can seek and obtain direct reimbursement from applicants for such costs. To date, the following four communities have requested the \$50,000 monies: **Everett, Plainville, Raynham and West Springfield.**

It should be noted that Communities have the ability to obtain directly from applicants all monies necessary to defray the costs of negotiating host and surrounding community agreements, as well as the costs of conducting the host community referendum.

Budget Discussion

At the beginning of FY13, the Commission approved a budget for its operations (excluding investigations) for a total of **\$7,411,652**. The actual expenditures that co-relate to this figure were **\$5,835,737**. This represents a difference of **\$1,575,915**.

The principal reason expenditures were less than the budget is centered on the need of the Commission to preserve a positive balance until such time it can assess the bulk of its oversight costs to its gaming licensees.

The initial FY13 budget figure was put together conservatively, assuming certain large expenditures taking place earlier. Some of these expenditures include a licensing software system, estimates of more rapid hiring, and the additional use of consultants.

Conversely, the Commission will need to incur certain large expenditures during the early parts of FY14, including the first payments of a large research project (baseline study – see Section 3 of this report), as well as a licensing software in preparation for licensing vendors and individuals as soon as the first gaming license is awarded (the slots license award is anticipated for late December of 2013). We will submit the required spending plan for FY14 to the Office of Administration and Finance prior to September 30, 2013, as the budget for FY14 has already been reviewed with and approved by the Commission.

A summary of the Budget to Actual results for FY13 is below:



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| Description | FY2013 Amount | FY2013 Actuals | Under (Over) Budget | Notes |
|---|------------------|-------------------|------------------------|-------|
| Salaries and Fringe | \$ 2,735,896 | \$ 2,225,240 | \$ 510,656 | 1 |
| Consulting / Advisors / Service Providers | \$ 2,986,809 | \$ 2,642,502 | \$ 344,307 | 2 |
| Rent / Administration / Chargebacks | \$ 685,460 | \$ 695,464 | \$ (10,004) | |
| Equipment/Furniture | \$ 245,000 | \$ 185,492 | \$ 59,508 | 3 |
| Events / Hearings / Travel | \$ 84,700 | \$ 87,039 | \$ (2,339) | |
| Subtotal | \$ 6,737,865 | \$ 5,835,737 | \$ 902,128 | |
| Statewide Allocation Percentage | \$ 673,787 | \$ - | \$ 673,787 | 4 |
| Subtotal Approved Budget | \$ 7,411,652 | \$ 5,835,737 | \$ 1,575,915 | |

Note 1: From July 1, 2012 to June 30, 2013 (FY13) the Commission grew from 12 FTE's to 36 FTE's. The difference in budget to actuals reflects a slightly slower hiring than initially anticipated.

Note 2: The initial budget assumptions regarding consultant use were higher than actuals.

Note 3: The FY13 budget assumed increasing space in the existing building. During the year the Commission expanded its 7,560 square feet of space to a total of 12,890 square feet (which represented an increase of approximately 70%, but was less than originally budgeted). We are now contemplating issuing an RFP for a total of approximately 20,000 square feet.

Note 4: The initial budget included an assumption that the Commission would be assessed the Statewide Indirect Allocation on the majority of its costs. During the formulation of the initial budget figures for FY14, and the timeline for awarding licenses, we requested a temporary waiver of the indirect cost from the Executive Office of Administration & Finance. The waiver was granted for FY13. We have also requested the indirect waiver from A&F for FY14, and their decision on this matter is pending. We do not anticipate that this waiver will be necessary once the Commission is in a steady state of assessing licensees for the cost of oversight.



Massachusetts Gaming Commission

7. Communications and Outreach

In line with the Gaming Act highest principle of ensuring public confidence and the integrity of the licensing process, the Commission has committed to openness and transparency and made these principles the centerpiece of its mission. As such, all meetings of the Commission are streamed live, recorded and transcribed in full. All recordings, transcripts and minutes are also available at the Commission's website www.massgaming.com

In addition, the Commission, and Commissioners spend significant time soliciting, reading and responding to public comment, as well as engaging in speaking opportunities to a wide range of groups, stakeholders and media outlets. Anecdotally speaking, we have received significant community feedback expressing confidence in the transparency of the process

Chairman Steve Crosby (and to a lesser degree the Commissioners and the Ombudsman) spend significant time speaking at public events. During FY13 the Commission attended approximately **70 speaking engagements** (the vast majority of them attended by Chairman Crosby). These speaking events ranged from regional chambers of commerce, regional and local groups, associations, editorial boards and other public interest events.

Below is a summary of the FY13 activities in the Communications and Outreach arena:

Brand Identity, Communications Program and Website:

During FY13, we established the agency's brand identity, through the creation of a Massachusetts Gaming Commission logo and related collateral, that visually demonstrates MGC and its divisions as professional, authoritative and community-minded, while also demonstrating the Commission's principal mission to create a fair, transparent, and participatory process for implementing the expanded gaming law

Using the newly developed brand identify, the Commission developed a high-quality communications infrastructure to provide a multi-faceted platform from which to increase awareness of Commission-related activity and effectively and efficiently communicate with key stakeholders.

In addition, we launched an aggressive public relations program to raise awareness of MGC's roles and responsibilities to facilitate the introduction of expanded gaming and solicit public participation. The communications program includes:



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- Development and launch of a new official website, www.MassGaming.com, to ensure that the site was consistent with the Commission's brand identity and was user-friendly, dynamic, informative and easily maintained and internally updated by Commission staff
- Development, management and updating of all website's content. The site was purposefully designed to strategically highlight the following key elements: Expanded Gaming overview, a blog, a community calendar, open meeting archive, live stream and video, email alert sign-up function, Speakers Bureau request form among other gaming-related news and updates
- Production of a 10 minute introductory video to educate the community on the Expanded Gaming statute, the licensing process and the roles and responsibility of the Commission

Additional Communications and Outreach:

Below is a summary of the Communication and Outreach efforts during the last Fiscal Year:

- 130 Press Releases
- 1,600 Twitter followers & 1,580 tweets
- 180 Facebook fans and approx. 500 Facebook posts
- 100 YouTube videos
- 70 Speaking Engagements
- 50 Blog posts and Guest Blog Posts
- More than 800 sign-ups for direct email blasts
- Consistently factual and positive media accounts based on proactive announcements by MGC



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OUTSTANDING/NEW POLICY QUESTIONS RELATIVE TO PHASE 2- PARTS 2&3

| POLICY QUESTION AND NUMBER | ANSWER (ca. JANUARY 2013)/NOTES |
|---|--|
| <p>Should the Commission begin to process regulations based on packages needed to ensure the Commission can support regulation when the slots and resort facilities are operational? An example: Slot Surveillance and internal control by April 4, 2014, Slot Machine requirements and approval by July 4, 2014; Tax and Financial reporting requirements; Casino Surveillance & Internal Control by January 29, 2015; Table games requirements and approval February 2016.</p> | |
| <p>6. What criteria should the commission use to determine whether a gaming license applicant should receive a gaming beverage license for the sale and distribution of alcoholic beverages and what application fee should the commission charge?</p> | <p>The MGC will work with the ABCC to develop appropriate criteria and then incorporate those criteria in MGC regulations.</p> |
| <p>7. What regulations should the commission issue with respect to distribution of alcohol and the forms of identification that may be presented to a gaming licensee to demonstrate proof that a person has attained the age of 21</p> | <p>MGC will promulgate regulations specifying the forms of identification listed in G.L. c. 138, §34B, but will also explore use of out of state drivers' licenses. Insofar as distribution of alcohol is concerned, MGC will pursue a regulatory policy that allows distribution of complementary drinks on the gaming floor but not in restaurants or other non-gaming facilities that are part of the gaming complex.</p> |
| <p>10. How should the Commission determine a suitable debt-to-equity ratio for applicants for a gaming license? (G.L. c.23K, §4(14))</p> | <p>The Commission will not establish a debt-to-equity ratio at this point, but in lieu of that, research and establish in regulations a series of tests designed to assess the financial risk of applicants at any given point.</p> |
| <p>What approach should be taken to the creation of regulations governing <i>internal control standards</i>, i.e.- how prescriptive should the regulations be?</p> <p>13. What criteria should the Commission use to prescribe the manner in which gaming licensees and gaming vendors must keep their books and financial or other records and statements?</p> <p>49. What regulations and standards should the commission prescribe for the audits it is required to conduct?</p> | <p>Deferred for further study and report in the coming weeks. See Question 49.</p> <p>Deferred for further study and report in coming weeks. See Question 13</p> |

OUTSTANDING/NEW POLICY QUESTIONS RELATIVE TO PHASE 2- PARTS 2&3

| | |
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| <p>23. What, if any, information and in addition to that described in G.L. c. 23K, §31(b) should the Commission require from an applicant before issuing a gaming vendor license?</p> | <p>This question was not reached</p> |
| <p>36. If MOU's and other agreements may be part of an applicant's proposal to the commission to demonstrate their commitment to key evaluation criteria, how should the commission weigh these agreements and enforce them in the coming years after the license is awarded?</p> | <p>MOU's can be included in an application. The Commission will defer discussion or development of enforcement measures until a later date</p> |
| <p>40. Should the commission prescribe the games, rules and controls a licensee may have or should it solicit proposals from the applicants/licensees?</p> | <p>Question tabled pending further input.</p> |
| <p>46. Should the commission prohibit gambling by local officials in casinos located within their jurisdiction?</p> | <p>Yes, though the definition of "public officials" for purposes of this policy was not resolved and will require further thought as the Phase 2 regulations are drafted.</p> |
| <p>47. Should the commission adopt the self-exclusion lists in effect in other jurisdictions? (See §46(k))</p> | <p>The commission decided that this issue needed more study during the Phase 2/2 process. Typically, state self-exclusion lists are confidential. However, there seem to be no sound reason why a person desiring self-exclusion could not ask that his or her name be shared with other jurisdictions.</p> |
| <p>48. What criteria should be used to exclude individuals involuntarily from casinos?</p> | <p>G.L. c. 23K, §45 provides four criteria for exclusion. In addition, MGC will consider whether to exclude individuals who are on an involuntary exclusion list and other jurisdictions and will also consider a regulation containing a broad discretionary exclusion provision.</p> |
| <p>50. How should the role of the Commission be defined in the licensing process? What other departments (if any) have a role in the licensing of certain occupations? Will the Commission be licensing on the basis of suitability only, or skills and education as well? Will licensing be limited to occupations closely associated with the gaming area? (See also, 8/30/13 memo:</p> <ul style="list-style-type: none"> • Will an applicant for a key gaming employee license, gaming employee license, and vendors, or an applicant for gaming service employee registration be allowed to apply directly to the Commission or will | <p>This topic will require additional research as part of the Phase 2/2 process. The commission has some role in ensuring competency as well as a satisfactory background, though in the competency area the commission's interests and the operator's interests are typically aligned. The commission tentatively focused on the desirability of certifying the curriculum used by training schools, focusing background investigations on those who had conditional job offers from a casino, looking at the training regimen casinos themselves proposed and looking at ways to enforce the casino training programs if the commission were satisfied that the program was acceptable.</p> <p>G.L. c.23K, §5(a) The commission shall promulgate regulations for the</p> |

OUTSTANDING/NEW POLICY QUESTIONS RELATIVE TO PHASE 2- PARTS 2&3

| | |
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| <p>licensing/registrations be required to originate through the gaming establishment?</p> <ul style="list-style-type: none">• Will licensure as a key gaming employee or gaming employee be based on suitability only, or skills and education as well?• What will the Commission's role in the licensing process be, i.e.- will it delegate approval authority to staff? Will it differ for key gaming employee applicants, gaming employee applicants, temporary licenses, gaming service employee registrants, and vendors?• Will the Commission license gaming schools or work with DPL to license applicants under the existing trade school program? Will certification by a school be a prerequisite of licensure for certain positions or will discretion be afforded to the employer? Will the community college program be treated as a gaming school/trade school in the ordinary course?• How will the licensing/registration fees be calculated?• What will the licensing/registration/renewal process entail, i.e.- will on-line applications be accepted, will on-line payment (check or credit card) be accepted?) <p>34. Should the Commission regulate private training schools?</p> | <p>implementation, administration and enforcement of this chapter including, without limitation, regulations that: (12) require that all gaming establishment employees be properly trained in their respective professions;</p> <p>The community college program will not be the exclusive entity for casino job training. MGC will certify schools and will work with DPL to monitor compliance with certification conditions. MGC will also ensure competency by working with training schools and with casino operators.</p> |
| <p>Should the Commission use a central automated system for accounting, auditing, tax liability and monitoring gaming activity?</p> | |
| <p>Should the Commission require the ability to access slot parlor and resort casino surveillance systems to provide independent remote ability to monitor operations? How should 'remote' be defined?</p> | |

OUTSTANDING/NEW POLICY QUESTIONS RELATIVE TO PHASE 2- PARTS 2&3

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| <ul style="list-style-type: none"> • What kind of process should the Commission adopt or should it adopt a process to monitor construction? • Should the Commission require certain deliverables during the construction period? • What kind of pre-opening process and inspection will the Commission require? • Will the commission allow temporary facilities to open for gaming at the slots parlor or the casino resorts while more permanent structures are being completed? | <p>c. 23K, §10(c): “An applicant for a category 1 license shall submit its proposed capital investment with its application to the commission which shall include stages of construction of the gaming establishment and the deadline by which the stages and overall construction and any infrastructure improvements will be completed. In awarding a category 1 license, the commission shall determine at what stage of construction a licensee shall be approved to open for business; provided, however, that a licensee shall not be approved to open for business until the commission has determined that at least the gaming area and other ancillary entertainment services and non-gaming amenities, as required by the commission, have been built and are of a superior quality as set forth in the conditions of licensure; and provided further, that total infrastructure improvements onsite and around the vicinity of the gaming establishment, including projects to account for traffic mitigation as determined by the commission, shall be completed before the gaming establishment shall be approved for opening by the commission. The commission shall not approve a gaming establishment to open for business before the completion of the permanent gaming area.”</p> <p>c. 23K, §11(a): “[] The investment required under this section shall be made within 2 years after receiving a gaming license; provided, however, that any infrastructure improvements necessary to increase visitor capacity and account for traffic mitigation shall not be considered part of the required capital investment and, as determined by the commission, shall be completed before the category 2 licensee shall be authorized to operate a slot machine at the gaming establishment.”</p> <p>c. 23K, §5(a) The commission shall promulgate regulations for the implementation, administration and enforcement of this chapter including, without limitation, regulations that: (14) provide for the interim authorization of a gaming establishment under this chapter;</p> |
| <p>Does the Commission want to approve gaming devices/equipment put into play in Massachusetts, and if so should the Commission have standards (e.g.- minimum payout</p> | <p>c.23K, §66: “Unless the commission otherwise determines it to be in the best fiscal interests of the commonwealth, the commission shall utilize the services of an independent testing laboratory that has been qualified and approved by</p> |

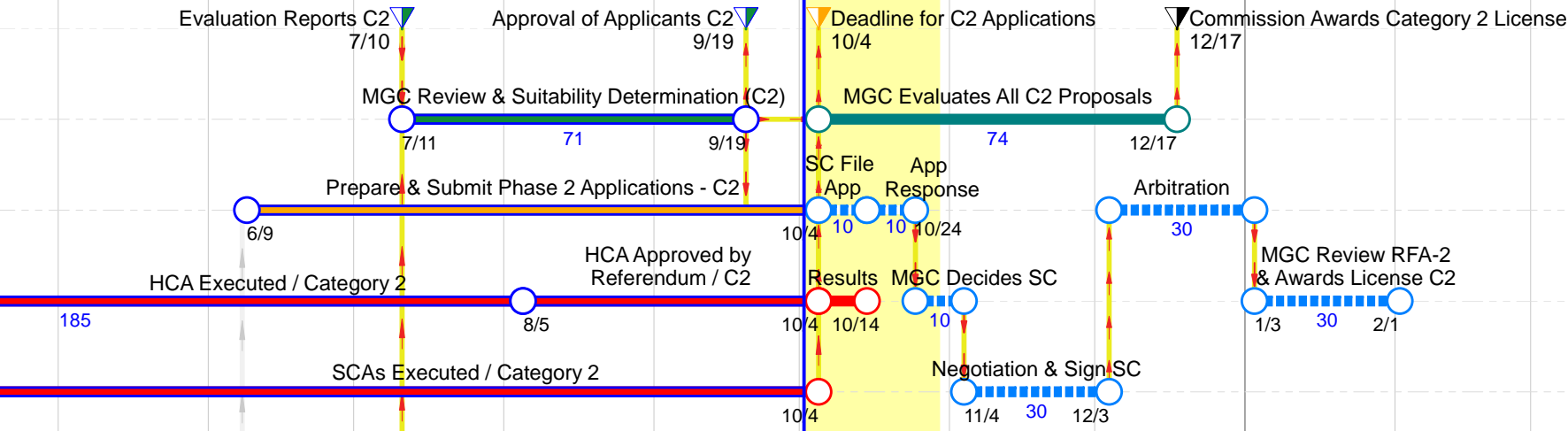
OUTSTANDING/NEW POLICY QUESTIONS RELATIVE TO PHASE 2- PARTS 2&3

| | |
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| <p>percentage, modification of structural features of slot machines to address problem gaming issues) and technical staff to complete necessary reviews?</p> | <p>the commission pursuant to this chapter to perform the testing of slot machines and other gaming equipment and may also utilize applicable data from the independent testing laboratory, or from a governmental agency of a state other than the commonwealth, authorized to regulate slot machines and other gaming equipment.”</p> |
| <p><u>Region C</u></p> <ul style="list-style-type: none"> • Parameters for allowing a region A, B, or slot applicant to apply in region C w/o payment of additional application fee • Timing of updated qualifier list | |

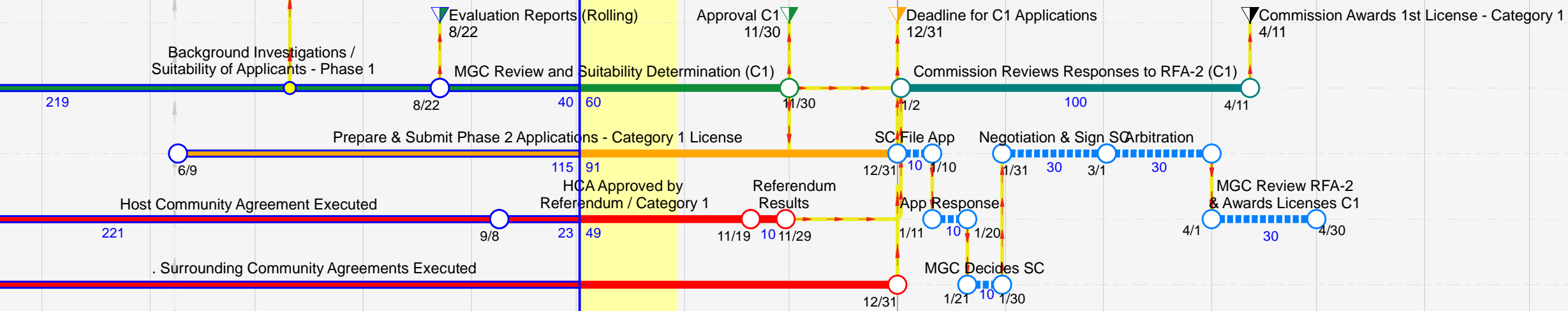
Massachusetts Gaming Commission / 2013-10-01 Licensing Schedule Update

Data Date
10/01/2013

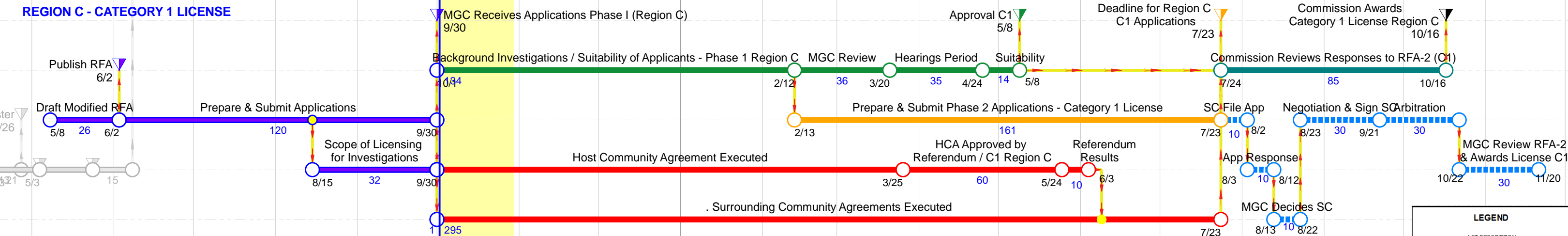
CATEGORY 2 LICENSE



REGIONS A & B - CATEGORY 1 LICENSES



REGION C - CATEGORY 1 LICENSE



LEGEND

- ACT DESCRIPTION: Start Date — End Date
- SUMMARY ACTIVITY: Start Date — End Date

TOWN OF BRIDGEWATER

OFFICE OF THE
TOWN MANAGER

Michael M. Dutton
Town Manager



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Academy Building, 66 Central Square
Bridgewater, MA 02324

October 2, 2013

John Ziembra, Ombudsman
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Via Email Only

RE: Surrounding Community Petition Deadline Extension

Dear Mr. Ziembra:

I write on behalf of the Town of Bridgewater to express support for the proposed extension of the Surrounding Community Petition Deadline that is listed as Item 5(a) on the agenda for the Massachusetts Gaming Commission October 3, 2013 meeting. In addition, I write to request that I be notified of any extension of the October 4 deadline for Category 2 License Applications.

As an abutter to the Town of Raynham, the Town of Bridgewater was hopeful that it would be able to work with Raynham Park, LLC to reach a Surrounding Community Agreement. However, it has become apparent that Raynham Park, LLC does not wish to work collaboratively with the Town of Bridgewater toward reaching such an agreement. As such, it appears that the Town of Bridgewater will reluctantly be submitting a written petition to the Gaming Commission pursuant to 205 CMR 125.01(2) requesting designation by the Gaming Commission of the Town of Bridgewater as a Surrounding Community.

Although the Town of Bridgewater has had a couple of telephone calls and a few e-mails with Raynham Park, LLC's representatives, the one meeting held with its representatives on September 12 did not result in any meaningful discussion or collaboration. Raynham Park, LLC indicated that it would provide additional information to the Town of Bridgewater but the Town has not yet received any of its requested information.

Although Raynham Park, LLC's representatives provided the Town with a "Nearby Communities Impact Report" prepared by Nitsch Engineering, such report was long on conclusions and short on supporting data. Raynham Park, LLC's representatives indicated they would provide the supporting data for the report but to date the Town has not received any additional information. The Town also consulted with the Old Colony Planning Council (OCPC) and learned that OCPC had requested, and has been waiting for, information to allow it to conduct its peer review.

Although Raynham Park, LLC reported in its Environmental Notification Form (ENF) that it was coordinating with neighboring communities such as Easton, Taunton and Bridgewater to provide information on the project and its potential impacts, and develop surrounding community agreement, the Town of Bridgewater has received no information other than a copy of the Nitsch Report.

The Town of Bridgewater is a Town with a population of 26,564 that borders Raynham and is less than one mile from the proposed Raynham Project. Both Route 24 and Route 495 run through Bridgewater. The Town of Bridgewater is a part of a two-town Regional School District with the Town of Raynham. The Town of Bridgewater is concerned that the impacts on the Town have not been given appropriate consideration by Raynham Park, LLC.

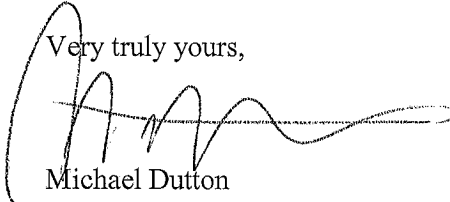
As noted by OCPC in its September 10, 2013 letter to MEPA concerning Raynham Park, LLC's ENF, although a large amount of the traffic for the Raynham Project is expected to utilize Interstate 495 and Route 24, the local road network will still be a viable option for patrons and employees and therefore should be included in any expanded study area. Specifically, OCPC points out the Elm Street East connection to Route 104 to the East at the Bridgewater / Raynham line should be included in an expanded study area.

In addition, the Town of Bridgewater is concerned that the Town will be significantly and adversely affected by the operation of the proposed Gaming Establishment through possible negative impacts on the appraised value of housing stock, a negative impact on local, retail, entertainment and services establishment in the Town of Bridgewater, increased social needs and through impact on the Bridgewater Raynham School District. Unfortunately the Town has not been provided with sufficient information from Raynham Park, LLC to appropriately analyze the potential impact. There may well be positive impacts on the Town of Bridgewater that may result from the development and operation of the proposed Gaming Establishment but such impacts have not been made known by the developer to the Town.

For the reasons set forth above, the Town of Bridgewater express support for the proposed extension of the Surrounding Community Petition Deadline that is listed as Item 5(a) on the agenda for the Massachusetts Gaming Commission October 3, 2013 meeting.

Thank you for your consideration.

Very truly yours,



Michael Dutton
Town Manager

cc: Grace Lee, Esq.
Gordon Carr, MA Gaming Commission
Timothy Fitzgibbons, President Bridgewater Town Council
Mark Gildea, Bridgewater Town Counsel



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October 1, 2013

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Jonathan M. Silverstein
jsilverstein@k-plaw.com

BY ELECTRONIC MAIL
AND BY FIRST CLASS MAIL

Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

ATTENTION: John Ziemba, Ombudsman

Re: PPE Casino Resorts MA, LLC—Surrounding Community Negotiations
(Towns of Lancaster, Lunenburg, Townsend and Westminster)
Petition for Extension of Deadline under 205 CMR 125.01(2)(a)

Dear Chairman Crosby and Members of the Commission:

This office represents the Towns of Lancaster, Lunenburg, Townsend and Westminster as potential surrounding communities to the Category 2 gaming facility in the City of Leominster proposed by PPE Casino Resorts MA, LLC (“PPE”). Each of these Towns has been engaged in ongoing discussions with PPE regarding designation as surrounding communities and negotiation of surrounding community agreements. Though no such agreement has yet been finalized with any potential surrounding community, the Towns I represent are hopeful that continued negotiations will be successful, and that PPE will designate each of them as a surrounding community and execute surrounding community agreements with them.

As you know, the Commission’s regulations require that “a community seeking to be designated a surrounding community...shall submit a written petition to the commission no later than ten days after receipt by the commission of the RFA-2 application...” In the case of the PPE proposal, therefore, petitions for designation as surrounding communities would be due no later than October 14, 2013. My clients respectfully submit that their time and resources would be better spent over the next several weeks attempting to finalize negotiations with PPE than initiating an adversarial proceeding before the Commission. Accordingly, my clients request an extension to October 31, 2013 to submit petitions for designation as surrounding communities, pursuant to 205 CMR 125.01(2)(a). Through counter-signature on this letter, PPE joins in this extension request.

KOPELMAN AND PAIGE, P.C.

Stephen Crosby, Chairman
Massachusetts Gaming Commission
October 1, 2013
Page 2

Please do not hesitate to contact me if there is any further information I can provide in support of this request. On behalf of the Towns of Lancaster, Lunenburg, Townsend and Westminster, I thank the Commission for its careful consideration of this important matter.

Very truly yours,



Jonathan M. Silverstein

PPE CASINO RESORTS MA, LLC



Joseph Weinberg
Managing Member

JMS/jam

cc: Lancaster Board of Selectmen
Lunenburg Board of Selectmen
Townsend Board of Selectmen
Westminster Town Administrator
Mr. Joseph Weinberg

483132/leom-ca/0001

PPE Casino Resorts MA, LLC

The Power Plant
601 E. Pratt Street
Baltimore, Maryland 21202
410.752.5444
www.cordish.com

September 27, 2013

Massachusetts Gaming Commission
Attn: John Ziemba
84 State Street, Suite 720
Boston, Massachusetts 02109

Dear Members of the Commission:

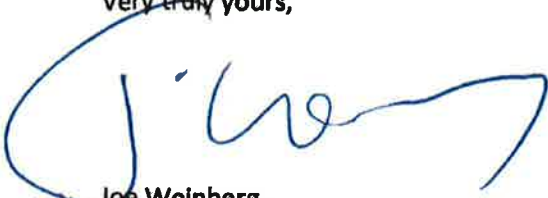
PPE Casino Resorts, LLC ("PPE") hereby respectfully requests a temporary waiver of the requirement in 205 CMR 119.01(7) that PPE's Phase 2 application for a Category 2 gaming facility include "a certificate showing that the applicant has received a certified and binding positive vote on a ballot question at an election in the host community in favor of the license." [Emphasis supplied].

As you may be aware, the voters of Leominster overwhelmingly approved a referendum on PPE's proposed Category 2 facility on September 24, 2013, with approximately 63% voting in favor of the proposal. Under Massachusetts law, however, the Leominster City Clerk may not certify the election results until 5 p.m. on October 4. See G.L. c. 54, §137 ("The city clerk shall not declare the result of an election for city officers or of a vote upon any question submitted to the voters until the time for filing a petition for a recount has expired..."); and G.L. c.54, §135 (recount may be filed on or before 5 p.m. on the tenth day following an election). Therefore, PPE will not be able to submit evidence of a "certified" positive vote prior to the October 4, 2013 deadline for Phase 2 applications.

PPE does anticipate that it will be able to obtain a certification of the results of the September 24 election soon after the Friday, October 4 deadline for submission of the Phase 2 applications. Accordingly, PPE respectfully requests that the Commission grant a temporary waiver of one week for PPE to submit the certification of vote required under 205 CMR 119.01(7). Under such extension, PPE would supplement its Phase 2 application by submitting the required certification of vote on or before October 11, 2013.

PPE respectfully requests that the Commission consider and approve this request at its meeting on October 3, 2013. We would be pleased to provide any further information the Commission may require in considering this request.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joe Weinberg", with a large, sweeping flourish extending to the right.

Joe Weinberg,
Managing Member

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 10:11 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Robert Fitzpatrick

Email

bobfitz67@msn.com

Subject

PUBLIC HEARING ON LEOMINSTER ELECTION CERTIFICATE VARIANCE

Questions or Comments

I write to respond to the public hearing of Leominster Election Certificate of Variance to respectfully ask that you deny the variance for the following reasons:

This request for a variance by the Cordish Companies demonstrates ignorance of the laws and practices of Leominster within which the Cordish Companies will be expected to operate as a responsible corporate citizen. As we have all been taught as citizens, "Ignorance of the law is no excuse." The Cordish Companies should not be allowed to be an exception.

Since the Cordish Companies were rejected by Salisbury, Boxborough and Danvers and were therefore late coming to Leominster, they had to design and adhere to a schedule which was conceived in haste and pushed forward without transparency. There was only one public forum held ten days before the referendum and there was only one study issued (although several had been sought including environmental and water use) five days before the referendum, and which presented as a too-short term paper finished just before class. This is hardly an example of the openness the Commission is seeking as one of its values in its Mission Statement.

The above can be interpreted as evidence of a lack of efficiency and foresight with which the Cordish Companies will manage the public facility which is required to contribute to the prosperity and well-being of Leominster.

The Cordish Companies may have anticipated their lack of timing regarding the referendum certification and decided to proceed anyway, and then file for a variance counting upon the generosity and indulgence of the Massachusetts Gaming Commission. This, despite the fact that the selection process is a first of its kind procedure, and precedents must be set to demonstrate and uphold the integrity of the process. The Cordish Companies should not be allowed to consider themselves an exception to your regulations, which can be seen as a lack of respect for the citizens of Leominster and the Commonwealth.

Once again, I respectfully urge you to deny this variance.

Bresilla, Colette (MGC)

From: Bill Ferzoco <bferzoco@aol.com>
Sent: Tuesday, October 01, 2013 4:52 PM
To: mgccomments (MGC)
Subject: Leominster vote

I believe the ballot was skewed as it had all the advantages of the casino with no disadvantages. Please record my displeasure of the ballot and outcome as I believed it was only one of the coin presented to the voters of Leominster.

Sincerely

Pelino Ferzoco

Leominster, Ma

Sent from my iPhone

Bresilla, Colette (MGC)

From: David Litalien <dlitalien77@yahoo.com>
Sent: Tuesday, October 01, 2013 5:02 PM
To: mgccomments (MGC)
Subject: Public Hearing on Leominster Election Certification Variance

Absent from the ballot was the negative impact on the community resulting from a decision of this magnitude to host a slots casino in Leominster.

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Tuesday, October 01, 2013 5:05 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Pelino Ferzoco

Email

bferzoco@aol.com

Phone

(978)870-7957

Subject

Leominster Casino

Questions or Comments

I believe the residents of Leominster were not given all the facts about the casino proposal. They were given promises but no facts about the effects of having a casino in our community. The mayor acted alone in getting an agreement with the developer without any input from the community that elected him to lead. It would have been beneficial for us to know both the +/- of having the casino here. Please let me be known I'm against the casino without all the facts. Thank you

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Tuesday, October 01, 2013 11:10 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Arlene Porter

Email

narnenecp@yahoo.com

Phone

(978)342-5535

Subject

Letter from a Leominster City Counselor to the Editor

Questions or Comments

I am including a letter shown below from one of Leominster's City Counselors. This is a letter that describes how so many of us feel about what now has happened in Leominster. Unfortunately, there was little time available to do what should have been done before the September 24th vote. I believe a Request for Proposals to conduct impartial cost-benefit studies is needed for the Leominster residents to make an informative vote. This was jammed down our throats with only information that came from the Cordish Companies. The B&S Consulting firm was far from impartial, and could not answer many of the questions from the residents who were there.

Leominster Champion
Leominster's Own Weekly Newspaper
2013-08-30 / Opinions & Editorial

Leominster needs facts – not promises

To the editor:

When Governor Deval Patrick and the Legislature approved gaming expansion in November 2011, our state leaders pledged no community and its residents would ever find themselves in the unenviable position of approving or rejecting a gaming referendum without first knowing all the facts. Unfortunately, that simple pledge is not being kept in Leominster.

Please do not mistake the reality of this situation. There is no doubt that a proposed slots parlor will have an impact on the City of Leominster. This is the reason why the gaming industry, unlike any other business, pays a municipality such a high premium to conduct business in the community. Given the pending referendum, the question for the citizens of Leominster is essentially a balancing act – do the promised revenues from the proposed slots parlor outweigh any negative impact the venture will have on the community?

Leominster is the fourth community in Massachusetts that the Cordish Companies have approached to build a slots parlor. In Boxboro, Danvers and Salisbury before us, for one reason or another, residents and community leaders made it clear that a slots parlor was not welcome.

The debate as to whether or not to allow a slots parlor in Leominster should be driven by an analysis of the potential costs and benefits to having a gaming establishment in the community. We know that there is a significant upside to a slots parlor as outlined in the host community agreement. However, in order to truly weigh the costs vs. benefits of gaming coming to our community we need independent studies covering a range of potential impacts on our community.

A critical issue for those communities who turned away the slots proposal was having a

comprehensive set of studies examining the consequences of hosting a slots parlor. This essential step has been ignored in Leominster. These studies would give the Leominster community and business leaders a sense of how our community's quality of life will be affected - not just how many jobs will be created for our residents, or how much new tax revenue might be generated for the city, but other critical issues that establish who we are and what we value for our community and our families.

These studies would provide insight into many important factors, including the potential social stigma of a slots parlor in the community; the impact on traffic and transportation in the City; the effect on our local restaurants, pubs and other businesses; the effect on property values in the City; and the effect on crime and addiction in the community.

Yet, as we all know, the studies that would help us to derive critical answers so as to judge whether it is worth it for Leominster to wager its future on a slots parlor are not being supplied to us as residents, taxpayers and business owners. Inexplicably, nor were any of these studies required by the Mayor's office prior to unilaterally entering into a written agreement with the developer.

I am neither pro nor anti-slots parlor. But I am pro-Leominster, and in my ongoing discussions with residents and local business owners, they want to know what they're being asked to vote on before they vote.

Why should Leominster residents approve a slots parlor on a promise from the Mayor and an out of state developer without first examining their proposal thoroughly? After all, Boxboro, Danvers and Salisbury all said "no" to the slots parlor before the developer "discovered" Leominster.

The Mayor, with funding from the Cordish Companies, should go back to the drawing board and, under state guidelines, issue a Request for Proposals (RFP) to conduct a whole variety of impartial cost-benefit studies. Once concluded, the Mayor should present these impartial and fact-driven studies to Leominster residents in public forums prior to the September 24 referendum.

The clock is ticking.

Susan Chalifoux Zephir
President, Leominster City Council

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Sunday, September 22, 2013 11:11 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Susan Leavy

Email

snsamshome@aol.com

Phone

(978)534-1516

Subject

Slots casino in Leominster

Questions or Comments

This slot plan is a monumental human disaster in the making; primarily due to the lack of north/south traffic corridor and the condition of Route 2 vis a vis handling additional traffic. During the week, Boston traffic is frequently backed up as far west as Leominster. Now the developers are adding min 6000 cars to this mix. Since Leominster would be the ONLY slot parlor in Massachusetts I have no confidence in this traffic prediction. In the 30 years I have resided in central, Route 2 has proved to be the LEAST safe road. This is particularly true at night. I understand that customers to casinos would be likely to exit this area AT NIGHT or during early AM hours to route 2. Many will have been drinking.

Unless huge amounts were spent to upgrade Route 2 and otherwise make the Central Mass roads able to handle this traffic, Massachusetts will have a nightmare on its hands. I estimate that no less than 5 years would be needed for such upgrade to highways.

Respectfully
Susan Leavy

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Monday, September 30, 2013 8:07 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Paul Tatro

Email

Tatro777@yahoo.com

Phone

(978)514-8976

Subject

Casino leominster NO !

Questions or Comments

No casino for Leominster. We are a family oriented community. No.

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Thursday, September 26, 2013 6:36 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Christopher Hamel

Email

chame350@gmail.com

Phone

(864)243-7115

Subject

Leominster Casino

Questions or Comments

Hello,

I currently live in Lancaster, Ma less than a mile from the proposed site of the Leominster Live! Casino. I am deeply concerned about the events regarding the approval of this project feel very strongly that the citizens of Lancaster, Ma should be consulted on this matter. The proposed site is very close to the border of Lancaster and will most likely affect the residents of Lancaster equally or more so than the residents of Leominster. I am not in favor of a casino in any part of the state. However, I dislike the idea of having one less than a mile from my house even more so. My wife and I purchased a house in Lancaster due to the fact that it has a small town feel to it with the safety to raise a family. If this casino is built, I believe that the community around the casino will face a higher crime rate. Also, I believe that the value of my home will fall. We would be receiving all of the downfalls of this casino while Leominster receives all of the benefits. I reccomend ! you to come the site and the surrounding communities and envision the damage that it will do.

I urge you not to approve this casino.

Sincerely,
Christopher Hamel

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Tuesday, September 24, 2013 9:38 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Arlene Porter

Email

narnenecp@yahoo.com

Subject

no slots casino in Leominster

Questions or Comments

A slots casino would ruin the family character of Leominster

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Tuesday, October 01, 2013 11:19 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Dara Lee Esposito

Email

savedbyjesus49@comcast.net

Subject

no casino in Leominster

Questions or Comments

We don't need a casino in Leominster, its causes trouble and a lot more crime and we don't need anything like that here, please don't allow it to come to Leominster. Our town is doing good without such a thing, please let it go to a different place ,and not in L EOMINSTER

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Tuesday, October 01, 2013 1:35 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Gail Stanton

Email

gailstanton@hotmail.com

Questions or Comments

I believe strongly with Councilor Zephir that the public was not properly informed of the information they were entitled to before voting on a slots casino proposal in Leominster. As a resident here, I listened to several people say that they didn't know what it would really do to the community. Many felt rushed and uninformed of the truthful consequences of this type of industry coming to our small town value community. It was pushed by the Mayor and inquiries for real details were brushed off. Seeing how this has all played out, I for one DO NOT want to see this Casino built here. In order to further explain my concerns I have included the following letter-

When Governor Deval Patrick and the Legislature approved gaming expansion in November 2011, our state leaders pledged no community and its residents would ever find themselves in the unenviable position of approving or rejecting a gaming referendum without first knowing all the facts. Unfortunately, that simple pledge is not being kept in Leominster.

Please do not mistake the reality of this situation. There is no doubt that a proposed slots parlor will have an impact on the City of Leominster. This is the reason why the gaming industry, unlike any other business, pays a municipality such a high premium to conduct business in the community. Given the pending referendum, the question for the citizens of Leominster is essentially a balancing act – do the promised revenues from the proposed slots parlor outweigh any negative impact the venture will have on the community?

Leominster is the fourth community in Massachusetts that the Cordish Companies have approached to build a slots parlor. In Boxboro, Danvers and Salisbury before us, for one reason or another, residents and community leaders made it clear that a slots parlor was not welcome.

The debate as to whether or not to allow a slots parlor in Leominster should be driven by an analysis of the potential costs and benefits to having a gaming establishment in the community. We know that there is a significant upside to a slots parlor as outlined in the host community agreement. However, in order to truly weigh the costs vs. benefits of gaming coming to our community we need independent studies covering a range of potential impacts on our community.

A critical issue for those communities who turned away the slots proposal was having a comprehensive set of studies examining the consequences of hosting a slots parlor. This essential step has been ignored in Leominster. These studies would give the Leominster community and business leaders a sense of how our community's quality of life will be affected - not just how many jobs will be created for our residents, or how much new tax revenue might be generated for the city, but other critical issues that establish who we are and what we value for our community and our families.

These studies would provide insight into many important factors, including the potential social stigma of a slots parlor in the community; the impact on traffic and transportation in the City; the effect on our local restaurants, pubs and other businesses; the effect on property values in the City; and the effect on crime and addiction in the community.

Yet, as we all know, the studies that would help us to derive critical answers so as to judge whether it is worth it for Leominster to wager its future on a slots parlor are not being supplied to us as residents, taxpayers and business owners. Inexplicably, nor were any of these studies required by the Mayor's office prior to unilaterally entering into a written agreement with the developer.

I am neither pro nor anti-slots parlor. But I am pro-Leominster, and in my ongoing discussions with residents and local business owners, they want to know what they're being asked to vote on before they vote.

Why should Leominster residents approve a slots parlor on a promise from the Mayor and an out of state developer without first examining their proposal thoroughly? After all, Boxboro, Danvers and Salisbury all said "no" to the slots parlor before the developer "discovered" Leominster.

The Mayor, with funding from the Cordish Companies, should go back to the drawing board and, under state guidelines, issue a Request for Proposals (RFP) to conduct a whole variety of impartial cost-benefit studies. Once concluded, the Mayor should present these impartial and fact-driven studies to Leominster residents in public forums prior to the September 24 referendum.

The clock is ticking.

Susan Chalifoux Zephir

President, Leominster City Council

MacDonald, Dan (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 2:26 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Elaine Fitzpatrick

Email

emf5226@yahoo.com

Subject

Leominster Mayor Refuses to Work with City Council

Questions or Comments

In an article from the Sentinel & Enterprise newspaper dated July 26, 2013, Council woman Chalifoux Zephir stated, "He (the mayor) negotiated that agreement without one public hearing or any input from the public," while acknowledging he does have the authority to negotiate a host agreement without a vote by the council. However, she stated, "His management style is to not work with anyone."

Mayor Mazarella informed them, "He will not engage the City Council unless it is deemed an emergency."

City Councilman David Rowlands stated, "He was invited to come down and speak about the casino proposal during public forums and he refused. It's like his mentality is my way or the highway."

Please take this into consideration when making a decision on the location of a slots parlor. The people of Leominster did not have enough information to make intelligent decisions about how to vote.

MacDonald, Dan (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 2:09 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Robert Young

Email

ryoung@net1plus.com

Phone

(978)840-8878

Subject

Public Meeting #78

Questions or Comments

I take exception to the approval of item 5c on the agenda. If The Cordish Companies cannot meet the time frames required, the variance should not be granted.

MacDonald, Dan (MGC)

From: MGC Website <website@massgaming.com>
Sent: Thursday, October 03, 2013 1:23 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Peter Mastrodomenico

Email

peter.mastrodomenico@ipaper.com

Phone

(978)534-8069

Subject

Leominster Slots Parlor

Questions or Comments

Concerning article regarding surrounding towns -

Knowing the issue is completely "out of our hands," Sterling officials want to be designated as a "surrounding community" according to a state definition that would allow them to seek some mitigation from the company due to the impact the facility will have on Sterling. They will seek legal counsel and plan to meet with officials from The Cordish Companies of Baltimore, Md., in October.

The Cordish Companies could voluntarily list Sterling as a "surrounding community" but Cordish officials have already informed the town it has no intention of doing so. Sterling could also petition the state to be designated as an impacted town, but must do so within 10 days of The Cordish Companies' filing the proposal no later than Oct. 4 with the Gaming Commission.

The town could discuss a mitigation agreement with the company even without the designation, but that would have to be completed within 30 days of the state filing. Selectmen have scheduled a visit from Cordish officials at the board's meeting on Oct. 23.

"How they can say they are not going to impact the town of Sterling is beyond me," said Police Chief Gary Chamberland of The Cordish Companies. "I think the town of Sterling has an opportunity, and a deadline, to compete with this deep-pocket company that has high priced attorneys, with marketing people at their disposal, who have been through this around the country in dealing with a small town with limited resources."

Chamberland does not support the Cordish Companies' claims that there will be little impact on surrounding communities as a result of the \$200 million facility. He said that there are studies on such facilities, with this one to include 1,250 slot machines and electric game tables as well as restaurants and live entertainment, that point to increases in crime beginning within five years after opening.

Chamberland is concerned that Sterling will be forced to deal with increased traffic accidents, intoxicated drivers, larceny and prostitution. He said that these issues will be driven away from the casino, since there will be an in-house police station within the building and extensive security cameras.

"For them to say they will not have an impact on Sterling is ludicrous," Chamberland said. He said problems will occur on Sterling's rural back roads and Rte. 12. He is also worried about the potential for those wanting alcoholic beverages who leave local establishments that close their doors at 1 a.m., only to seek additional service from the slot parlor that could have much later drinking hours.

Sterling fire chief David Hurlbut Jr. said the gaming facility will not require additional mutual aid, as the city of Leominster will receive impact funds from The Cordish Companies to increase that town's personnel and capabilities. The parlor will be constructed with fire protection components.

Hurlbut believes there will be a potential for an increased impact on the operations of the fire and ambulance departments in Sterling. He said the Leominster facility will cause more bus traffic on local roads as well as additional motor vehicle accidents and medical emergencies.

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 2:26 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Follow Up Flag: Follow up
Flag Status: Flagged

Name

Elaine Fitzpatrick

Email

emf5226@yahoo.com

Subject

Leominster Mayor Refuses to Work with City Council

Questions or Comments

In an article from the Sentinel & Enterprise newspaper dated July 26, 2013, Council woman Chalifoux Zephir stated, "He (the mayor) negotiated that agreement without one public hearing or any input from the public," while acknowledging he does have the authority to negotiate a host agreement without a vote by the council. However, she stated, "His management style is to not work with anyone."

Mayor Mazzarella informed them, "He will not engage the City Council unless it is deemed an emergency."

City Councilman David Rowlands stated, "He was invited to come down and speak about the casino proposal during public forums and he refused. It's like his mentality is my way or the highway."

Please take this into consideration when making a decision on the location of a slots parlor. The people of Leominster did not have enough information to make intelligent decisions about how to vote.



THOMAS M. MENINO
Mayor

CITY OF BOSTON LAW DEPARTMENT

City Hall, Room 615
Boston, MA 02201

WILLIAM F. SINNOTT
Corporation Counsel

October 1, 2013

VIA ELECTRONIC SUBMISSION

Chairman Stephen Crosby
Massachusetts Gaming Commissioners
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

RE: *Request by the City of Boston for a Variance from 205 CMR 115.05*

Dear Chairman Crosby and the Massachusetts Gaming Commissioners:

The City of Boston is respectfully requesting that the Massachusetts Gaming Commission vary the requirements of the Commission's regulation set forth at 205 CMR 115.05(6)(a) in accordance with the provisions of 205 CMR 102.03(4). On September 25, 2013, just as other municipalities have done, the City's governing body formally approved holding the election on the referendum as required by the Act prior to the Commission's positive determination of the applicant's suitability. See City of Boston Order 1399 (annexed hereto as Exhibit 1). However, in this instance, the approval by the City's governing body happened after the applicant's request for a vote had been received, which occurred on September 5, 2013 (see Exhibit 2 annexed hereto). The Commission's regulations call for the opposite sequencing of these two events. See 205 CMR 115.05(6)(a).

Granting the requested variance is consistent with the purposes of M.G.L. c. 23K and the Commission's regulations because the public interests protected by such Act and regulations will be served and the regulatory requirements will be fulfilled, albeit in a slightly different sequence. See 205 CMR 102.03(4)(a)(1). Granting the requested variance will not interfere with the ability of the Commission or the bureau to fulfill its duties. See 205 CMR 102.03(4)(a)(2). Granting the variance will further the public interest because the City's governing body has had a full and complete process, including a public hearing with public comment. The outcome of this process, was to proceed with the requested date of November 5, 2013 (see City of Boston Order 1400 Exhibit 3 annexed hereto). Without a variance from the procedural sequence, the referendum vote cannot be held on a date which the governing body has determined would be in the public interest. See 205 CMR 102.03(4)(a)(3). Failure to grant the variance would cause a substantial hardship to the City of Boston because it would require: (a) duplication of the process which the governing body has already undertaken; and (b) a new and substantially later date to hold the referendum vote. See 205 CMR 102.03(4)(a)(4).

Massachusetts Gaming Commission
Variance Request
October 1, 2013
Page 2

For the reasons set forth above, the City of Boston respectfully requests that the Commission grant a variance from the procedural sequence requirement set forth in 205 CMR 115.05(6)(a) and take any other action in furtherance of such request which the Commission determines appropriate.

Very truly yours,



Elizabeth Dello Russo
Executive Director of the HCAC
Senior Assistant Corporation Counsel

CC:
John Ziembra, Ombudsman
Catherine Blue, General Counsel
Charles A. Baker, III, DLA Piper

2259155.1

Exhibit 1

1399

**CITY OF BOSTON
IN CITY COUNCIL**

**ORDER CONFIRMING AN ELECTION PRIOR TO A SUITABILITY DETERMINATION
BY THE MASSACHUSETTS GAMING COMMISSION.**

ORDERED: The holding of a host community election can proceed prior to the Massachusetts Gaming Commission's determination of suitability of the applicant Sterling Suffolk Racecourse, LLC ("Suffolk Downs"), on the condition that, if the Massachusetts Gaming Commission has not issued a positive suitability determination prior to the date of the election, the City, at the expense of the applicant, will conduct a process of informing the community about the Massachusetts Gaming Commission's determination of suitability standards and procedures, in accordance with 205 CMR 115.05(6).

In City Council **SEP 25 2013**

Passed
Alex Sventus **City Clerk**

Approved
Thomas W. Allen **Mayor**

**I HEREBY CERTIFY THAT
THE FOREGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.**

W. F. Sinnott
**WILLIAM F. SINNOTT
CORPORATION COUNSEL** *MH*

Exhibit 2



BY HAND

September 5, 2013

Thomas M. Menino, Mayor
City of Boston
1 City Hall Square, Suite 500
Boston, MA 02201

Stephen Murphy, President
Boston City Council
1 City Hall Square, Suite 550
Boston, MA 02201

Re: Request for a Host Community Election Pursuant to M.G.L. c. 23K, § 15(13)

Dear Mayor Menino and Council President Murphy:

Sterling Suffolk Racecourse, LLC d/b/a Suffolk Downs executed host community agreements with the City of Boston on August 27, 2013 and the City of Revere on August 28, 2013 in accordance with M.G.L. c. 23K, § 15(8).

In accordance with the Expanded Gaming Act, please accept this letter as Suffolk's formal request for a host community election pursuant to M.G.L. c. 23K, § 15(13). Suffolk requests that such host community election be held on November 5, 2013, which is 60 to 90 days from your receipt of this request as required by M.G.L. c. 23K, § 15(13).

Sincerely,

William J. Mulrow
Chair of the Board

cc: Maureen Feeney, City Clerk
Elizabeth Dello Russo, Esq., Assistant Corporation Counsel
Stephen Crosby, Chairman Massachusetts Gaming Commission
John Ziembra, Ombudsman Massachusetts Gaming Commission

Telephone: 617-567-3900
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts

Exhibit 3

1400

CITY OF BOSTON
IN CITY COUNCIL

ORDER CONFIRMING AN ELECTION DATE OF NOVEMBER 5, 2013

ORDERED: That the election date of November 5, 2013, as requested from Sterling Suffolk Racecourse, LLC ("Suffolk Downs") and pursuant to the Expanded Gaming Act, M.G.L. c. 23K, and the Massachusetts Gaming Commission regulations, 205 CMR. 12.00, *et seq.*, is hereby confirmed.

In City Council SEP 25 2013

Passed
Alex Sirota *Asst. City Clerk*

Approved
Thomas W. Menino *Mayor*

I HEREBY CERTIFY THAT
THE FOREGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.

William F. Sinnott
WILLIAM F. SINNOTT
CORPORATION COUNSEL

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 11:43 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Steve Holt

Email

steve@thebostonwriter.com

Phone

(617)447-6519

Subject

"Variance" Re: Suitability Vote

Questions or Comments

Dear Commission,

The City of Boston City Council must be held accountable for violating the regulations surrounding whether a community should vote before background checks are completed and how a community referendum is voted upon and scheduled. As you know, these steps were filed out of order, a direct violation of regulations YOU set up. If the City of Boston cannot keep the law in small things like this, then how will it possibly be able to keep the law once a billion-dollar casino is built in the city?

When you consider this matter at tomorrow's meeting, I stand with many others in East Boston and surrounding communities in urging you to send the issue back to the City of Boston and require it to re-do the process around suitability (with an open forum on WHETHER voting before we have all the information is desirable) and the referendum date the correct way. If you fail to reprimand the City of Boston and require that it follows the law, we can only assume you care more about getting shovels in the ground at Suffolk Downs than observing the rule of law. The people are watching, Commissioners, and your credibility as regulators of this industry in this state hangs in the balance.

Thank you for your observance of the rule of law.

Best Regards,
Steve Holt & Family
East Boston, MA

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 9:23 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Giordana Mecagni

Email

gmeagni@yahoo.com

Phone

(617)680-9112

Subject

Variance for Gaming Commission/the law

Questions or Comments

My name is Giordana Mecagni and I am a resident of East Boston.

I am calling to oppose granting a variance from Gaming Commission regulations to the City of Boston at tomorrow's public meeting. The city and the Commission were both on notice and well aware that the Council was in violation of the Commission's rules when they allowed this vote to go forward, and there is no reason for the Commission to grant a variance now.

The Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on this project before the facts were in prior to the applicant's request for an election, but the city refused to do so. If we can't trust the city of Boston to follow the rules in scheduling a referendum on the casino, how can we possibly trust it to oversee the casino itself? Thank you for your time, and for your commitment to the rule of law.

Sincerely,

Giordana Mecagni
112 Trenton St.

Bresilla, Colette (MGC)

From: Heather Engman <h.a.engman@gmail.com>
Sent: Wednesday, October 02, 2013 8:36 AM
To: mgccomments (MGC)
Subject: City of Boston Suitability Sequence Variance

Dear Gaming Commission:

I am a resident of Winthrop, Massachusetts. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting.**

As you know, pursuant to 205 CMR 115.05(6), a host community may only vote on a proposed casino in advance of the Commission's suitability determination **IF prior to the request by the applicant for an election** in accordance with 205 CMR 124.02(1), the governing body of the community formally approves holding the election prior to a positive determination of suitability.

The Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known.

In fact, Chairman Crosby informally explained the process as follows, "If you want to skip the suitability approval, then there has to be a decision by the town government or the city government to choose to skip the suitability approval then there has to be a host community agreement signed, then there has to be a result for the change of the date and then there has to be a referendum..." ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule requiring a public determination to proceed without a suitability determination **before** the applicant requests an election.

The City of Boston and the Commission were both on notice and well aware that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact. The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs to follow the rules in scheduling a referendum on the casino. It is extremely disconcerting that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Thank you for your time, and for your commitment to the rule of law.

Heather Engman
208 Grovers Avenue
Winthrop, MA 02152

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 7:37 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

David Searles

Email

davewsearles@gmail.com

Phone

(617)913-3396

Subject

Variance for the City of Boston

Questions or Comments

Please do not pass the variance requested by the city of Boston to bypass Gaming Commission Regulations. Thank you.

5.d

MacDonald, Dan (MGC)

From: MGC Website <website@massgaming.com>
Sent: Wednesday, October 02, 2013 1:55 PM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Gail Miller

Email

eastiegails@aol.com

Phone

(617)567-5072

Subject

City of Boston variance

Questions or Comments

I am requesting that the Gaming Commission deny the request for a variance by the City of Boston through its City Council. The requirements as set forth before this Commission were not abided by before the vote was taken and setting the date of the ballot question on November 5th. Regulations were put in place for a reason and as a resident of East Boston I would demand that the licensing process be strictly adhered to.

MacDonald, Dan (MGC)

From: Neenah Estrella-Luna <neenah@starluna.net>
Sent: Wednesday, October 02, 2013 1:49 PM
To: mgccomments (MGC)
Subject: Opposed to the variance request by the City of Boston

Dear Gaming Commission,

I am a resident in East Boston and professor of law and policy at Northeastern University.

I am writing to oppose granting a variance from Gaming Commission regulations to the City of Boston. The city and the Commission were both well aware that the Council was in violation of the Commission's rules when they allowed this vote to go forward. There are four provisions supporting a variance under 205CMR 102.03(4) and I fail to find justification for this request in any of these.

205CMR 102.03(4)(a)(1) states that a variance must be consistent with MGL c.23K. M.G.L. ch.93A §1(1)) explicitly states:

"ensuring public confidence in the integrity of the gaming licensing process and in the strict oversight of all gaming establishments through a rigorous regulatory scheme is the paramount policy objective of this chapter."

Granting this variance would contradict the unambiguous language in the statute that the most important function of the Gaming Commission and its activities is to ensure the integrity of the licensing and oversight process.

205CMR 102.03(4)(a)(3) states that any waiver "will not" adversely affect the public's interest. To grant this variance would prevent a full and open public discussion about the proposed casino at Suffolk Downs since it requires East Boston residents to vote on the host community agreement before all of the facts about the casino developers and the proposal are in. Neither the City's Host Community Advisory Council (HCAC) nor Suffolk Downs have responded to repeated requests for information that were apparently shared with the HCAC about the impacts of the proposed project. As it is, community residents have had to take it upon themselves to translate the agreement into Spanish, which is one of the dominant languages in the neighborhood, furthering marginalizing the largest population of residents in the East Boston. A decision to grant this variance would be at odds with the public's interest of having full information about the mitigation agreement, the proposal and its impacts, and the investors before voting on it.

By granting this variance, you would reduce public trust in the ability of the Gaming Commission to provide meaningful oversight of any casino licensed to operate in Massachusetts. It would reinforce the fears held by those who are concerned that casinos will facilitate further corruption of our public processes. To grant this variance will only weaken the credibility of the Gaming Commission and the individuals associated with it.

The rule of law is first and foremost rooted in the commitment to following procedure. Procedure in and of itself does not automatically result in fair outcomes. But without fair procedure, even desirable outcomes are tainted with the appearance of corruption, further reducing trust in our government. Granting this variance would make very clear that procedural protections do not apply to some people and that the government cannot be trusted to look after the public's interest.

Thank you for your time.

Neenah Estrella-Luna, MPH, PhD

Bresilla, Colette (MGC)

From: mattcameron@gmail.com on behalf of Matt Cameron <matt@mattcameronlaw.com>
Sent: Wednesday, October 02, 2013 4:58 PM
To: mgccomments (MGC); Zuniga, Enrique (MGC); steven.crosby@state.ma.us; Cameron, Gayle (MGC); McHugh, James (MGC); Stebbins, Bruce (MGC); Ziemba, John (DOT)
Subject: Opposition and request for opportunity to publicly comment on Boston's variance request

Dear Gaming Commission:

As an East Boston resident and attorney specializing in administrative law, I am writing to express my concern with the city of Boston's variance request seeking to be excused from the clear requirements of 205 CMR 114.05(6) despite having been repeatedly placed on notice that it was about to violate this provision prior to last Wednesday's City Council meeting. I urge this Commission to vote against this request and in favor of the rule of law.

As a preliminary matter, I would request the opportunity to publicly address the Commission with no more than two minutes of comments at tomorrow's hearing. I understand that this is unusual, but it would (due to Boston's prior failure to follow the applicable regulations) be the first time in this entire process that a citizen of Boston has been able to directly speak out on this point. My comments will be brief, professional, and completely on point. (Please be advised that if I am denied this opportunity, a number of us will be prepared to stage a peaceful **silent** protest (with **no intent to disrupt** the Commission's proceedings) to be sure that our opinion of the city of Boston's attempt to hold itself above the law is on the official record.)

I have carefully reviewed the factors which the Commission must consider in granting a variance, and remain unconvinced that these circumstances could possibly begin to merit the city of Boston's request. The legislature wisely set complete suitability checks as the statutory default prior to a vote, and the Commission's April "emergency" regulations (now codified as 205 CMR 115.05(6)) provide a clear and unmistakable path around that requirement. This additional variance from what already amounts to a significant

sanctioned variance from the statute would therefore be consistent neither with the legislative intent (which was clearly designed to require suitability checks as a default requirement) of the Gaming Act or the clear public policy interest inherent in maintaining public confidence in this Commission's ability to enforce its own rules. As detailed below, the city was clearly on notice of its mistake well in advance of the vote, and it does not now deserve an opportunity to have this Commission retroactively bless its misconduct.

Although I was on record as opposing 205 CMR 114.05(6) at the time it was under this Commission's consideration, I respect the Commission's authority to promulgate and enforce it. However, the city of Boston clearly does not. Whether the city simply did not care to follow these rules or is now claiming ignorance of them (despite the notice outlined below) would be equally troubling to me. But neither explanation could possibly justify declaring the city of Boston to be above the law--especially where it had already been clearly placed on notice of that law.

The city of Boston was well aware that it was acting in violation of Gaming Commission regulations well in advance of the scheduling of the referendum. I would like to emphasize that the city and the Commission were given ample notice of the unlawfulness of its impending vote as follows:

- (1) A letter emailed to all of the city councilors the morning of September 20th;
- (2) My public comments at the committee meeting that afternoon before the measure was forwarded for a full council vote;
- (3) An email to Ombudsman Ziemba dated September 20th;
- (3) My followup correspondence with committee chairman Bill Linehan and other councilors over the weekend of the 21st, receipt of which was acknowledged by Linehan in a personal response;
- (4) An additional email sent to all of the city councilors the morning of the September 25th vote.

Councilor Matt O'Malley finally acknowledged these concerns prior to the council's vote last Wednesday, but stated simply that he was not a lawyer and

that the gaming law was far too new for the city to be expected to get everything right. (I'm barely paraphrasing his remarks.) He then conveyed that he had spoken with someone at the Gaming Commission ten minutes prior to the council meeting who had assured him that any mistakes the city made (even knowing ones, apparently) could be cured by the Gaming Commission. (He referred to an "appeal" but obviously meant to reference the variance process.) This is completely unacceptable. Boston can and should expect much better from its elected officials--especially in connection with a decision which threatens the entire health and future of East Boston.

In light of all of this, I am completely at a loss as to the possible grounds the city could have for seeking--let alone properly earning--a variance. In the event that this variance is granted at tomorrow's meeting, I trust that the Commission will place its findings as to the appropriateness of this measure on record in order to permit us to seek immediate judicial review of this exceptional concession.

The Commission's regulations are clear, precise, and drafted to the highest standards. I do not believe that it is too much for the Commission to insist that all parties before it make every effort to properly follow the rules that it promulgated before seeking a variance to them, and I can assure you that I am not alone in my concern that variances from (rather than compliance with) these regulations will quickly become the norm if the city is given a pass on something as simple as planning and scheduling a referendum. East Boston has a long and tortured history of being on the wrong end of unenforceable mitigation agreements, and there is an overwhelming (and I believe entirely reasonable) public sentiment coming through our polling and phone banking that this will be no different.

The other communities which have scheduled elections prior to the completion of suitability determinations have had no problems complying with the eminently reasonable requirements of 205 CMR 115.05(6). There is absolutely no conceivable reason why Boston should receive special treatment, or should otherwise be above the law. The city should either have to be held to the statutory requirement that an election not be held until a

suitability determination has been reached or be made to call the election prior to the suitability determination "by the book" rather than by its own version of the rules. We are deeply concerned that the city's failure to properly order an election does not bode well for its future ability to oversee and enforce the incredibly complex regulations which govern this process as well as the mitigation agreement itself.

I hope, although I certainly do not expect, that this Commission will reject Boston's variance request at tomorrow morning's meeting. As I'm sure you are aware by now, many of us East Boston are now on notice of the city's wrongdoing--and we will be watching. While we fully expect to win at the polls no matter when the election is held, we feel that it is our duty as the citizens most affected by this development to hold all parties responsible to the highest standard of the law at every step of the way and will continue to do so as necessary.

Thank you for your time, your consideration, and your commitment to the due process of law. I look forward to having the opportunity to comment (whether publicly at the Commission's invitation or silently through my own means) further at tomorrow's meeting.

Regards,

Matt Cameron
(617)-416-5558

City of Everett

Office of the Mayor



Carlo DeMaria, Jr.
MAYOR

Everett City Hall
484 Broadway
Everett, MA 02149-3694
Phone: (617) 394-2270
Fax: (617) 381-1150

October 2, 2013

**Via Electronic Delivery &
Facsimile . 617.725.0258**

The Honorable Stephen Crosby
Chairman
Massachusetts Gaming Commission
84 State Street
10th Floor Boston, MA 02109

**Re: Massachusetts Gaming Commission Meeting Agenda, October 3, 2013;
Item No. 5(d)**

Mr. Chairman and Honorable Commissioners:

Please accept this correspondence as the City of Everett's official comments to Item No. 5(d) as appearing on the Commission's Meeting Agenda of October 3, 2013. As it appears on the Commission's agenda, the item pertains to the issuance of a "sequencing variance" to the City of Boston for their clear failure to follow Commission regulations regarding the holding of a host-community election prior to the determination of suitability by the Commission. Simply put, it is the position of the City of Everett that the issuance of such a variance is improper and inconsistent with the values incorporated within the Massachusetts Gaming Act and as such, should be denied forthwith.

As you are well aware, this past Spring, the City of Everett, through my administration, successfully petitioned the Commission to adopt regulations that would allow the holding of a host community election prior to the determination of suitability and eligibility by the Commission. In adopting those regulations, the Commission set certain requirements on host communities seeking to hold their referendum elections, including: (1) a vote by the municipality's governing body authorizing the holding of such an election prior to the determination of suitability and; (2) a public education and notification campaign informing the public at-large of the holding of such an election and what it means. This regulation was promulgated by the Commission on April 22, 2013.

Mr. Stephen Crosby
Chairman, Massachusetts Gaming Commission
October 2, 2013
Page 2

The reason behind the adoption of the regulation and its requirements is clear - to inform the governing body and public that although the referendum election was taking place, the applicant had not been, and may not be, determined to be suitable or eligible to hold a gaming license in the Commonwealth of Massachusetts and that the outcome of the election would hold no weight in such a determination by the Commission.


The City of Everett, as the first city or town in the Commonwealth to enter into a Host Community Agreement with an applicant for a gaming license followed the regulation to the letter. The City recognized the importance of the regulation and its reasoning and fulfilled its responsibilities under the law - and to the public - by unanimously passing the threshold vote authorizing the election and mailing to every voting household a clear explanation of the law, regulation and process. I am disappointed my colleagues in the City of Boston decided to deprive their citizens of their right to an open and informed process and abdicate their responsibilities under the law.

Most importantly is the effect that the issuance of a variance to the regulation - especially one that seeks to make the process more open and transparent - will have on the public's perception of the process. Allowing the City of Boston to ignore an important regulation that seeks to educate the public sets a dangerous precedent to the process going forward. Cities and towns may ignore important regulations with the knowledge that their failure, willful or otherwise, can be remedied by the Commission through a variance. This process - and its perception of fairness, equitability, openness and transparency - is too important to compromise in order to accommodate Boston's failure to follow the law.

I urge you, on behalf of the City of Everett and as a citizen of the Commonwealth to uphold the regulation, uphold the process and hold the City of Boston accountable for depriving their citizens of their rights and full participation in this important process.

Thank you for your kind attention to this important matter. I ask that my comments be read aloud and noted in the Commission minutes for their meeting of October 3, 2013.

Very truly yours,

A handwritten signature in black ink that reads "Carlo DeMaria" followed by a stylized flourish.

Carlo DeMaria
Mayor
City of Everett

MacDonald, Dan (MGC)

From: Antonellis, John <john_antonellis@harvard.edu>
Sent: Thursday, October 03, 2013 1:15 PM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. I am writing to **oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see [Item #5D, Boston Suitability Sequencing Variance](#)).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, [CBS3Springfield.com](#), April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

John Antonellis
93 Lexington Street
East Boston, MA

John B. Antonellis, Lead Instructor
Harvard Bridge Program
Center for Workplace Development
124 Mount Auburn Street, 3rd Floor
Cambridge, MA 02138
john_antonellis@harvard.edu
617-384-7627 Phone
617-384-9445 Fax
<http://bridge.hhr.harvard.edu>

MacDonald, Dan (MGC)

From: chudnathan@gmail.com on behalf of Nathan Chud <nchud@bu.edu>
Sent: Thursday, October 03, 2013 12:39 PM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston, and I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see [Item #5D, Boston Suitability Sequencing Variance](#)).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, [CBS3Springfield.com](#), April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you,

Nathan

Bresilla, Colette (MGC)

From: Marchi Family <marchi.family@verizon.net>
Sent: Thursday, October 03, 2013 9:52 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of Eagle Hill, in East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of Boston and specifically, East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. For this reason and because Suffolk Downs casino developers are currently failing to respond to community questions and concerns about the transportation impacts and other details of the CMA, I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you,

Chris Marchi



161 Saratoga Street

Bresilla, Colette (MGC)

From: MGC Website <website@massgaming.com>
Sent: Thursday, October 03, 2013 9:51 AM
To: mgccomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

troy quimby

Email

troy@tquimby.com

Subject

Variance for East Boston

Questions or Comments

My name is Troy Quimby, and I am a resident of East Boston. I am writing to oppose granting a variance from Gaming Commission regulations to the City of Boston at tomorrow's public meeting. The city and the Commission were both on notice and well aware that the Council was in violation of the Commission's rules when they allowed this vote to go forward, and there is no reason for the Commission to grant a variance now. The Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on this project before the facts were in prior to the applicant's request for an election, but the city refused to do so. If we can't trust the city of Boston to follow the rules in scheduling a referendum on the casino, how can we possibly trust it to oversee the casino itself? Thank you for your time, and for your commitment to the rule of law.

Bresilla, Colette (MGC)

From: Jordan Schulz <jordandschulz@gmail.com>
Sent: Thursday, October 03, 2013 9:54 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Jordan

Jordan Schulz
617-922-7691

Bresilla, Colette (MGC)

From: Phil Gutowski <phil@liveeastie.com>
Sent: Thursday, October 03, 2013 9:54 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Phil Gutowski

Owner
cell: (716) 713-9182



Bresilla, Colette (MGC)

From: Surette, Pamela (POL)
Sent: Thursday, October 03, 2013 2:08 PM
To: Bresilla, Colette (MGC)
Subject: RE: Supplies (additional request)

Hi Colette,

I'm sorry to bother you again.

Tpr. Gina Joyce was looking to see if we could add the following item to the order today (but next Friday is fine if it's already been placed).

| Quantity | Description | Item# |
|----------|----------------------------|----------|
| 1 | Ledu Fluorescent Desk Lamp | LEDL9014 |

Please let me know if this will go in today or for next week. Either way is fine. Whatever is easiest on you!

Thank you Colette!

Pam

Pamela J. Surette

Program Coordinator

Massachusetts Gaming Commission
Investigations and Enforcement Bureau
Massachusetts State Police Gaming Enforcement Unit
84 State Street 10th Floor
Boston, MA 02109
TEL 617-979-8440 | FAX 617-725-0258

www.massgaming.com

From: Bresilla, Colette (MGC)
Sent: Thursday, October 03, 2013 10:52
To: Surette, Pamela (POL)
Subject: RE: Supplies (additional request)

Thank you Pam!

Colette Bresilla

Receptionist

Massachusetts Gaming Commission
84 State Street 10th Floor
Boston, MA 02109
TEL 617-979-8493 | FAX 617-725-0258

www.massgaming.com

follow us on



Bresilla, Colette (MGC)

From: Matthew Neave <mdneave@gmail.com>
Sent: Wednesday, October 02, 2013 9:13 PM
To: mgccomments (MGC)
Subject: Suffolk Downs Misrepresenting HCA
Attachments: EastieTimes_10-2-2013.png

Mass Gaming Commission,

Suffolk Downs continues to misrepresent the payments that are to be made to East Boston if they are chosen to develop a casino. I've attached an advertisement from this week's East Boston Times-Free Press that claims that \$20 million each year will be dedicated to East Boston. However, the HCA states that \$20 mil will be put in a community impact trust and only 50% of that money must be used in East Boston. They also present this inaccurate information on their website at <http://www.friendsofsuffolkdowns.com/node/215>.

Can the Mass Gaming Commission evaluate these claims and clarify them in a public forum. Does the law allow this kind of false information?

Thank you,
Matthew Neave

VOTE YES FOR COMMUNITY IMPROVEMENTS



IN ADDITION TO GOOD JOBS AND REAL BENEFITS FOR EAST BOSTON RESIDENTS, A RESORT CASINO AT SUFFOLK DOWNS WILL MEAN:

- IMPROVEMENTS TO LOCAL SCHOOLS AND PARKS
- 4,000 PERMANENT JOBS WITH PREFERENCES TO EAST BOSTON RESIDENTS
- \$45 MILLION IN IMPROVEMENTS TO LOCAL ROADS AND INTERSECTIONS
- \$20 MILLION PER YEAR DEDICATED TO EAST BOSTON
- STATE-OF-THE-ART YOUTH AND SENIOR COMMUNITY CENTER

VOTE YES ON TUESDAY, NOVEMBER 5

FRIENDSOFSUFFOLKDOWNS.COM/COMMUNITY



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Members from the Logan Airport Soccer Club and local youth soccer teams take part in a ceremony at Logan Airport as part of the 10th anniversary of the facility.

Local students take part in celebration at Logan

High school students from Lynn District Working and Learning incorporated a local soccer team to celebrate the new Logan Airport. The team is competing for the first time to play a 120,000-pound Airbus A320XLR aircraft.

Lynn Senior High School took up soccer with a passion of its own, followed by Woburn High School, North Andover High School, and Essex High School with 1977, 1978, and 1979 respectively. Lynn District Working and Learning incorporated the program in 2008 with 10000 and working from 10000 to 10000.

Local students took part in the ceremony held Monday, Nov. 5, at the airport. "Congratulations on the young soccer and the team you're representing high school," said Mayor Thomas P. Algan. "We're grateful for the students who shared the day with us and to our friends at Logan for providing the Airbus A320 for the ceremony."

Logan Airport was built by the U.S. Army and officially designated on September 19, 1923 as the Boston Airport. From 1923 until 1927 when the airport first started regular commercial service as New York City via Colonial Air Transport. In 1943 the airport officially became the General Edward Lawrence Logan Airport by an Act of the Massachusetts Legislature.

Boston Logan is 15 miles from the intersection of Route 128 and I-90 and has a runway three times longer than

any other in the gateway to the New England region and offers runway service to 75 domestic and 14 international destinations and in 2012 handled 26.7 million passengers. Logan Airport is served by two public transit lines and is the last line of service from Logan Airport of the New Air 2008 because of its current state to cater after the past decade the airport spent \$1.2 billion on a modernization program that includes new terminal, public transit, new terminal parking facilities, runways, and other infrastructure and has been recognized with a number of awards. The airport handles 17 million in total passenger traffic each year. This year will see a further increase in passenger traffic and a new terminal building is under construction.

NOTICIAS PARA LA COMUNIDAD

¿SABÍAS QUE LOS NUEVOS AUTOBUSES DE TRANSBORDE REDUCEN EL TRÁFICO?



20 AUTOBUSES DE TRANSBORDE HYBRID VAN DEPLAZANDO 100 VEHÍCULOS DIARIOS.

Con la llegada de los 20 nuevos autobuses híbridos, el nivel de congestión de tráfico en Logan ahora será menor, reduciendo el número de vehículos.

IMPACTO PROYECTADO



UN LOGAN MEJOR ESTÁ LLEGANDO.

MEJOR INFORMACIÓN EN FRIENDSOFSUFFOLKDOWNS.COM

840

Bresilla, Colette (MGC)

From: J. Justin Pasquariello <jjustinp@gmail.com>
Sent: Thursday, October 03, 2013 9:43 AM
To: mgccomments (MGC)
Subject: Request that city of Boston waiver not be granted

My name is Justin Pasquariello, and I am a resident of East Boston. I am emailing to oppose granting a variance from the Gaming Commission regulations to the City of Boston at today's public meeting. The city and the Commission were both on notice and well aware that the Council was in violation of the Commission's rules when they allowed this vote to go forward, and there is no reason for the Commission to grant a variance now. The Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on this project before the facts were in prior to the applicant's request for an election, but the city refused to do so. If we can't trust the city of Boston to follow the rules in scheduling a referendum on the casino, how can we possibly trust it to oversee the casino itself?

And if you will not follow them, I ask that you issue a press release to all media explaining why you allowed this variance, what other variances you have allowed to Suffolk Downs--and how that process has compared with the process for other applicants. This will at least partially help retain the public trust in the fairness of this process.

Thank you for your time, and for your commitment to transparency and the rule of law!

Sincerely,

J. Justin Pasquariello
99 Gove Street
East Boston, MA 02128

Bresilla, Colette (MGC)

From: Evelyn Jimenez <ejimenez0507@gmail.com>
Sent: Thursday, October 03, 2013 9:37 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners,

I am a resident of East Boston. I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination if the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Evelyn M. Jimenez

Bresilla, Colette (MGC)

From: Trent Sheppard <sheppard.trent@gmail.com>
Sent: Thursday, October 03, 2013 9:32 AM
To: mgccomments (MGC)
Subject: URGENT: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Importance: High

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

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Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Michael T. Sheppard

Bresilla, Colette (MGC)

From: lmgerardi@comcast.net
Sent: Thursday, October 03, 2013 9:27 AM
To: mgccomments (MGC)
Subject: "Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting"

Dear Commissioners:

I am a resident of East Boston. I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination if the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of [YOUR TOWN], I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Mr. & Mrs. Gerardi

Bresilla, Colette (MGC)

From: Mary Ellen Welch <maryellen225@yahoo.com>
Sent: Thursday, October 03, 2013 9:20 AM
To: mgccomments (MGC)
Subject: Opposing Item 5DSuitability VarianceOf 10/3MGC Public Meeting

Gentle People,

As a resident of East Boston I oppose the granting of a variance to allow a referendum on a casino at Suffolk Downs .There has not been full disclosure of the financial background and situation of the casino operator .Therefore the waiving of the Gaming Commission rules is not appropriate in my opinion.

Please allow a complete vetting in a transparent manner so that the community of East Boston ,in a spirit of full disclosure, has all the information necessary to make an informed decision and vote on a casino at Suffolk Downs.

I appreciate your attention to this request.

Sincerely,
Mary Ellen Welch

Bresilla, Colette (MGC)

From: teshy413@aol.com
Sent: Thursday, October 03, 2013 9:11 AM
To: mgccomments (MGC)
Subject: "Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting"

Dear Commissioners:

I am a resident of East Boston. I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at today's public meeting (see Item #5D, Boston Suitability Sequencing Variance).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination if the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

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Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Theresa Malionek

Bresilla, Colette (MGC)

From: John Casamassima <john.casamassima@gmail.com>
Sent: Thursday, October 03, 2013 8:57 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination if the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of [YOUR TOWN], I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

John Casamassima

Bresilla, Colette (MGC)

From: Liz Nofziger <nofzilla@gmail.com>
Sent: Thursday, October 03, 2013 8:54 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston, and have called this unique neighborhood home since 2002. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Liz nofziger

100 Lexington street

Boston ma 02128

6175041237

Sent from my iPhone

Bresilla, Colette (MGC)

From: Nicole Micheroni <nicole.micheroni@gmail.com>
Sent: Thursday, October 03, 2013 8:45 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

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The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Nicole Micheroni

Bresilla, Colette (MGC)

From: Mike Russo <mikerusso_2000@yahoo.com>
Sent: Thursday, October 03, 2013 8:45 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of lifelong resident of the Orient Heights neighborhood in East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community — Boston's City Council — first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you,

Mike Russo
61 Barnes Avenue
East Boston, MA 02128

Bresilla, Colette (MGC)

From: Matthew Morano <mfmorano@gmail.com>
Sent: Thursday, October 03, 2013 8:44 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

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The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,
Matthew Morano

Bresilla, Colette (MGC)

From: bryan schnittjer <bryanschnittjer@hotmail.com>
Sent: Thursday, October 03, 2013 8:44 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

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The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you,
Bryan Schnittjer
East Boston Resident

Bresilla, Colette (MGC)

From: Office <office@cagboston.com>
Sent: Thursday, October 03, 2013 8:41 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting"

Dear Commissioners:

I am a resident of East Boston and have been for twenty years. I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination if the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

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Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

David Searles

Bresilla, Colette (MGC)

From: Tina St. Gelais <tinastgelais@yahoo.com>
Sent: Thursday, October 03, 2013 8:35 AM
To: mgccomments (MGC)
Subject: Public Hearing TODAY AND I oppose granting Boston's variance!!

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.)

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of , I am extreme East Boston concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

Tina St. Gelais Kelly

Bresilla, Colette (MGC)

From: kellislimp@gmail.com on behalf of Kelli Cleary <kelliannecleary@gmail.com>
Sent: Thursday, October 03, 2013 8:35 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston (Eagle Hill area). I am writing to **oppose** the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see **Item #5D, Boston Suitability Sequencing Variance**).

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of Eastie, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

--

Kelli Cleary
@kellicleary
kelliannecleary.com

Bresilla, Colette (MGC)

From: john.d.liv@gmail.com on behalf of John Laughlin <JohnIV@DiscoverProductB.com>
Sent: Thursday, October 03, 2013 8:33 AM
To: mgccomments (MGC)
Subject: Opposing Item #5D, Boston Suitability Sequencing Variance at 10/3 MGC Public Meeting

Dear Commissioners:

I am a resident of East Boston. **I am writing to oppose the granting of a variance from the Gaming Commission regulations to the City of Boston at tomorrow's public meeting (see Item #5D, Boston Suitability Sequencing Variance).**

Your rules state that a host community may only vote on a proposed casino before the Gaming Commission's suitability determination *if* the governing body of the host community—Boston's City Council—first formally approves that timeline. (The relevant rules are 205 CMR 115.05(6) and 205 CMR 124.02(1).) The Gaming Commission designed this regulation to ensure that there would be an open public discussion of the fact that the people would be asked to vote on a casino project before all the facts regarding the suitability and responsibility of the applicant are known. ("Gaming commission approves emergency regulations," Samantha Lavien, CBS3Springfield.com, April 18, 2013.")

In the case of the proposed casino at Suffolk Downs, the City of Boston and Suffolk Downs failed to follow the Gaming Commission's very simple procedural rule. Both the City of Boston and the Commission were on notice that the City Council was in violation of the Commission's rules when it allowed this vote regarding the November 5 East Boston election to go forward. There is no reason for the Commission to grant a variance now, after the fact.

The Gaming Commission exists to ensure transparency and accountability in the proposed casino industry. It is the Gaming Commission's responsibility to ensure that the City of Boston and Suffolk Downs follow the rules in scheduling a referendum on the casino. As resident of East Boston, I am extremely concerned that the Gaming Commission might waive or fail to enforce its own procedural rules after a clear violation has occurred.

Granting a variance to the City of Boston in this case is not in the public's interest. I urge you to require the City to delay the referendum until after the Gaming Commission's suitability determination.

Thank you ,

John Laughlin

--
John Laughlin MBA
Director of Marketing
Vital Ventures LLC
www.DiscoverProductB.com
Cell: (651) 343-7830



**Massachusetts Gaming Commission
Forum on Responsible Gaming**

October 28, 2013

The Massachusetts Gaming Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

- 9:00 **Registration**
- 9:15 **Welcome/Introduction** Mark Vander Linden, Director of Research and Problem Gambling
- 9:30 **Mission/vision of the Massachusetts Gaming Commission** Stephen P. Crosby, Chairman,
Massachusetts Gaming Commission
- 9:45 **Overview and goals for the day** Jeff Marotta, Problem Gambling Solutions
- 10:00 **Responsible Gaming Overview**
- Marlene Warner, Executive Director, Massachusetts Council on Compulsive Gambling
- *Why is PG an issue*
 - *Why RG is important in context of mitigating PG in MA*
- Keith Whyte, Executive Director, National Council on Problem Gambling
- *Evolution of responsible gaming*
 - *A opportunity to design model standards*
 - *A national call to action*
- Judy Patterson, Senior Vice President and Executive Director, American Gaming Association
- *Origins of the AGA Code of Conduct and how we got there*
- 11:00 **Break**
- 11:15 **Operational definitions of key Responsible Gaming terms** Mark Vander Linden, Director of Research
and Problem Gambling
- 11:45 **Lunch**



Massachusetts Gaming Commission

- 12:45** **Panel Discussion: Components of a Responsible Gaming Framework**
- Player information/ Informed Decision Making*
- Technological design features of gaming machines*
- Loyalty player tracking with behavior analytics for targeted information/intervention*
- Casino employee training*
- Pre-Commitment*
- On-site counseling space*
- Self-Exclusion*
- Advertising and marketing practices*
- Linkage with local treatment and community services*
- 3:15** **Break**
- 3:30** **Moderated discussion between panelists, Commissioners and audience**
- 1) *What components of a responsible gambling program should be regulated by MGC?*
 - 2) *What principles should the MGC follow in the development RG regulations?*
 - 3) *What steps are necessary to evaluate the effectiveness of RG efforts at reducing gambling related harm?*
 - 4) *What mechanisms need to be in place to effectively assure compliance with responsible gaming regulation?*
- 4:45** **Closing Remarks** Stephen P. Crosby, Chairman, Mark Vander Linden, Massachusetts Gaming Commission



Massachusetts Gaming Commission

Diagnostic and Statistical Manual of Mental Disorders Fifth Edition (DSM-5)

One of the most anticipated events in the mental health field is the publication of the fifth edition of the American Psychiatric Association's (APA) Diagnostic and Statistical Manual of Mental Disorders (DSM) in 2013. As the key reference book for mental health professionals, the DSM contains descriptions, symptoms and other criteria for diagnosing mental disorders.

Gambling Disorder

Disordered gambling is found in the Substance-Related and Addictive Disorders chapter of the newly released DSM.

Gambling Disorder Diagnostic Criteria

Persistent and recurrent problematic gambling behavior leading to clinically significant impairment or distress, as indicated by the individual exhibiting four or more of the following in a 12-month period:

1. Needs to gamble with increasing amount of money in order to achieve the desired excitement.
2. Is restless or irritable when attempting to cut down or stop gambling.
3. Has made repeated unsuccessful efforts to control, cut back, or stop gambling.
4. Is often preoccupied with gambling (e.g., having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, thinking of ways to get money with which to gamble).
5. Often gambles when feeling distressed (e.g., helpless, guilty, anxious, depressed).
6. After losing money gambling, often returns another day to get even ("chasing" one's losses).
7. Lies to conceal the extent of involvement with gambling.
8. Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
9. Relies on others to provide money to relieve desperate financial situations caused by gambling.

Highlighted Changes in DSM-5 Reclassification

In the *DSM-IV*, Gambling Disorders was labeled Pathological Gambling and classified under the section titled, "Impulse Control Disorders Not Elsewhere Classified," along with Compulsive Hair Pulling (Trichotillomania); Intermittent Explosive Disorder; Kleptomania; and Pyromania.

The DSM-5 work group proposed that PG be moved to the category Substance-Related and Addictive Disorders. The rationale for being placed in this chapter is based on evidence that gambling behaviors activate reward systems similar to those activated by drugs of abuse and produce some behavioral symptoms that appear comparable to those produced by the substance use disorders. Pathological gamblers report cravings and highs in response to their stimulus of choice; it also runs in families, often alongside other addictions.

Other Highlights

- Based on empirical evidence, the criterion for "illegal acts" was eliminated.
- The threshold for a diagnosis of gambling disorder will be lowered from five to four symptoms.



MEMORANDUM

Date: October 1, 2013
To: Commissioners
From: Enrique Zuniga
Re: First Payment to U-MASS Amherst for the Research Project

Recommendation: That the Gaming Commission authorize the finance department to issue the first scheduled payment to U-Mass Amherst for the Economic and Social Impact Research Project for the amount of \$1,037,817.

Discussion

The Commission issued a Research RFR and accepted the proposal from the team at U-Mass Amherst on April 2013. During the following months, the parties refined the scope and ultimately entered into an Interagency Service Agreement (ISA) for the 15 months starting April 2013 and ending June 2014.

The ISA stipulates three milestone payments of \$1,037,817 to take place during the 15 month period. This figure within each payment includes a 10% retainage that is held by the Commission pending the completion of key aspects and deliverables of the project. The ISA further stipulates that the Commission may modify, suspend or even cancel any or all aspects of the ISA if it so chooses.

Director Mark Vander Linden has actively transitioned into the role in the management and oversight of the research project. In this capacity he communicates often with the research team, and continues to work towards refining the scope and budget for both the coming months, and especially for the months beyond June 2014. In addition, Director Vander Linden has convened a Gaming Research Advisory Committee that has provided feedback on research issues relative to this important project. Director Vander Linden will continue to update the Commission on the research project, and provide on-going recommendations not only as it pertains to scope and budget, but especially as it pertains to findings and policy considerations.



Massachusetts Gaming Commission

From the First Quarterly report of the Racing Division, presented at public meeting #62:

| | |
|--------------------|--|
| <p>DATA</p> | <p>Although MGC has taken proactive steps to ensure the integrity of these systems in the future, concerns remain as to the accuracy of historical information collected, recorded, and used in various calculations of statutory and other payments in the past. In particular, we note the following:</p> <p>The current financial reporting system requires its programmer to manually enter any statutory changes affecting percentage allocations to various distributions of funds. The perpetual sunseting of the Commonwealth's pari-mutuel and simulcast laws has created a pattern of frequent changes to those percentage allocations, compounded by additional amendments found in session laws, and some apparent confusion regarding effective dates of those changes. Recent changes would have occurred during a time when the State Racing Commission was operating without an Executive Director, a Chief Financial Officer, or a Chief Pari-Mutuel Officer. It is unclear whether appropriate instructions were ever given to the software programmer to make these changes and whether the current percentage allocations that the software program utilizes accurately reflect current law. Affected allocations could <i>potentially</i> include the following:</p> <ul style="list-style-type: none">• Distributions to the Racing Stabilization Fund ("RSF"). This is the fund that provides for the humane care, maintenance, and adoption of greyhound dogs and to assist efforts to secure alternative employment and retraining opportunities for workers displaced by the abolition of greyhound racing in the Commonwealth in 2010.• Any of the enumerated distributions in M.G.L. c.128A § 5 or in M.G.L. c.128C §§ 4-6 (this would include distributions to the Commonwealth, the various Capital and Promotional Trust Funds, purse accounts, Breeder's Funds, and Tufts Veterinary school.) <p>What we know: Monies have been and continue to be distributed to all of the intended recipients outlined in statute. The Commission continues to make estimated RSF distributions, based on the last payments issued by the Office of Consumer Affairs in 2012. Chapter 128A and 128C distributions are ongoing.</p> <p>Further review needed: Whether the percentages currently utilized by the financial reporting system reflect current law, whether the percentages historically utilized by the financial reporting system accurately reflected the law in effect at the time those distributions were made.</p> <p>SOLUTION: The Racing Division has contracted with an independent auditing firm to conduct a review.</p> |
|--------------------|--|



Division of Racing

Massachusetts Gaming Commission Horse Racing Forum

October 16, 2013

Part 1 – The Racing Industry at the National Level

9:30 **Welcome/Introduction** Jennifer Durenberger, Director of Racing

9:35 **State of the Thoroughbred Industry** Matt Iuliano, Executive Vice President & Executive Director, The Jockey Club

The Jockey Club is the breed registry for all Thoroughbred horses in North America. As such, it is responsible for maintaining *The American Stud Book*, which includes all Thoroughbreds foaled in the United States, Canada and Puerto Rico as well as Thoroughbreds imported into those countries from nations around the world that maintain similar Thoroughbred registries.

The organization is dedicated to the improvement of Thoroughbred breeding and racing, and it fulfills that mandate by serving many segments of the industry through its wholly owned subsidiaries, strategic partnerships and charitable foundations by providing support to a wide range of industry initiatives, including several focused on the safety of both horse and rider.

10:10 **State of the Standardbred Industry** Mike Tanner, Executive Vice President, United States Trotting Association

The U.S. Trotting Association is a not-for-profit association of Standardbred owners, breeders, drivers, trainers, and officials, organized to provide administrative, rulemaking, licensing and breed registry services to its members.

Our mission is to:

- License owners, trainers, drivers and officials
- Formulate the rules of racing
- Maintain and disseminate racing information and records
- Serve as the registry for the Standardbred breed
- Endeavor to ensure the integrity of harness racing.
- Insist on the humane treatment of Standardbreds
- Promote the sport of harness racing and the Standardbred breed

10:40 **Question and Answer Session**

11:00 **Break**



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11:15 **The Federal Perspective** Alex Waldrop, President and CEO, National Thoroughbred Racing Association

Launched in 1998, the National Thoroughbred Racing Association (NTRA) is a not-for-profit, membership-based trade association for the Thoroughbred racing and breeding industry. NTRA membership is broadly defined and consists of leading Thoroughbred racetracks, owners, breeders, trainers, horseplayers, veterinarians, jockeys, wagering service providers, and affiliated horse racing associations. The NTRA is charged with increasing the popularity of horse racing and improving the economic conditions for industry participants.

The National Thoroughbred Racing Association uses political advocacy in Washington, D.C. to protect and grow the horseracing and breeding industries. As a 501(c) (6) membership organization and trade association, the NTRA lobbies and raises Political Action Committee funds through Horse PAC to help federal candidates who understand our industry's issues. The Alpine Group, a Washington, D.C.-based lobbying firm, and the American Horse Council, representing more than 130 equine breeds, assist the NTRA in its advocacy efforts.

Potential topics:

- Congressional interest in regulating horse racing
- Efforts to clarify the calculation of pari-mutuel "winnings" for federal tax purposes
- Proposed federal legislation pertaining to internet gaming and its potential effects on horse racing, simulcasting, and pari-mutuel wagering

11:45 **Question and Answer Session**

12:00 Lunch

Part 2 – The Racing Industry at the Local Level

1:00 **Welcome/Introduction** Jennifer Durenberger, Director of Racing

1:15 **Key Policy Discussions - Commission**

Moderator: Director Durenberger

Panelist invitees: Representatives from local stakeholders; TBD

A. *Race Horse Development Fund*

- Horse Racing Committee timeline for recommendation on percentage allocation of monies to the thoroughbred and standardbred industries
- Administration of Fund: timing/installments/mechanisms
 - Regulations needed to administer the Fund
 - Effects of those determinations on the industry
- What happens to monies if one (or both) classes of licensee are not operating for a period of time?



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- B. *Timing of the Award of Commission Licenses (racing and gaming) – practical effects on the horse racing industry in Massachusetts for 2014*
- C. *Who is the entity? Live racing requirements of potential gaming licensees in sections 19 and 20 of c.23K in the face of a changed applicant landscape.*
- D. *What happens to purse monies in the event of a dark year? The meaning of “payment of purses to horse owners in accordance with the rules and established customs of conducting horse racing meetings” found in c.128A(5) and c.128C(2).*

2:45 **Break**

3:00 **Resume Policy Discussions**

Additional questions TBD

4:45 **Closing Remarks**



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Division of Racing

To: Commissioners
From: Jennifer Durenberger, Director of Racing *JD*
Date: 3 October, 2013
Re: Telephone Account Wagering Audit - Summary

Commissioners:

M.G.L. c. 128A §5C authorizes “each person licensed to conduct a running horse, harness horse or dog racing meeting... [to] establish and maintain betting accounts with individuals for use in connection with account wagering on races offered by the licensee, as the licensee is otherwise authorized to accept in accordance with this chapter and chapter 128C, including those fees, payments, commissions and premiums.” This provision further requires the Commission to conduct annual audits “with respect to all monies attributable to account wagers.”

In April of this year, the Commission contracted with an independent auditing firm to conduct said audit with respect to the telephone account wagering system in use at Plainridge Racecourse, 1-866-WIN-LINE (“Win Line”), and that utilized by Raynham Park, Dial2Bet. The former is wholly operated by Plainridge Racecourse, the latter is operated through a contract between Raynham Park and a third-party service provider, U.S. Off-Track. At Raynham Park, applicants open and maintain the account in person at the track, but all wagers are placed with and operated by the third-party service provider. Accounts and activities were examined for compliance with M.G.L. c.128A and 200A, federal tax reporting and withholding procedures, and 205 CMR 6.20 – 6.28 (regulations pertaining to account wagering systems).

The final reports on applying agreed-upon procedures have been issued by the independent auditor, along with a final report on observations and recommendations relative to existing statutory language and accompanying regulations relative to account wagering. Copies of each report accompany this memo.



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The Racing Division has learned the following as a result of these investigations:

With regard to the Plainridge Racecourse WinLine system,

- several exceptions were noted to the account set-up procedures for those 25 accounts opened during calendar year 2012 and selected for verification;
- one minor exception was noted in the account maintenance procedures during those 25 days with account activities selected for verification; and
- one anomaly was noted in the account disposition procedures applied to the one account that was identified as closed during calendar year 2012.

With regard to the Raynham Park Dial2Bet system,

- several exceptions were noted to the account set-up procedures for those 25 accounts opened during calendar year 2012 and selected for verification; and
- no records of account deposits or withdrawals were maintained by Raynham Park, so review of account maintenance procedures could not be performed.

With regard to the independent auditor's observations of the Commission's existing regulatory structure, the following recommendations were noted:

- The Commission could examine the annual audit requirement found in M.G.L. c.128A §5C in order to give consideration to the requirement's appropriate objectives, timeframes, and burden-shifting.
- The Commission could issue guidance to licensees regarding compliance with M.G.L. c.200A: Disposition of Unclaimed Property.
- The Commission could consider revising 205 CMR 6.20 to require third-party service providers to submit an examination of internal controls in accordance with the American Institute of Certified Public Accountants Attestation Standards Section 801 and the resultant "Type II Report" as a condition of licensure.
- The Commission could consider revising 205 CMR 6.20 to streamline its account wagering system authorization process.
- The Commission could consider clarification regarding acceptable forms of and media for accepting deposits for accounts, given an apparent conflict between M.G.L. c.128A §5C and 205 CMR 6.24.
- The Commission could consider adding electronic verification procedures and additional clarification to its regulations regarding account set-up procedures found in 205 CMR 6.23.



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- The Commission could consider amending 205 CMR 6.26 for internal consistency regarding timeliness of withdrawal payments.
- The Commission could consider clarification language for 205 CMR 6.27 with regard to records maintenance.

Summary

The Racing Division's summary of these results is as follows: many of the exceptions to account set-up and maintenance procedures appear to be attributable to existing licensee business practices. We will be working with legal to issue guidance in some of the relevant areas identified above, and likely will be requesting additional information pertaining to internal controls and standard operating procedures regarding account wagering activities conducted by licensees. We note that additional information regarding account wagering activity is required as part of this year's application to hold or conduct live racing.

Additionally, the existing account wagering regulatory structure – both M.G.L. c.128A §5C and its accompanying regulations – is ripe for revision. We note that the account wagering business model, like much of our pari-mutuel industry, has significantly evolved since the passage of the authorizing statutory provision in Massachusetts. In anticipation of some of the independent auditor's observations and recommendations, the Racing Division completed a preliminary draft of proposed changes to its pari-mutuel and simulcasting regulations this summer. We have been waiting to incorporate recommendations received as a result of these investigations before bringing those before the Commission for consideration, and are on a timeline to present a finalized version to you in early December. We note that appropriate revision will require a two-step process: 1) immediate amendments to existing regulations in those areas indicated above (and others which we have identified), and 2) future recommendations for statutory change, accompanied by regulations for implementation of that change.



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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

September 12, 2013

The Commissioners and Management
Massachusetts Gaming Commission:

We have performed procedures related to the operation of the Win Line telephone wagering system (Win Line) at Plainridge Racecourse (Plainridge) and the Dial2Bet telephone wagering system (Dial2Bet) at Raynham Taunton Greyhound Park (Raynham) for the year ended December 31, 2012, as enumerated in our agreed-upon procedures reports dated August 23, 2013, and August 21, 2013, respectively. These procedures were agreed to by Massachusetts Gaming Commission (Commission) management and were performed by us solely to assist you in evaluating the operation of the Win Line and Dial2Bet telephone wagering systems. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of the Commission. Consequently, we make no representation regarding the sufficiency of the procedures performed either for the purpose for which this report has been requested or for any other purpose.

As part of our planning to perform the procedures agreed to by Commission management, we reviewed Massachusetts General Law (MGL) Chapter 128A, Section 5C, *Account wagering system; betting accounts; licensee's duties; penalties*; and Section 205 CMR 6.20 through 6.28 from the Commission's Racing Regulations pertaining to account wagering. Based on our review of these laws and regulations and the results of our agreed-upon procedures, we have the following observations:

Annual Audit Requirement

Section 5C of MGL Chapter 128A states that the Commission shall conduct annual audits of each racing meeting licensee within 90 days of the end of each calendar year with respect to all monies attributable to account wagers, and the findings from such audits shall be reported to the House and Senate Chairs of the Joint Committee on Government Regulations within 30 days of the completion of the audits. The term "audit" appears to be used generically in Section 5C; however, such term has specific meaning in the context of professional standards promulgated by the AICPA. For example, in terms of AICPA professional standards, the agreed-upon procedures we performed on behalf of the Commission does not constitute an "audit". While incorporating the term "audit" generically in MGL Chapter 128A may be appropriate, we suggest the Commission consider its objectives for having such an "audit" performed to more precisely identify the subject matter that should be subject to "audit" and the level of assurance to be gained on such subject matter through the "audit". Once a specific type of audit or attestation engagement and related subject matter is defined, we suggest the Commission consider whether the completion of such engagements within 90 days is reasonable or whether a longer timeframe should be provided. Additionally, the Commission could consider making the



The Commissioners and Management
Massachusetts Gaming Commission
September 12, 2013
Page 2 of 6

performance of such an audit the responsibility of the individual licensees as part of the independent audit of their annual financial statements. This would remove the cost and effort of performing such audits from the Commission and may facilitate the timeliness of their completion.

Identification of Dormant Accounts

Both Section 5C of MGL Chapter 128A and Section 6.28 of the Commission's Racing Regulations stipulate that any account that is inactive for a period of three years shall be presumed to be abandoned, and the balance in such account shall be paid to the Commonwealth via the State Treasurer under provisions of MGL Chapter 200A. Despite these provisions, in our performance of the agreed-upon procedures referred to above, we noted that neither Plainridge nor Raynham had identified dormant accounts prior to the commencement of our procedures. It would appear that Section 5C and the Commission's Racing Regulations are sufficiently clear regarding a licensee's responsibility regarding dormant accounts; however, we suggest the Commission consider issuing a communication to licensees that operate wagering accounts reiterating such responsibilities. Such communication could include a plain-language synopsis of how the requirements of MGL Chapter 200A apply to the operation of wagering accounts with any helpful clarifications, for example, how the three-year dormant period is to be measured and the nature of any required communications to be made to the account holder prior to declaring the account to be dormant, to mitigate the risk of the licensees' misinterpreting the law.

Use of Third-Party Service Providers

Section 6.20 of the Commission's Racing Regulations states that licensees may utilize third-party service providers that are authorized and licensed by the Commission in offering a system of account wagering to its patrons. Such section goes on to note that any and all agreements between the service provider and the licensee regarding the services to be provided by the service provider to the licensee in respect to the licensee's account wagering operations will be given to the Commission. We suggest that the Commission consider amending this regulation to stipulate that the licensee's agreement with the service provider shall require the service provider to have an examination of its internal controls relevant to the services provided to the licensee performed in accordance with AICPA Attestation Standards Section 801 (AT 801), *Reporting on Controls at a Service Organization*. We suggest the Commission consider requiring such examination to result in a "Type 2 report" in which the independent service auditor provides an opinion on whether, in all material respects:

- i. Management's description of the service organization's system fairly presents the service organization's system that was designed and implemented throughout the specified period.
- ii. The controls related to the control objectives stated in management's description of the service organization's system were suitably designed to provide reasonable assurance that



The Commissioners and Management
Massachusetts Gaming Commission
September 12, 2013
Page 3 of 6

those control objectives would be achieved if the controls operated effectively throughout the specified period.

- iii. The controls the service auditor tested, which were those necessary to provide reasonable assurance that the control objectives stated in management's description of the service organization's system were achieved, operated effectively throughout the specified period.

The regulation also could stipulate that such report be provided by the licensee to the Commission annually for the Commission to consider in continuing to license such service provider.

Annual Authorization to Operate a System of Account Wagering

Section 6.20 of the Commission's Racing Regulations requires that licensees annually request authorization from the Commission before a system of account wagering is offered. We suggest the Commission consider modifying this regulation to indicate that the Commission must authorize the initial operation of a system of account wagering and specify grounds under which the Commission has the right to terminate such authorization. Affirmative annual authorization to operate a system of wagering accounts could be a perfunctory exercise creating additional administrative cost and effort for the Commission and for the licensees in situations where there is no evidence of mismanagement. The annual audit process would appear to provide a more substantial and timely mechanism for the Commission to suspend or terminate a licensee's authorization to operate an account program than an annual authorization process.

Acceptable Forms of Deposit

Section 5C of MGL Chapter 128A states that an individual who has established a betting account with a licensee may deposit money into said account through the use of a credit card or debit card issued by a federal or state-chartered bank. Through our agreed-upon procedures, we noted that both Plainridge and Raynham accept deposits on account made through credit and debit cards. However, we noted that Section 6.24 of the Commission's Racing Regulations specifically states that no deposits may be made by credit or debit card. We suggest that the Commission assess this apparent inconsistency and make modifications to the law or its Racing Regulations as deemed appropriate. Should the Commission decide to modify its Racing Regulations to accept credit card and debit card deposits, we also suggest that the Commission conform the media through which such deposits may be accepted (e.g., phone, internet, or other telecommunications media as stated in Section 5C).



The Commissioners and Management
Massachusetts Gaming Commission
September 12, 2013
Page 4 of 6

Collection and Maintenance of Account Applicant Information

Section 6.23 of the Commission's Racing Regulations states that the following minimum information must be collected for all account holders:

- Full legal name
- Physical address of the principal residence
- Mailing address of the applicant, if different from above
- Telephone number
- Date of birth
- Social Security number or federal identification number
- Date
- Signature

Section 6.23 goes on to state that applications may be accepted in person, by mail, by telephone, or other electronic media. For applications accepted by phone or other electronic media, the licensee is required to electronically verify key items of information (e.g., name, date of birth, Social Security number). For applications received by mail, a photocopy of the applicant's driver's license, or other photo ID that includes a signature must be provided.

Based on the above stipulations, it would appear that there is no explicit requirement that licensees perform any verification or obtain evidence of an applicant's key information including date of birth, physical address, and social security number for applications received in person or by mail. We suggest that the Commission consider requiring electronic verification procedures similar to those required for phone and other electronic media for applications received in person or by mail, or in lieu of electronic verification, requiring collection of evidence verifying the key pieces of applicant information (e.g., utility bills to verify physical address, driver's license, or birth certificate to verify date of birth and social security card to validate social security number).

Additionally, while the regulation stipulates what information is required to be collected, it does not specify what applicant information is required to be retained and how long such information should be retained. We suggest that the Commission consider requiring the original application, evidence used to verify applicant information, and evidence of the initial account deposit be retained until the related account is closed. Retention of such information and verifying evidence will create an audit trail should questions or issues arise during the maintenance of the account.



The Commissioners and Management
Massachusetts Gaming Commission
September 12, 2013
Page 5 of 6

The Commission also may consider limiting the signature requirement to applications received in person or by mail as is the case for withdrawal requests in Section 6.26 of the Commission's Racing Regulations.

Timeliness of Withdrawal Payments

Section 6.26 of the Commission's Racing Regulations states that in the event of a withdrawal request received by mail, assuming sufficient funds, the licensee will send a check to the account holder within five business days of receipt. However, there is no such timeliness requirement for withdrawal requests received by phone or other electronic media. We suggest the Commission consider modifying the regulation to apply the five-day payment requirement to all forms of withdrawal requests.

Maintenance of Records

Section 6.27 of the Commission's Racing Regulations states that the licensee must maintain complete records of every deposit, withdrawal, wager, and winning payoff for each account. What constitutes acceptable records to comply with the regulation, however, is unclear. For example, through our agreed-upon procedures at Raynham, we noted that deposits and withdrawals related to an individual account could be identified through Raynham's AmTote wagering system and reported through the Account Activity Report. However, Raynham did not maintain evidence of the deposits or withdrawals (e.g., validated deposit slips or withdrawal request forms) readily on file. We suggest the Commission consider specifying the nature of records and level of evidence to be maintained for deposits, withdrawals, wagers, and winnings related to wagering accounts as part of its Racing Regulations. We also suggest the Commission consider specifying the length of time such records and evidence are required to be retained. More extensive record retention would facilitate the resolution of disputes between the licensee and patrons and would provide a more detailed audit trail should it be necessary for investigative purposes. Such benefits, however, should be weighed against the cost to the licensees of retaining such information. More extensive retention requirements may be more appropriate for transactions initiated or executed outside of the licensee's tote system (e.g., deposits, withdrawals, telephone, or electronic wagers).

* * * * *

The procedures we performed as part of our engagement with the Commission were limited to those that were agreed upon by the Commission. Therefore, they may not bring to light all potential improvements in the Commission's regulations that may exist. We aim, however, to use our knowledge of the Commission's regulations and the account wagering programs in place at Plainridge and Raynham gained during our work to make comments and suggestions that we hope will be useful to you. We would be pleased to discuss these comments and suggestions with you at any time.



The Commissioners and Management
Massachusetts Gaming Commission
September 12, 2013
Page 6 of 6

This communication is intended solely for the information and use of the Commissioners and management of the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



MASSACHUSETTS GAMING COMMISSION

**Independent Accountants' Report
on Applying Agreed-Upon Procedures
at Plainridge Racecourse**

December 31, 2012



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Accountants' Report on Applying Agreed-Upon Procedures

The Commissioners and Management
Massachusetts Gaming Commission:

We have performed the procedures enumerated below, which were agreed to by management of the Massachusetts Gaming Commission (the Commission), solely to assist you in evaluating the operation of the Win Line telephone wagering system (Win Line) at Plainridge Racecourse (Plainridge) for the year ended December 31, 2012. Plainridge management is responsible for the operation of the Win Line system. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Commission. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Account set-up

1. Selected 25 Win Line accounts established during the year ended December 31, 2012, identified from reports provided by Plainridge management, and for each account performed the following:
 - a. Obtained initial application and verified it was complete and signed and dated by the applicant.
 - b. Verified initial application was signed and dated by a Track Customer Service employee evidencing approval.
 - c. Determined whether a signed photo copy of the applicant's State Driver's License, Passport, Military Service Card, or State ID was on file with the application.
 - d. Determined whether a copy of the applicant's social security card was on file with the application and verified that the applicant information from the social security card was in agreement with information recorded in the United Tote System.
 - e. Verified that the applicant was 18 years of age or older based on evidence of the applicant's identification on file.
 - f. Verified the dollar amount of the initial deposit per the United Tote Report titled "Account Detail - All Transactions" agreed with the deposit amount on a copy of the Plainridge Deposit Slip and/or the Cage copy of the Deposit Record from Global Cash Access Holdings, Inc. (GSA) on file evidencing the deposit and that the initial deposit was at least \$25.



No exceptions were noted for this procedure other than the following:

- For 1 account, the application was dated and signed by the applicant and Plainridge after the account was established on the United Tote System. The time between the establishment of the account and the date of the application on file was 27 days.
- For 5 accounts, the address of the account holder per the driver's license maintained on file did not agree with the home address listed in the application or the address in the United Tote System. The address maintained on the United Tote System reflected the mailing address requested by the account holder as evidenced on the application.
- For 10 accounts, a copy of the applicant's social security card was not maintained on file.
- For 3 accounts, a Medicaid card was used in lieu of a social security card to provide evidence of the applicant's social security number.
- For 10 accounts, there was no Plainridge Deposit Slip or Cage copy of the Deposit Record from GSA to evidence the initial deposit made upon the establishment of the account. For 6 of those accounts, the Win Line Manager noted on the application that cash was received with the application and initialed such notation.
- For 1 account, the initial deposit made upon the establishment the account was \$20 instead of the required minimum \$25 deposit.
- Plainridge management could not provide the underlying file for 1 account. Plainridge management has represented the account was closed for suspicious activity, and the file was forwarded to the local police for investigation.

Account maintenance

2. Selected 25 days during the year ended December 31, 2012 and obtained the United Tote System report titled "Account Activity" for each day selected. Performed the following procedures based on the information in the Account Activity report from the selected days:
 - a. Selected 15 deposits to Win Line accounts and verified that the deposit amount per the Account Activity report agreed to a copy of the Plainridge Deposit Slip and/or the Cage copy of the Deposit Record from GSA on file evidencing the deposit. In the case of deposits made through a pari-mutuel teller terminal that do not result in a deposit slip, we agreed the deposit amount to the United Tote Account Transaction Log that identifies the source of the deposit.

No exceptions were noted.
 - b. Selected 25 withdrawals from Win Line accounts and verified that the withdrawal amount per the Account Activity report agreed to a copy of the Plainridge Withdrawal Slip on file evidencing the withdrawal, and that the Plainridge Withdrawal Slip was signed by the customer and initialed by the teller executing the withdrawal.

No exceptions were noted. In three cases, the account withdrawal was initiated by phone. In these cases, in lieu of evidence of a customer signature on the Plainridge Withdrawal Slip, we listened to electronic voice recordings of the withdrawal instructions and agreed the details of such instructions to the Plainridge Withdrawal Slip initialed by the Win Line Manager without exception.



- c. Selected 25 daily winnings for an individual account in excess of \$600, obtained the United Tote Account Detail report for each selection, and:
- i. Agreed the total daily winnings and wagers to the Account Activity report.
 - ii. Selected one individual winning wager from the selected day, and:
 1. Listened to the electronic voice recording of the wager to determine that the details of the wager were confirmed by the Win Line Clerk and were accurately reflected on the United Tote System;
 2. Agreed the details of the winning wager to the results posted by a third party reporting service;
 3. Verified the mathematical accuracy of winnings posted to the account holder's account;
 4. If winnings on the wager were in excess of \$600, verified the details on Form W-2G retained on file were accurate and complete; and
 5. Determined federal taxes were properly withheld, if applicable.

No exceptions were noted related to item (i). For item (ii), 4 of the wagers were placed at self-service terminals (Tiny Tims) instead of by phone. Accordingly, there were no electronic voice recordings of these wagers. For the remaining 21 wagers selected for which electronic voice recordings were made, we noted the following:

- For 2 wagers, the account holder did not specify, and the Win Line operator did not confirm, the race number for which the wager was being placed. The operator applied the wager to the next race to be run at the specified track.

No exceptions were noted on the remaining procedures performed as part of item (ii).

Account Disposition

3. For all Win Line accounts formally closed during the year ended December 31, 2012, as identified by management, verified that evidence supporting the closure of the account and the return of any amounts remaining on account was on file.

Based on reports provided by and inquiries made of Plainridge management, only one Win Line account was identified by management as being formally closed during the year ended December 31, 2012. As noted in procedure 1 above, this account was closed for suspicious activity, and the file was forwarded to the local police for investigation, therefore, evidence supporting the closure of the account could not be reviewed.

4. For all Win Line accounts identified by management as dormant accounts, as considered under applicable Massachusetts General Law (MGL), during the year ended December 31, 2012, verified that the account was properly determined to be dormant and that any amounts on account at the time of identification were remitted to the State Treasurer as abandoned property in accordance with applicable MGL.



Based on inquiries with Plainridge management, Plainridge did not identify accounts that may have become dormant during the year ended December 31, 2012, and, therefore, no amounts were remitted to the State Treasurer as abandoned property.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on Plainridge's operation of the Win Line system. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commissioners and management of the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Boston, Massachusetts
September 4, 2013



MASSACHUSETTS GAMING COMMISSION

**Independent Accountants' Report
on Applying Agreed-Upon Procedures
at Raynham Taunton Greyhound Park**

December 31, 2012



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Accountants' Report on Applying Agreed-Upon Procedures

The Commissioners and Management
Massachusetts Gaming Commission:

We have performed the procedures enumerated below, which were agreed to by management of the Massachusetts Gaming Commission (the Commission), solely to assist you in evaluating the operation of the Dial2Bet telephone wagering system (Dial2Bet) at Raynham Taunton Greyhound Park (the Park) for the year ended December 31, 2012. The Park's management is responsible for the operation of the Dial2Bet system. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Commission. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Account set-up

1. Selected 25 Dial2Bet accounts established during the year ended December 31, 2012, identified from reports provided by Park management and for each account performed the following:
 - a. Obtained initial application and verified it was complete and signed and dated by the applicant.
 - b. Determined whether a signed photo copy of the applicant's State Drivers License, Passport, Military Service Card, or State ID was on file with the application.
 - c. Determined whether a copy of the applicant's social security card was on file with the application.
 - d. Verified that the applicant was 18 years of age or older based on evidence of the applicant's identification on file, or if such identification was not present, based on the date of birth listed on the application.
 - e. Verified that a copy of a blank W-2G form signed by the applicant was on file with the application.
 - f. Verified the dollar amount indicated on the copy of the Dial2Bet Deposit Slip on file evidencing the initial deposit to the applicant's account agreed with the deposit amount within the Park's AmTote Wagering System (Tote System) and that the initial deposit was at least \$25.



No exceptions were noted through the performance of these procedures other than the following:

- For 10 accounts, a signed copy of one of the forms of identification listed in item b above was not maintained on file. Per discussion with Park management, as part of their application policies, evidence of identification is inspected, but is not maintained on file, if the account holder submits an application in person at the Park.
- For 23 accounts, a copy of the applicant's social security card was not maintained on file.
- For 2 accounts, the application on file was signed and dated after the establishment of the account. The time between the establishment of the account and the date of the application on file was 28 days and 254 days, respectively. Per discussion with Park management, the original application was damaged and the customer completed a second application to be maintained on file. This resulted in a time difference between the date the account was established and the date of the application present in the file.
- For 1 account, the application maintained on file did not contain a signature.
- For 1 account, a pro-forma W-2G tax form was not maintained on file.
- No deposit slips evidencing the initial deposits made by applicants were maintained on file. Based on information obtained from the Park's Tote System, all initial deposits were at least \$25.

Account maintenance

2. For each of the 25 Dial2Bet accounts selected in procedure 1 above, we performed the following procedures based on account history information obtained from reports generated by the Park's Tote System:

- a. Selected one deposit into the account made during the year ended December 31, 2012, subsequent to the initial deposit made to establish the account, if any, and verified that the amount indicated on the copy of the Dial2Bet Deposit Slip on file evidencing the deposit agreed to the deposit amount within the Park's Tote System.

Of the 25 Dial2Bet accounts selected in procedure 1, 19 accounts had deposits made during the year ended December 31, 2012, subsequent to the initial account deposit. Based on inquiries of Park management, no Dial2Bet Deposit Slips supporting the deposits made to Dial2Bet accounts during the fiscal year ended December 31, 2012, were maintained by the Park, therefore, this procedure could not be performed.

- b. Selected one withdrawal from the account made during the year ended December 31, 2012, if any, and verified that the amount indicated on the copy of the Dial2Bet Withdrawal Slip on file evidencing the withdrawal agreed to the withdrawal amount within the Park's Tote System.

Of the 25 Dial2Bet accounts selected in procedure 1, 11 accounts had a withdrawal made during the year ended December 31, 2012. Based on inquiries of Park management, no Dial2Bet Withdrawal Slips supporting the withdrawals made from Dial2Bet accounts during the fiscal year ended December 31, 2012, were maintained by the Park, therefore, this procedure could not be performed.

- c. Selected one date when the account showed aggregate winnings in excess of \$600, if any, and obtained the Off-Track Account IRS/IRW report for that specific date to determine if the patron had winnings in excess of \$600 on an individual bet. If the patron had winnings on an



individual bet in excess of \$600, verified that a W-2G form was prepared for federal and state reporting requirements.

Of the 25 Dial2Bet accounts selected in procedure 1, 7 accounts had dates with aggregate winnings in excess of \$600 during the year ended December 31, 2012. None of the dates identified with aggregate winnings over \$600 included individual wagers resulting in winnings in excess of \$600.

Account Disposition

3. For all Dial2Bet accounts formally closed during the year ended December 31, 2012, as identified by Park management, verified that evidence supporting the closure of the account and the return of any amounts remaining on account was on file.

Based on reports provided by and inquiries made of Park management, there were no Dial2Bet accounts identified as being formally closed during the year ended December 31, 2012.

4. For all Dial2Bet accounts identified by management as dormant accounts as considered under applicable Massachusetts General Law (MGL) during the year ended December 31, 2012, verified that the account was properly determined to be dormant and that any amounts on account at the time of identification were remitted to the State Treasurer as abandoned property in accordance with applicable MGL.

Based on inquiries with Park management, the Park did not identify accounts that may have become dormant during the year ended December 31, 2012, and, therefore, no amounts were remitted to the State Treasurer as abandoned property.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Park's operation of the Dial2Bet system. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commissioners and management of the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Boston, Massachusetts
August 21, 2013

THE COMMONWEALTH OF MASSACHUSETTS

Deval L. Patrick, Governor
Timothy P. Murray, Lieutenant Governor

MASSACHUSETTS GAMING COMMISSION

Stephen Crosby, Chairman,
Gayle Cameron, Commissioner
James McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

SEVENTY-SEVENTH ANNUAL REPORT

**YEAR ENDING
DECEMBER 31, 2012**

TABLE OF CONTENTS

INTRODUCTION.....3

ADMINISTRATIVE OFFICE.....5

LICENSING.....6

INSPECTORS.....7

AUDITORS.....8

MASSACHUSETTS STATE POLICE INVESTIGATIVE UNIT.....9

LABORATORY.....12

VETERINARIANS.....14

STEWARDS/JUDGES.....15

RACING FINANCIALS.....17

RACING COMMISSION BUSINESS.....24

RACETRACKS.....30

LABORATORY ANNUAL REPORT.....52

CONTACT INFORMATION.....55

INTRODUCTION

The Mission Statement of the Massachusetts Gaming Commission is to create a fair, transparent and participatory process for implementing the expanded gaming law passed in November 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

The Massachusetts State Racing Commission ("SRC") was a predecessor agency created by an act of the General Court in 1934. The State Racing Commission, pursuant to Chapter 4 of the Acts of 2009, had been transferred to the Division of Professional Licensure, on January 1, 2010. Effective May 20, 2012, all State Racing Commission functions were further transferred to the Massachusetts Gaming Commission, pursuant to Section 89 of Chapter 194 of the Acts of 2011.

To ensure fair and honest pari-mutuel racing, the Commission promulgates and enforces rules and regulations, proposes legislation, and develops policies to better regulate the racing industry. Further, it is responsible for ensuring the legitimate performance of all racing animals, the well-being and safety of racing's participants and the integrity of pari-mutuel wagering.

RACING OPERATIONS, prior to May 20, 2012

In 2012, the State Racing Commission regulated one thoroughbred track at Suffolk Downs, one harness track at Plainridge and two simulcasting licensees. One simulcasting facility is located at the former greyhound track in Raynham/Taunton.¹ The other is currently operating under agreement at Suffolk Downs. As a result of Chapter 388 of the Acts of 2008, live racing of greyhounds ceased at the conclusion of 2009. Simulcasting and betting on greyhound races outside of the Commonwealth is still being conducted.

The day-to-day operations and general administration of the SRC, including all administrative functions and actions not expressly required by statute or regulation to be carried out by the SRC itself, were at the direction and under the

¹ Raynham/Taunton is also referred to as Massasoit Greyhound Association.

MASSACHUSETTS GAMING COMMISSION

control of the Director of the Division of Professional Licensure, under the supervision of an executive director, appointed by the Director of the Division of Professional Licensure with the approval of the Director of Consumer Affairs and Business Regulation. This included, but was not limited to, all budgetary and personnel activities for the agency. These efforts were supported by the following operating sections of the Commission: Administrative Office, Racing Commission Inspectors, Accountants, Laboratory Personnel, Veterinarians, Judges/Stewards and State Police Investigators. This report reviews each of these areas and the business they conduct.

RACING OPERATIONS, May 20 – December 31, 2012

On May 20, 2012, the Massachusetts Gaming Commission entered into an Inter-departmental Service Agreement with the Division of Professional Licensure (ISA) to continue all racing financial and operational activities. This ISA continued in full force and effect through December 31, 2012.

RACING OPERATIONS, subsequent to December 31, 2012

The Racing Division of the Massachusetts Gaming Commission assumed control of the fiscal and operational activities of the old State Racing Commission upon the expiration of the ISA with the Division of Professional Licensure.

STATE RACING COMMISSION

ADMINISTRATIVE OFFICE

Acting Director of Racing and Chief State Veterinarian

Alexandra Lightbown, D.V.M.

Acting Financial Officer and Transition Coordinator

Douglas A. O'Donnell

Auditor III

Marta M. Ferreira

Program Coordinator II

John E. Hill, Jr.

LICENSING

One of the Commission's foremost responsibilities is the issuance of occupational licenses to every person who participates in racing, and the issuance of licenses to associations who operate the Commonwealth's racetracks and simulcast facilities.

3,137 APPLICATIONS FOR LICENSURE PROCESSED IN 2012

The licensing process requires that every person who participates in racing complete an application, and that all questions must be answered truthfully. The application is reviewed for completeness by Commission Inspectors who then forward the application to the Massachusetts State Police Racing Commission Unit, who conduct a background check of the applicant. Once the background check is completed, the application is sent to the Board of Stewards/Judges at each track. The Board reviews the application and may interview the applicant. The Stewards/Judges determine if the applicant has the required integrity, ability, and the eligibility for the license for which the applicant has applied. The Commission also has access to the Association of Racing Commissioners' International (ARCI) files in Lexington, Kentucky. These files maintain a record of every racing related offense attributed to an applicant anywhere in the country. The Commission provides reciprocity to other jurisdictions and their licensing decisions.

If the Stewards/Judges recommend licensing an applicant, the Inspectors collect the required fee and enter the appropriate information in the Commission's computer network. The applicant is issued a license card that entitles him to a photo identification badge. No person may enter any restricted area of a racetrack without a photo identification badge. During 2012, the Racing Commission issued 3,137 occupational licenses to persons participating in horse racing in the State. Occupations licensed include jockeys, drivers, trainers, assistant trainers, owners of racing animals, blacksmiths, racing officials, vendors, stable employees and pari-mutuel clerks.

2 ASSOCIATION LICENSES ISSUED

Consistent with the Massachusetts General Laws, the Commission held public hearings in the fall of 2011 on applications for two licenses to conduct running horse and harness racing meetings during 2012. Public hearings were held in Boston and Plainville, Massachusetts.

The Racing Commission issued a running horse racing license to Sterling Suffolk Racecourse, LLC, located in East Boston, to conduct thoroughbred racing in

MASSACHUSETTS GAMING COMMISSION

calendar year 2012 at a facility known as Suffolk Downs. The Commission also issued a harness horse racing license to Ourway Realty, LLC, located in Plainville, to conduct standardbred racing in calendar year 2012 at a facility known as Plainridge Racecourse.

In the fall of 2012, the Commission held public hearings on two applications to conduct racing in 2013. Public hearings were held in Boston and Plainville, Massachusetts, resulting in the issuance of a running horse racing license for 2013 to Sterling Suffolk Racecourse and a harness horse racing license for 2013 to Ourway Realty, LLC to be conducted at their respective facilities.

INSPECTORS

Racing Inspectors

George E. Carifio, Racing Inspector II
Jeffrey Bothwell, Racing Inspector II
Richard J. Ford, Racing Inspector II

Racing Inspectors supervise the operation of the Commission's field offices located at Suffolk Downs, Raynham Park, and Plainridge Racecourse. These individuals must possess a thorough knowledge of the rules and regulations of the racing industry, and the ability to interpret them. Additionally, Racing Inspectors maintain a close liaison with the Stewards, Judges, Racing Officials, Track Security, State Police, and the Racing Commission to ensure that operations at each track are efficient and effective.

PROCESS OCCUPATIONAL LICENSES

Inspectors review and process all license applications. In 2012, the Inspectors processed 3,137 applications and collected \$75,660 in license fees and \$9,610 in badge fees. They also collected \$6,750 in fines. Occupational licenses expire annually on December 31.

RESOLVE COMPLAINTS

The Commission Inspector is the most accessible and visible Commission representative at the track. Complaints and disputes are usually initiated with the Inspectors. Complaints and disputes that cannot be resolved at the field level are then reported to the Commission Office for further action.

SUPERVISE TESTING AREA

A State Inspector supervises the testing areas at each track in order to ensure proper collection and continuity of evidence for blood and urine samples obtained from racing animals. Testing Assistants who are employed for each program are trained, scheduled and supervised in their activities by the Inspectors in compliance with established procedures. In 2012, Commission Veterinarians collected 729 blood samples. Commission Testing Assistants collected 1,888 urine samples from horses that participated at Massachusetts racetracks. The samples were tested at the Racing Commission Laboratory for prohibited drugs and medications that could affect the performance of a racing animal. Out of 2,617 samples collected, 6 samples tested positive for prohibited substances. These findings are reported to the Stewards/Judges for appropriate disciplinary action.

AUDITORS

Acting Auditor/Chief Financial Officer

Douglas O'Donnell

Auditors

Marta M. Ferreira, Auditor III
Frank Sclafani, Auditor III

Paul M. Buttner, Auditor II
Robert Hickman, Auditor II
Maryanne M. Regnetta, Auditor II

PARI-MUTUEL OPERATIONS -- COMPLIANCE ENSURED

Pari-mutuel responsibilities include overseeing the proper distribution of the handle. The handle is the total amount of money wagered at each performance and the percentage or take-out of the handle is determined by statute. Proceeds from the handle are distributed to specific categories from purse accounts to Capital and Promotional Trust Funds.

SAFEGUARDS

All money wagered at each racetrack is logged into a cash/sell totalizator (tote) system. At the start of each live race, the Commission Steward/Judge locks the wagers into the computer. For simulcast races, standard industry protocol is

MASSACHUSETTS GAMING COMMISSION

used to stop betting. Printouts from the tote system are audited by the Racing Commission Auditors for accuracy and compliance with current statutes.

DAILY AUDIT

A summary sheet, detailing the breakdown of the statutory take-out is prepared by Commission Auditors for each individual racing performance. For live racing, the information is provided by the on-site tote system. For signal received simulcast races, a report from the host track is faxed to the guest track. This report is used in conjunction with on-track reports to complete the summary sheet. This activity ensures that the public, the Commonwealth, purse accounts, and all designated trust funds are properly funded. The Commission Auditors prepare a handle reconciliation report on a daily basis. This report shows the handle broken down as to live, signal sent and signal received. Further, the balance of all current unclaimed winning tickets and the liquidity of the mutuel department are audited on a daily basis by the Commission Auditors.

ANNUAL AUDIT

Racing Commission Auditors conduct annual audits with the racetracks. An annual audit of the purse accounts is conducted to ensure that appropriate funds are deposited in the appropriate accounts as required by statute and that the funds are used appropriately when withdrawn from the accounts.

MASSACHUSETTS STATE POLICE INVESTIGATIVE UNIT

Sergeant

Michael Scanlan

Troopers

Robert Miller
Winifred Rennie
Joseph Sinkevich

The Commission's goals of protecting racing participants and the wagering public as well as maintaining the public's confidence in pari-mutuel wagering are achieved through the Commission's licensing, revenue collection and

investigative activities. The State Police Investigative Unit plays a vital role in achieving the goals of the Commission.

M.G.L. CHAPTER 128A, SECTION 8

The Racing Commission applies to the Department of Public Safety for an assignment of a complement of police officers. The Commission assigns State Police officers to guard the property and protect the lives and safety of the public and animals at the racing meets at the two race tracks. In the performance of their duties, the State Police Investigative Unit investigates violations of the rules of racing and the Massachusetts General Laws. The Investigative Unit's extensive responsibilities and activities have resulted in a major improvement in the Commission's regulatory/policing functions.

STABLE INSPECTIONS

Stable inspections focus on the detection of safety violations, the presence of unlicensed persons in restricted areas and the possession of illegal medications, drugs and syringes. These inspections are conducted by officers assigned to the State Police Unit and aid in preserving the integrity of racing.

6 POSITIVE DRUG TESTS – 0 CONTROLLED MEDICATION VIOLATIONS

Protecting the integrity of racing involves animals racing free of prohibited drugs and medications. The State Police Investigative Unit is responsible for ensuring that the testing areas where samples are collected are secure and that the continuity of evidence is maintained with all samples. The State Police Unit investigates each positive drug test reported by the Racing Commission Laboratory, and interviews the trainers, veterinarians and other persons responsible. In 2012 there were 6 positive drug tests and 0 controlled medication violations.

26 EJECTIONS - 62 INVESTIGATIONS - 9 ARRESTS

In 2012, the State Police Investigative Unit conducted 62 investigations including hidden ownership of racehorses, larceny, and counterfeit money that resulted in 9 arrests and 26 ejections from Massachusetts racetracks of persons determined to be detrimental to racing.

UNIFORMED STATE POLICE DETAILS

The State Police Investigative Unit oversees and assists the uniformed State Police detail in the test area of the horse tracks. These details are responsible for witnessing the collection of samples, ensuring the continuity of evidence for samples, and transporting samples collected in the testing area to the Racing Commission Laboratory. State Police training ensures the integrity of samples and provides expert testimony at administrative and court proceedings.

SPECIAL INVESTIGATIONS

The State Police Investigative Unit conducted investigations into the background of each individual who was a party to the application for a racetrack license in Massachusetts. The State Police Unit also conducted several special investigations with other agencies and units within the State Police concerning ten per center activity, identity investigations and drug activity.

3,137 BACKGROUND INVESTIGATIONS

The State Police Investigative Unit conducted 3,137 background investigations on Racing Commission employees, racing officials and occupational licensees who participate at Massachusetts racetracks.

THOROUGHBRED-STANDARD BRED RACING

Suffolk Downs and Plainridge Racecourse were required to schedule a minimum of 80 calendar days of live racing in 2012. Previously 100 calendar days of racing were required; the amendment was made in Chapter 230 of the Acts of 2012.

The State Police Unit committed itself to maintain a constant presence at each racetrack, especially during live racing, working closely with the Stewards/Judges and other Commission and racing officials to help ensure that each track operated honestly and credibly.

LABORATORY

Chief State Veterinarian

Alexandra Lightbown, D.V.M.

Chief of Laboratory

Vacant

Senior Chemist

Vacant

Assistant Chemists

Lucille Saccardo – B.S., Animal Science. Chemist II
Melchor S. Layon - A.S., Chemist II

The State Racing Commission Laboratory is an important link in the Racing Commission's effort to ensure that quality racing exists within the Commonwealth. The primary function of the Commission Laboratory is to analyze samples of urine and blood for the presence of any drug that is of such character as could affect the racing condition of the animal. Samples are taken from every winning horse and any other horse(s) designated by Commission officials. A specially trained staff performs testing at facilities located within the State Laboratory Institute in Jamaica Plain.

INTEGRITY OF SAMPLES ENSURED

Special precautions are taken at all Massachusetts racetracks when post-race blood and urine samples are collected to ensure that no tampering can take place. In order to assure the continuity of evidence, every winning horse and all designated horses are under the surveillance of a uniformed State Police officer and/or Racing Commission employee from the finish of the race until the specimens are obtained. Samples are properly identified and transported immediately after the close of each racing day by a uniformed State Police officer to the Commission Laboratory in Jamaica Plain and placed in a locked laboratory locker for analysis the following day.

MASSACHUSETTS GAMING COMMISSION

Racing Commission Laboratory personnel assume responsibility for custody of the samples once the samples are placed in the laboratory locker. To avoid any bias, the chemist identifies the sample by number only. Any positive results are reported directly to the Racing Commission.

1,888 URINE SAMPLES – 729 BLOOD SAMPLES ANALYZED

Despite a heavy workload, the Racing Commission's Laboratory provides high quality results. The Commission Laboratory screened approximately 2,617 biological samples for the presence of illegal drugs and prohibited medications. Many other items confiscated in the course of investigations are also submitted for analysis. These items may include feed preparations, vitamins, liniments, antibiotics, other pharmaceuticals and medical devices such as needles and syringes.

UNIFORM TESTING / SOPHISTICATED INSTRUMENTS

Each blood and urine sample received by the Commission Laboratory is screened by specialized tests to comply with ARCI-QAP guidelines for drug detection. These tests include specific extraction procedures, Thin Layer Chromatography (TLC), and Enzyme-Linked Immunosorbent Assays (ELISA).

Massachusetts allows the use of phenylbutazone ("bute") and furosemide, with conditions, under the direction of the Controlled Medication Program and the Bleeder Medication Program. The Commission Laboratory monitors these two drugs in all equine samples received.

6 DRUG FINDINGS - 0 MEDICATION PROGRAM VIOLATIONS

Upon positive confirmation of a drug finding, the Commission Laboratory contacts the Racing Commission office in Boston, and reports the name of the drug found, track name, date of the race, and the sample identification number. Only at this time does the Racing Commission supply the Commission Laboratory with the race number, animal's name and trainer's name for inclusion in an official report. The report is directed to the State Racing Commission, with a copy to the Racing Commission State Police Investigative Unit and a copy to the respective track Judge or Steward for additional investigation and subsequent prosecution and/or other action.

During 2012, the Racing Commission Laboratory confirmed 6 drug findings and 0 medication program violations

VETERINARIANS

Chief State Veterinarian

Alexandra Lightbown, D.V.M.

Contract Veterinarians

Kristin Esterbrook, D.V.M.
Kevin Lightbown, D.V.M.
Lorraine O'Connor, D.V.M.

The Commission Veterinarians play an indispensable function in ensuring that the quality and integrity of racing within the Commonwealth remains strong by protecting the health and welfare of the equine athletes in Massachusetts.

SUPERVISE THE STATE RACING COMMISSION LABORATORY

The Chief Veterinarian works with the Commission Laboratory to ensure drug testing remains current and of high quality. One method used to test the laboratory is through the use of double blind drug testing.

SUPERVISE EQUINE DRUG TESTING AREA

A Commission Veterinarian supervises the testing areas in order to ensure proper collection and continuity of evidence for blood and urine samples collected from the racing animals.

TESTIFY AT COMMISSION HEARINGS/MEETINGS

Commission Veterinarians testify at hearings on medication use, drug violations, animal care, new policies and procedures, etc.

STEWARDS/JUDGES

Enforcement of the rules and regulations of racing begins with the prosecution of violators by the Board of three Stewards/Judges at the racetrack. One Steward/Judge is appointed by the racetrack and must be approved by the Racing Commission and licensed as a racing official. Two Stewards/Judges are appointed by the Racing Commission.

RESPONSIBILITIES

The Stewards and Judges are responsible for reviewing all occupational license applications and recommending or not recommending the applicant for a license. The Stewards and Judges are present at the racetrack each day on which there is live racing and they oversee everything from drawing of post positions to making official the results of every race. In addition, the Stewards/Judges preside over all hearings conducted at the track and report their rulings and findings to the Racing Commission.

Before post time of the first race, the Stewards/Judges review the daily program of races to note any changes or errors. Changes are reported to each department that might be affected by the change (i.e., mutuels, paddock judges, patrol judges, starters, clerk of the course, clerk of scales, program director and announcer). All changes are also reported promptly to the wagering public.

After observing every live race, both live and on television monitors, the Stewards/Judges mark the order of finish as the horses cross the finish line. They give the first four unofficial finishers to the Mutuel Department, post an inquiry, review an objection and request a photo finish when necessary. If there is an apparent violation of the rules, the Stewards/Judges review the videotape and then make a decision before making the results of the race official.

ENFORCEMENT OF RULES AND REGULATIONS

The most significant responsibility of the Commission is the enforcement of the rules and regulations of racing. It is only as a result of conscientious, consistent and aggressive enforcement of the rules and regulations that we are able to ensure honest racing.

122 RULINGS

If a violation of the rules occurs, the judges notify all the parties involved of a scheduled hearing. After conducting the hearing, the Stewards/Judges

MASSACHUSETTS GAMING COMMISSION

determine if any penalty such as a fine or suspension, purse redistribution, or other sanction should be imposed. Violators are advised of their right of appeal to the Racing Commission. 122 separate rulings were written by the Boards of Stewards/Judges at Massachusetts racetracks in 2012.

APPEALS

The Racing Commission reviews the Stewards/Judges' decisions. If any licensee disagrees with a decision of the Stewards/Judges, they may appeal to the Commission. The Commission affords appellants adjudicatory hearings on the merits of their appeals. If appellants are dissatisfied with the decision of the Racing Commission, they may appeal to the Superior Court of the Commonwealth in accordance with Chapter 30A of the General Laws.

| <u>Hearings</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--------------------------|-------------|-------------|-------------|-------------|
| Board of Judges/Stewards | 134 | 135 | 85 | 122 |
| Racing Commission | 31 | 23 | 12 | 11 |
| <u>Sanctions</u> | | | | |
| Fines | 84 | 78 | 60 | 76 |
| Suspensions | 25 | 44 | 15 | 44 |

MASSACHUSETTS GAMING COMMISSION

RACING FINANCIALS

FISCAL YEAR 2012 -- JULY 1, 2011 TO JUNE 30, 2012

RECEIPTS

| | | |
|------|----------------------------|----------------|
| 0131 | Commission | \$1,634,822.65 |
| 2700 | Fines and Penalties | 5,350.00 |
| 3003 | Association License Fees | 435,900.00 |
| 3004 | Licenses and Registrations | 76,045.00 |
| 4800 | Assessments | 769,757.18 |
| 5009 | Unpaid Tickets | 504,479.65 |
| 6900 | Miscellaneous | 13,389.89 |

TOTAL RECEIPTS: \$3,439,744.37

EXPENDITURES

FISCAL YEAR 2012 APPROPRIATION (7006-0110)

Total Available \$1,600,253.00

EXPENDITURES

| | | |
|----|-------------------------------------|------------------|
| AA | Regular Employee Compensation | 785,939.28 |
| BB | Regular Employee Related Expenses | 6,008.42 |
| CC | Contractor Payroll | 224,680.26 |
| DD | Pension/Insurance, Related Expenses | 20,610.83 |
| EE | Administration Expenses | 45,316.19 |
| FF | Laboratory Supplies | 48,813.94 |
| GG | Rent on Laboratory | 88,999.00 |
| JJ | Operational Services | 77,934.92 |
| LL | Equipment Lease/Maintenance | 10,906.45 |
| UU | Information Technology | <u>19,949.43</u> |

TOTAL EXPENDITURES \$1,329,158.72

REVENUES

\$3,515,255.80 IN REVENUES COLLECTED

In addition to licensing racetracks and participants, the Racing Commission has a primary responsibility to collect revenue in accordance with Chapters 128A and 128C of the General Laws. Each licensed racetrack pays a commission as determined by law in addition to license fees and other assessments. Commission Inspectors collect occupational license fees, badge fees and fines. The State Racing Commission collected \$3,515,255.80 from Massachusetts racetracks in 2012. This figure is \$157,205.51 less than what was collected in 2011. All Commission activities are revenue driven as Commission expenditures come from Commission revenue and are made in a priority order in accordance with Section 5(h) of Chapter 128A. The chart on the following page details the Commission's revenues and expenditures for 2011 and 2012.

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MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION
Racing Development and Oversight Fund
Statement of Program Revenue and Expenses
Calendar years 2012 & 2011

| | <u>2012</u> | <u>2011</u> |
|--|------------------|------------------|
| Program Revenue: | | |
| Commissions | \$ 1,545,691 | \$ 1,494,644 |
| Occupational licenses | 75,660 | 70,605 |
| Assessments | 752,055 | 750,579 |
| Association licenses daily fee | 414,900 | 378,600 |
| Fines | 6,750 | 4,350 |
| Unclaimed tickets ("outs") | 710,590 | 965,312 |
| Total revenue by source | 3,505,646 | 3,664,090 |
| Program Expenses: | | |
| Unclaimed tickets distributed to racetrack purse accounts | 504,480 | 525,674 |
| Unclaimed tickets transferred to Racing Stabilization Fund | 206,110 | 439,638 |
| Local aid (transfer to state) | 1,070,039 | 852,448 |
| Sub total | 1,780,629 | 1,817,760 |
| Available for Racing Commission operations | 1,725,017 | 1,846,330 |
| Racing commission operations (transfer to state) | 1,403,733 | 1,261,232 |
| Racing commission adjustment to expenditures | 226,441 | 1,063 |
| Racing commission operations (direct charges) | 893,466 | 94,153 |
| Total Racing commissions operations | 1,523,640 | 1,356,448 |
| Available for other program costs | 201,377 | 489,882 |
| Other programs costs - | | |
| Health & welfare - stable & backstretch workers, The Eighth Pole | 80,000 | 80,000 |
| Economic assistance program | 20,000 | 20,000 |
| Compulsive gamblers - Dept. of Public Health | 101,377 | 110,000 |
| Total other program costs | 201,377 | 210,000 |
| Available for distributions to racetracks' purse accounts | 0 | 279,882 |
| Distributions to racetrack purse accounts | 0 | 279,882 |
| Fund balance, end of year | \$ 0- | \$ 0- |

MASSACHUSETTS GAMING COMMISSION

**MASSACHUSETTS GAMING COMMISSION
2012 RACING DEVELOPMENT AND OVERSIGHT FUND
COMMENTS**

| Handle and Revenue by track: | Live and On Track | Revenue Collected | |
|-------------------------------------|-----------------------|-------------------------|----------------|
| | <u>Handle</u> | <u>Comm. & Fees</u> | <u>OUTs *</u> |
| Sterling Suffolk Downs | \$ 142,764,361 | \$ 1,206,154 | 356,764 |
| Plainridge Racetrack | 43,803,057 | 575,319 | 147,716 |
| Taunton & Massasoit Dog Tracks | 36,197,994 | 768,991 | 206,110 |
| Wonderland Greyhound Park** | 5,144,691 | 244,592 | 0 |
| Total revenue by track | \$ 227,910,103 | \$ 2,795,056 | 710,590 |

* Unclaimed wagers (“outs”) collected from the horse tracks are distributed to the purse accounts of the licensees that generated the unclaimed wagers. At dog tracks unclaimed wagers are transferred to the Racing Stabilization Fund.

** Wonderland ceased operations August 18, 2010 and reopened on June 2, 2011 at Suffolk Downs.

Local Aid - Transfers to State:

Local aid to host communities is the first priority expenditure of this calendar year program. It is paid quarterly at .35 percent times amounts wagered during the quarter ended six months prior to the payment. Included here as calendar year 2012 program expenses are local aid distributions paid for the quarters ended March, June, September and December 2012.

Operations of the SRC (direct charges):

The following expenses for the operations of the racing commission were charged directly to the Racing and Oversight Development Fund, account 70060001 during calendar year 2012.

| | <u>Direct Charges</u> |
|---|-----------------------|
| Payroll, contract salaries stewards, judges, testing assist and vets. | \$582,758 |
| Administration & Indirect cost assessment, | 67,467 |
| Fringe benefits employee related and insurance | 111,888 |
| State police and courier | 64,500 |
| Laboratory rent & supplies | 50,771 |
| Equipment maintenance | 6,133 |
| Equipment purchases | 2,799 |
| I.T. | 7,149 |
| Total direct charges for operations of the racing commission | \$ 983,465 |

MASSACHUSETTS GAMING COMMISSION

| | STATE RACING CY12 EXPENSES | Budgetary Appropriation | | Direct Charges | |
|-----------|--|-------------------------|-------------------|--------------------|--------------------|
| Sub./ | | REG 70060110 | REG 10500110 ISA | MGC 1050003 ISA | TOTAL CY 12 |
| Object | Component | 1/1/12 to 5/19/12 | 5/20/12/to 6/30/1 | 7/1/12 to 12/31/12 | 1/1/12 to 12/31/12 |
| AA | Regular employee compensation | \$275,821.81 | 116,608.73 | 385,721.52 | 778, |
| A01 | Regular payroll | 276,000.11 | 116,114.71 | 385,238.97 | 777, |
| A07 | Shift differential | 234.44 | 81.28 | 482.55 | |
| A08 | Overtime Pay | | | | |
| A10 | Holiday Pay | (412.74) | 412.74 | | |
| A12 | Sick leave buy back | - | | | |
| A13 | In lieu of vacation | - | | | |
| BB | Regular employee related expenses | 2,034.80 | 1,721.40 | 3,154.80 | 6, |
| B01 | Out of state travel | | | | |
| B02 | In state travel | 1,934.80 | 1,721.40 | 3,154.80 | 6, |
| B05 | Conferences, training & registrations | 100.00 | | | |
| B06 | Memberships, dues & license fees | | | | |
| B10 | Exigent job related expenses | | | | |
| CC | Contractor payroll | 31,341.26 | 68,740.00 | 197,036.25 | 297,117.51 |
| C23 | Contract - Management Consultant/SRC Coordinator | 31,151.26 | 13,845.00 | 44,996.25 | 89,992.51 |
| C29 | Contract payroll: stewards, & judges, testing and vets | 190.00 | 54,895.00 | 152,040.00 | 207,125.00 |
| DD | Pension & insurance | 6,502.34 | 3,595.56 | 108,733.03 | 118,830.93 |
| D09 | Fringe benefit reimbursement (charge back) | 6,502.34 | 3,595.56 | 107,728.03 | |
| D10 | Fidelity bond | | | 1,005.00 | 1,005.00 |

MASSACHUSETTS GAMING COMMISSION

| | | | | | |
|-----------|---|------------------|------------------|------------------|------------------|
| | | - | | | |
| EE | Administrative expenses | 16,039.79 | 10,191.83 | 67,467.20 | |
| E01 | Office and administrative supplies | 610.24 | 1,123.38 | 1,728.25 | 3,461.87 |
| E02 | Print expenses | - | | | |
| E04 | Central reprographic (charge back) | - | | | |
| E05 | Postage (charge back) | 1,110.54 | 555 | | 93,698.82 |
| E12 | Subscriptions and memberships | - | 8,500.00 | | 8,500.00 |
| E13 | Advertising expenses | - | | 418.11 | 418.11 |
| E15 | Bottled water | 153.27 | 13.45 | 78.01 | 244.73 |
| E16 | Indirect cost recoupment | - | | 65,006.33 | 65,006.33 |
| E27 | Prior Year Deficiency | | | | |
| E53 | Liability management reduction fund | - | | 236.5 | 236.50 |
| E56 | IT Consolidation (chargeback) | 13,980.04 | | | |
| E98 | Reimbursement for Board Travel | 185.70 | | | |
| FF | Laboratory supplies | 4,554.99 | 15,295.17 | 2,135.21 | 21,985.37 |
| F05 | Laboratory and testing supplies | 4,554.99 | 15,295.17 | 2,135.21 | 21,985.37 |
| GG | Rent on laboratory | 40,364.00 | | 48,636.00 | 89,000.00 |
| G01 | Rent on laboratory UMMS | 40,364.00 | | 48,636.00 | 89,000.00 |
| JJ | Operational services | 14,820.90 | 8,460.69 | 64,500.45 | 87,782.04 |
| JJ2 | Stenographic and courier services | 18.75 | | 317.91 | 336.66 |
| J25 | Medical procedures (autopsies on animals) | - | | | - |
| J28 | Law enforcement - State Police overtime | 14,802.15 | 8,460.69 | 64,182.54 | 87,445.38 |
| KK | Programmatic Equipment Purchase | 2,798.35 | | | 2,798.35 |
| K05 | Office Equipment | 2,798.35 | | | 2,798.35 |
| | | | | | |

MASSACHUSETTS GAMING COMMISSION

| | | | | | |
|-----|--|-------------------|-------------------|-------------------|------------------------|
| LL | Equipment lease & maintenance | 4,668.00 | | 6,133.41 | 10,801.41 |
| L45 | Office equipment maintenance & repair | - | | | |
| L46 | Photocopy equipment maintenance & repair | - | | 385.41 | 385.41 |
| L49 | Medical equipment maintenance & repair | 4,668.00 | | 5,748.00 | 10,416.00 |
| UU | Information technology | 7,585.07 | 1,827.58 | 7,149.40 | 16,562.05 |
| U02 | Telecommunication services - voice (formerly E08) | 1,708.49 | 455.18 | 1,122.22 | 3,285.89 |
| U03 | Software and info tech licenses | 228.54 | | | 228.54 |
| U04 | Information & technology chargeback | 628.69 | 298.34 | | 927.03 |
| U05 | Information technology professionals | 2,040.00 | | 2,805.00 | 4,845.00 |
| U06 | IT Cabling | 160.49 | | | 160.49 |
| U07 | IT Equipment Purchase | - | | | |
| U08 | Information technology equipment lease and rentals | 2,148.12 | 1,074.06 | 3,222.18 | 6,444.36 |
| U09 | IT equipment maintenance & repair | - | | | |
| U10 | IT Equipment maintenance & Repair | 670.74 | | | 670.74 |
| | Total Spending for SRC Operations | 403,732.96 | 226,440.96 | 893,465.62 | \$ 1,523,639.54 |

RACING COMMISSION BUSINESS

MEETINGS AND HEARINGS

During 2012, the Racing Commission held 4 business meetings at the main Commission Office in Boston or at other designated locations. Each meeting was called in compliance with the provisions of Chapter 372 of the Acts of 1978. As of May 19, 2012, all meetings were conducted by the Massachusetts Gaming Commission in compliance with the Gaming Act of 2011.

In addition, as required by Chapter 128A of the Massachusetts General Laws, the Commission held public hearings in the fall of 2012 on applications for two licenses to conduct running horse or harness racing meetings for calendar year 2013. The hearings were held in Boston and Plainville. The Commission approved the association licenses for Sterling Suffolk Racecourse, LLC, to conduct thoroughbred racing in 2013 and for Ourway Realty, LLC, to conduct harness horse racing in 2013 at their respective facilities.

The Racing Division in 2012 presided over 11 adjudicatory hearings as a result of appeals from rulings of the Stewards and Judges at the various racetracks in the Commonwealth.

DECISIONS APPEALED TO THE RACING DIVISION

The Gaming Commission, sitting as a quasi-judicial body pursuant to the Massachusetts Administrative Procedures Act, adjudicated 24 appeals. The Commission has taken extensive precautions to ensure licensees due process throughout the appeal process. The Commission initiated a Stay-of-Suspension process. This permits licensees suspended by the Stewards/Judges for a minor violation of the rules that does not compromise the integrity of racing to continue to participate in racing until the licensee has been provided a hearing by the Commission and a decision made. Procedural safeguards were adopted to prevent licensees from abusing the Stay privilege. Hearings are conducted as soon as practicable from the time of the granting of a Stay, thereby preventing a licensee from participating while on a Stay status for an extended period of time.

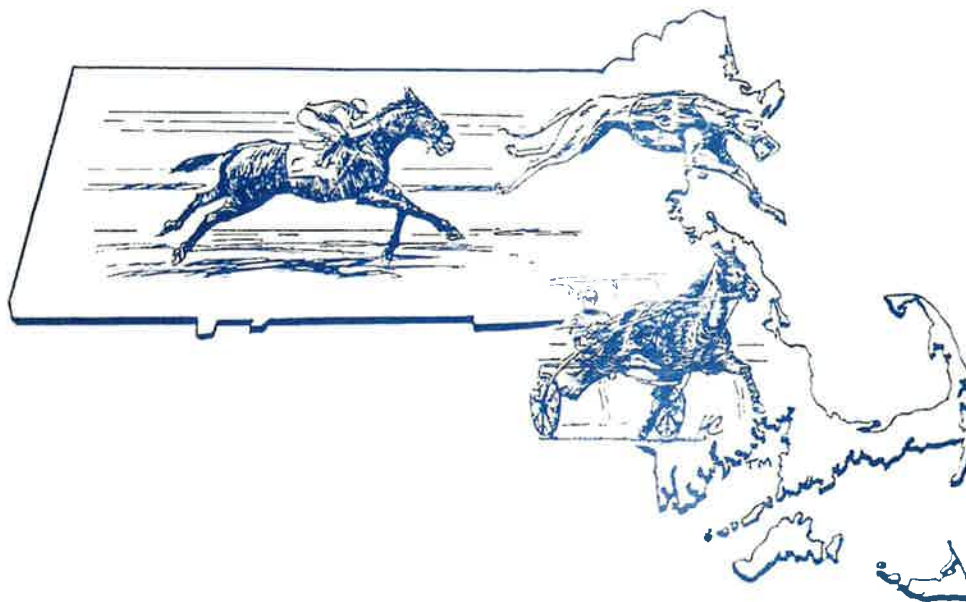
DUE PROCESS AFFORDED ALL LICENSEES

Licensees charged with a violation of the rules that may result in the loss of a license are entitled to a hearing pursuant to the Administrative Procedures Act (APA). Formal disciplinary hearings held by the Racing Division follow the requirements established in the Massachusetts APA. These requirements include issuing timely notice of hearings, providing the opportunity for an appellant to confront witnesses and to be represented by counsel.

COMMISSION DECISIONS APPEALED TO SUPERIOR COURT

In addition to hearing appeals, the Racing Division must prepare a complete record and legal decision for each case that is appealed to the Superior Court. When the record is completed and certified, it is forwarded to the Government Bureau of the Attorney General's Office and is assigned to an Assistant Attorney General who defends the case in court. The Commission and the Attorney General work closely together to present the best possible case in Superior Court. In calendar year 2012, there was only one case pending appellate review.

The Racing Division takes this opportunity to thank the Attorney General's Office for the diligent, professional and expert defense of Commission cases.



RACETRACKS

NOTES ON CHARTS AND GRAPHS

In this 2012 Annual Report, the following terminology is used in reporting simulcast events.

“Signal Received” is categorized as “On Track Simulcast,” as this is the signal sent from a remote track being received locally.

“Signal Sent” is categorized as “Off-Track Simulcast,” as this is the local signal being sent to a remote track.

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MASSACHUSETTS GAMING COMMISSION

Handle Calendar Years 2010, 2011, 2012

| | 2010 | 2011 | 2012 |
|--------------------------------|------------|------------|------------|
| Live | | | |
| Raynham | 0 | 0 | 0 |
| Wonderland | 0 | 0 | 0 |
| Plainridge | 1,584,498 | 1,476,452 | 1,358,788 |
| Suffolk | 887,883 | 772,509 | 769,102 |
| Total Live | 1,046,334 | 920,147 | 904,980 |
| On-Track Simulcast | | | |
| Raynham | 4,282,740 | 3,715,403 | 3,619,794 |
| Wonderland | 1,119,426 | 2,523,747 | 5,144,691 |
| Plainridge | 4,806,403 | 4,606,614 | 4,244,269 |
| Suffolk | 13,163,734 | 12,832,717 | 13,542,734 |
| Total On-Track | 23,372,304 | 21,407,106 | 21,886,042 |
| Off-Track Simulcast | | | |
| Raynham | 0 | 0 | 0 |
| Wonderland | 0 | 0 | 0 |
| Plainridge | 991,139 | 581,108 | 978,345 |
| Suffolk | 9,418,528 | 6,240,871 | 6,920,267 |
| Total Off-Track | 11,040,667 | 6,821,979 | 7,898,613 |
| Total Handle | 34,828,306 | 29,149,233 | 30,689,638 |

MASSACHUSETTS GAMING COMMISSION

HANDLES 2011 vs. 2012 FINANCIAL VARIANCE REPORT

| Category | 2011 | 2012 | Variance |
|--------------------------|-----------------------|-----------------------|-------------------|
| Live Performances | 160 | 160 | 0 |
| Live Handle | 9,201,471 | 9,049,800 | -151,671 |
| Simulcast On-Track | 214,071,068 | 218,860,402 | 4,789,334 |
| Simulcast Off- Track | 68,219,794 | 78,986,136 | 10,766,342 |
| Total Simulcast | 282,290,862 | 297,846,538 | 15,555,676 |
| Total Handle | 291,492,333 | 306,896,338 | 15,404,005 |
| Commissions | 1,494,643.53 | 1,545,691.35 | \$51,047.82 |
| Assessments | 750,578.90 | 752,354.98 | \$1,776.08 |
| Association License Fee | 378,600.00 | 414,900.00 | \$36,300.00 |
| Occupational License Fee | 70,605.00 | 75,660.00 | \$5,055.00 |
| Outstanding Tickets | 965,312.06 | 710,590.00 | -\$254,722.06 |
| Fines & Penalties | 4,350.00 | 6,750.00 | \$2,400.00 |
| Miscellaneous | <u>8,371.82</u> | <u>9,610.00</u> | <u>\$1,238.88</u> |
| TOTAL REVENUES | \$3,672,461.31 | \$3,515,556.33 | -\$156,905 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Analysis of Purses Paid Compared to Statutory Requirements - 2011

| | <u>Plainridge</u> | <u>Suffolk</u> |
|---|-------------------|----------------|
| Purses paid: | | |
| Number of live performances 2010 | 100 | 101 |
| Purses paid 2010 | \$ 2,471,815 | \$ 8,728,896 |
| 2010 Average purses per performance | \$ 24,718 | \$ 86,425 |
| Number of live performances 2011 | 79 | 80 |
| Purses paid 2011 | \$ 2,275,803 | \$ 9,200,606 |
| 2011 Average purses per performance | \$ 28,808 | \$ 115,008 |
| Increase (decrease) in 2011 compared to 2010 | \$ (196,012) | \$ 471,710 |
| Average change per performance | \$ 4,089 | \$ 28,583 |
| % change per performance | 16.5% | 33.1% |
| Racing commission purse distributions made in 2011 | | |
| Purse 2010 distribution | \$ - | - |
| April 2011 (2009 OUT's returned) | 171,079 | 354,595 |
| Total Chapter 139 distributions to track purse accounts | \$ 171,079 | \$ 354,595 |
| Statutory purses | | |
| Racing commission purse distributions applied to | | |
| 2011 purse account - See notes | \$ 171,079 | \$ 354,595 |
| Purses as a percentage of handle | 1,943,304 | 5,825,759 |
| Premiums received | 173,436 | 909,194 |
| Minimum purses required for 2011 | 2,287,819 | 7,089,548 |
| Actual purses paid by track for 2011 | 2,275,803 | 8,828,656 |
| Variance - over / (under) statutory amounts | \$ (12,016) | \$ 1,739,108 |

* Mass Breeders Purse not included

STERLING SUFFOLK RACECOURSE, LLC

SUFFOLK DOWNS BOARD OF STEWARDS

Commission Stewards

Susan Walsh, Chief Commission Steward
John H. Morrissey, Associate Steward

Association Steward

Russell G. Derderian

ADMINISTRATIVE HEARINGS

The primary responsibility of the Stewards is to interpret and enforce the rules of racing as promulgated by the Commonwealth of Massachusetts.

In carrying out this duty, the Stewards presided as judges, issuing 75 rulings in 2012 - resulting in 41 fines and 30 suspensions.

MASSACHUSETTS GAMING COMMISSION

Suffolk 2012 vs. 2011 FINANCIAL VARIANCE REPORT

| Category | 2012 | 2011 | Variance | % |
|--------------------------|----------------------|-----------------------|------------------|-----------|
| Live Performances | 80 | 80 | | 0% |
| Live Handle | 7691012 | 7,725,019 | -34007 | -4.4% |
| Simulcast On-Track | 135073348 | 128,327,170 | 6746178 | 5.25% |
| Simulcast Off- Track | 69202678 | 62,408,714 | 6793964 | 10.88% |
| Total Simulcast | 204276026 | 190,735,884 | 13537142 | 7.09% |
| Total Handle | 211967038 | 198,460,903 | 13506135 | 6.8% |
| Commissions | \$564179.05 | \$539,175.22 | \$24973 | 4.63% |
| Assessments | \$453982.74 | \$422,939.27 | \$31043.47 | 7.33% |
| Association License Fee | \$99000.00 | \$100,200.00 | -\$1200 | -1.19% |
| Occupational License Fee | \$5112500 | \$47,745.00 | \$3380 | 7.07% |
| Outstanding Tickets | \$304684.28 | \$354,595.47 | -\$49911.19 | -14.07% |
| Fines & Penalties | \$3125.00 | \$2,700.00 | \$425 | 15.74% |
| Miscellaneous | <u>\$5985.00</u> | <u>\$5,599.90</u> | <u>\$385.1</u> | 6.87% |
| TOTAL REVENUES | \$1,482081.07 | \$1,472,954.86 | \$9126.21 | 7% |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION
 Summary of Pari-mutuel Activities at Suffolk
 January 01, 2012 to December 31, 2012

Type: All Track Groups
 Pools and Commissions

Number of Events: 502

| Menu | Pools | Commissions |
|----------------|---------------------|----------------------|
| Win/Place/Show | \$23,450,234 | 13,977,549.12 |
| Exotic | 42,597,379 | 9,515,052.21 |
| Total | \$66,047,613 | 13,492,601.33 |

Distribution of Breaks

| | |
|------------------------------|---------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 0.00 |
| Breaks to CIF | 331,142.86 |
| Minus Breaks | 44,372.77 |
| Net Breakage | \$286,770.09 |

Premiums

| | |
|-----------------------|---------------------|
| Suffolk | \$0.00 |
| Plainridge | 105,940.98 |
| Raynham | 0.00 |
| Wonderland | 0.00 |
| Total Premiums | \$105,940.98 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|-----------------------|-----------------|-----------------------|----------------------|
| State Commission | 0.00000 | \$98,508.59 | 0.00000 | \$173,462.57 | \$271,971.15 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 0.00 | 0.00000 | 7,590.97 | 7,590.97 |
| Promotional Fund | 0.00000 | 32,251.05 | 0.00000 | 63,514.08 | 95,765.13 |
| Purses | 0.00000 | 1,064,720.12 | 0.00000 | 1,904,726.78 | 2,969,446.89 |
| Breeders | 0.00000 | 130,174.49 | 0.00000 | 235,078.91 | 365,253.40 |
| In-State Host Fee | 0.00000 | 2,898.17 | 0.00000 | 9,464.73 | 12,362.90 |
| Premiums | 0.00000 | 27,821.31 | 0.00000 | 85,276.77 | 113,098.08 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 18,296.53 | 18,296.53 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 2,075,459.52 | 0.00000 | 3,885,850.03 | 5,961,309.55 |
| Total Fees | 0.00000 | 3,431,833.24 | 0.00000 | 6,383,261.37 | 9,815,094.60 |
| Retained by Track | 0.00000 | 545,715.88 | 0.00000 | 3,131,790.84 | 3,677,506.73 |
| Total Commission | 0.00000 | \$3,977,549.12 | 0.00000 | \$9,515,052.21 | 13,492,601.33 |

| | | | |
|-------------------|---------------------|---------------|--------------|
| State Commission | \$271,971.15 | Promo Fund | \$95,765.13 |
| Daily License Fee | 99,000.00 | Cap Fund | \$338,733.83 |
| Assessment | 453,982.74 | Grey Adopt | \$0.00 |
| Sub Total | \$824,953.89 | Stabilization | \$0.00 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION
 Summary of Pari-mutuel Activities at Express Bets
 January 01, 2012 to December 31, 2012

Type: All Track Groups
 Pools and Commissions

Number of Events: 763

| Menu | Pools | Commissions |
|----------------|--------------------|-----------------------|
| Win/Place/Show | \$3,422,557 | \$573,412.60 |
| Exotic | 6,493,465 | 1,432,883.13 |
| Total | \$9,916,022 | \$2,006,295.73 |

Distribution of Breaks

| | |
|------------------------------|--------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 0.00 |
| Breaks to CIF | 44,737.43 |
| Minus Breaks | 508.15 |
| Net Breakage | \$44,229.28 |

Premiums

| | |
|-----------------------|--------------------|
| Suffolk | \$0.00 |
| Plainridge | 0.00 |
| Raynham | 12,202.73 |
| Wonderland | 0.00 |
| Total Premiums | \$12,202.73 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|---------------------|-----------------|-----------------------|-----------------------|
| State Commission | 0.00000 | \$13,073.21 | 0.00000 | \$24,759.06 | \$37,832.27 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 0.00 | 0.00000 | 2,178.69 | 2,178.69 |
| Promotional Fund | 0.00000 | 4,124.65 | 0.00000 | 9,887.03 | 14,011.68 |
| Purses | 0.00000 | 139,743.47 | 0.00000 | 265,613.09 | 405,356.56 |
| Breeders | 0.00000 | 16,964.77 | 0.00000 | 34,101.42 | 51,066.19 |
| In-State Host Fee | 0.00000 | 488.51 | 0.00000 | 2,591.93 | 3,080.44 |
| Premiums | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 544.76 | 544.76 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 266,962.76 | 0.00000 | 521,498.03 | 788,460.79 |
| Total Fees | 0.00000 | 441,357.37 | 0.00000 | 861,174.00 | 1,302,531.37 |
| Retained by Track | 0.00000 | 132,055.23 | 0.00000 | 571,709.13 | 703,764.36 |
| Total Commission | 0.00000 | \$573,412.60 | 0.00000 | \$1,432,883.13 | \$2,006,295.73 |

| | | | |
|-------------------|--------------------|---------------|-------------|
| State Commission | \$37,832.27 | Promo Fund | \$14,011.68 |
| Daily License Fee | 0.00 | Cap Fund | \$46,916.12 |
| Assessment | 0.00 | Grey Adopt | \$0.00 |
| Sub Total | \$37,832.27 | Stabilization | \$0.00 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION

Summary of Pari-mutuel Activities at Twin Spires

January 01, 2012 to December 31, 2012

Type: All Track Groups

Number of Events: 180

Pools and Commissions

| Menu | Pools | Commissions |
|----------------|---------------------|---------------------|
| Win/Place/Show | \$10,978,275 | \$0.00 |
| Exotic | 16,443,382 | 5,491,726.59 |
| Total | \$27,421,657 | 5,491,726.59 |

Distribution of Breaks

| | |
|------------------------------|---------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 0.00 |
| Breaks to CIF | 120,383.11 |
| Minus Breaks | 6,116.71 |
| Net Breakage | \$114,266.40 |

Premiums

| | |
|-----------------------|--------------------|
| Suffolk | \$0.00 |
| Plainridge | 46,163.22 |
| Raynham | 0.00 |
| Wanderland | 0.00 |
| Total Premiums | \$46,163.22 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|---------------------|-----------------|-----------------------|---------------------|
| State Commission | 0.00000 | \$41,687.34 | 0.00000 | \$62,442.75 | \$104,130.09 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 0.00 | 0.00000 | 7,467.37 | 7,467.37 |
| Promotional Fund | 0.00000 | 12,689.34 | 0.00000 | 26,414.77 | 39,104.11 |
| Purses | 0.00000 | 445,244.28 | 0.00000 | 669,004.24 | 1,114,248.52 |
| Breeders | 0.00000 | 53,170.24 | 0.00000 | 86,990.68 | 140,160.92 |
| In-State Host Fee | 0.00000 | 2,473.35 | 0.00000 | 6,301.24 | 8,774.59 |
| Premiums | 0.00000 | 18,376.19 | 0.00000 | 27,837.25 | 46,213.44 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 1,078.23 | 1,078.23 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 502,329.27 | 0.00000 | 699,332.31 | 1,201,661.58 |
| Total Fees | 0.00000 | 1,075,970.01 | 0.00000 | 1,586,868.83 | 2,662,838.83 |
| Retained by Track | 0.00000 | -1,075,970.01 | 0.00000 | 3,904,957.76 | 2,828,987.76 |
| Total Commission | 0.00000 | \$0.00 | 0.00000 | \$5,491,726.59 | 5,491,726.59 |

| | | | |
|-------------------|---------------------|---------------|--------------|
| State Commission | \$104,130.09 | Promo Fund | \$39,104.11 |
| Daily License Fee | 0.00 | Cap Fund | \$127,850.48 |
| Assessment | 0.00 | Grey Adopt | \$0.00 |
| Sub Total | \$104,130.09 | Stabilization | \$0.00 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION

Summary of Pari-mutuel Activities at TVG

January 01, 2012 to December 31, 2012

Type: All Track Groups

Number of Events: 739

Pools and Commissions

| Menu | Pools | Commissions |
|----------------|---------------------|-----------------------|
| Win/Place/Show | \$16,507,758 | \$2,747,098.41 |
| Exotic | 22,871,311 | 5,025,001.29 |
| Total | \$39,379,069 | \$7,772,099.70 |

Distribution of Breaks

| | |
|------------------------------|---------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 0.00 |
| Breaks to CIF | 168,542.50 |
| Minus Breaks | 9,692.23 |
| Net Breakage | \$158,850.27 |

Premiums

| | |
|-----------------------|--------------------|
| Suffolk | \$0.00 |
| Plainridge | 69,392.06 |
| Raynham | 0.00 |
| Wonderland | 0.00 |
| Total Premiums | \$69,392.06 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|-----------------------|-----------------|-----------------------|-----------------------|
| State Commission | 0.00000 | \$63,007.25 | 0.00000 | \$87,238.29 | \$150,245.54 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 0.00 | 0.00000 | 10,169.46 | 10,169.46 |
| Promotional Fund | 0.00000 | 19,350.16 | 0.00000 | 36,706.52 | 56,056.68 |
| Purses | 0.00000 | 673,548.20 | 0.00000 | 936,425.20 | 1,609,973.40 |
| Breeders | 0.00000 | 80,705.15 | 0.00000 | 121,402.45 | 202,107.60 |
| In-State Host Fee | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Premiums | 0.00000 | 26,430.84 | 0.00000 | 40,671.82 | 67,102.66 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 1,961.16 | 1,961.16 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 606,857.26 | 0.00000 | 949,614.48 | 1,556,471.74 |
| Total Fees | 0.00000 | 1,469,898.85 | 0.00000 | 2,184,189.38 | 3,654,088.23 |
| Retained by Track | 0.00000 | 1,277,199.56 | 0.00000 | 2,840,811.91 | 4,118,011.47 |
| Total Commission | 0.00000 | \$2,747,098.41 | 0.00000 | \$5,025,001.29 | \$7,772,099.70 |

| | | | |
|-------------------|---------------------|---------------|--------------|
| State Commission | \$150,245.54 | Promo Fund | \$56,056.68 |
| Daily License Fee | 0.00 | Cap Fund | \$170,711.96 |
| Assessment | 0.00 | Grey Adopt | \$0.00 |
| Sub Total | \$150,245.54 | Stabilization | \$0.00 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Sterling Suffolk Racecourse, LLC (6000177133)

Capital Improvement Trust Fund (7006 0022)

Statement of Activities

FY 2012 - July 2011 through May 19, 2012

| | | |
|--|-------------------|--------------------|
| Fund balance, Beginning of period | 1,161,221.04 | |
| Program revenue & interest | <u>592,699.94</u> | |
| Funds available | 1,753,920.98 | |
| Less expenditures | <u>500,063.22</u> | |
| Fund balance, end of period | 1,253,857.76 | Transferred |
| Funds required for approved projects | <u>261,906.25</u> | |
| Excess or (deficit) of funds available for approved projects | <u>991,951.51</u> | |

Status of Individual Projects

| <u>Work Item</u> | <u>Number</u> | Balance @ 7/1/11, Approved Reim. or RFR Amount | RFC | RFR | FY2012 Expenditures | Status/ Funds Required |
|----------------------------------|---------------|--|-----|-----|------------------------|------------------------------|
| Architect & engineering fees | none | n/a | n/a | n/a | \$ 12,150.90 | n/a |
| Replace dining room ceiling | SCI 10-1 | 26,432.37 | y | y | 26,432.37 | - |
| Repair Racetrack Rail | SCI 2010-9 | 109,394.52 | y | y | 109,394.52 | - |
| Emergency Repair Broken Pipes | SCI 2011-1 | 16,939.48 | y | y | 16,939.48 | - |
| Fiber Optic Backbone | SCI 2011-2 | 4,916.49 | y | y | 4,916.49 | - |
| New Roof Barn 9 & Dorms | SCI 2011-3 | 23,500.00 | y | y | 23,500.00 | - |
| Emergency Poles & Wire | SCI 2011-4 | 4,749.92 | y | y | 4,749.92 | - |
| Condemned Poles | SCI 2011-5 | 12,565.00 | y | y | 12,565.00 | - |
| Replace Security Cameras & Equip | SCI 2011-6 | 17,380.35 | y | y | 17,380.35 | - |
| Resurface Track | SCI 2011-7 | 75,000.00 | y | N | | 75,000.00 |
| Demolition Barn 1 + 3 | SCI 2011-8 | 176,609.88 | y | y | 176,609.88 | - |
| Escalator Repairs | SCI 2011-9 | 11,819.31 | y | y | 11,819.31 | - |
| Replace Trane Compressor | SCI 2011-10 | 12,500.00 | y | y | 12,500.00 | - |
| Pedestrian Ramp Reconstruction | SCI 2011-11 | 60,450.00 | y | y | 60,450.00 | - |
| Replace Kitchen Equipment | SCI 2011-12 | 10,655.00 | y | y | 10,655.00 | - |
| Barn Rehab | SCI 2011-13 | 150,000.00 | y | N | | 150,000.00 |
| Bobcat Skid-Steer Loader | SCI 2012-1 | 36,906.25 | y | N | | 36,906.25 |
| | | | | | \$ | \$ |
| | | \$ 749,818.57 | | | 500,063.22 | 261,906.25 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Sterling Suffolk Racecourse, LLC (6000177133)

Capital Improvement Trust Fund (1005 0022)

Statement of Activities

FY 2012 - May 20, 2012 through June 30, 2012

| | |
|--|----------------------------|
| | <u>Fiscal year to date</u> |
| Fund balance, beginning of period | \$ 1,253,857.76 |
| Program revenue & interest | <u>121,324.45</u> |
| Funds available | 1,375,182.21 |
| Less expenditures | <u>-</u> |
| Fund balance, end of period | 1,375,182.21 |
| Funds required for approved projects | <u>261,906.25</u> |
| Excess or (deficit) of funds available for approved projects | <u>\$ 1,113,275.96</u> |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | <u>Balance @ 5/20/12</u> | | <u>RFR Rec'd</u> | <u>FY2012 Expenditures</u> | <u>Status/ Funds Required</u> |
|------------------------------|-----------------------|---|------------------|------------------|----------------------------|---------------------------------------|
| | | <u>Approved Reim. or RFR Amount</u> | <u>RFC Rec'd</u> | | | |
| Architect & engineering fees | none | n/a | n/a | n/a | | n/a |
| Resurface Track | SCI 2011-7 | 75,000.00 | y | N | | 75,000.00 |
| Barn Rehab | SCI 2011-13 | 150,000.00 | y | N | | 150,000.00 |
| Bobcat Skid-Steer Loader | SCI 2012-1 | 36,906.25 | y | N | | 36,906.25 |
| | | <u>\$ 261,906.25</u> | | | <u>\$ -</u> | <u>\$ 261,906.25</u> |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Sterling Suffolk Racecourse, LLC (6000177133)

Promotional Trust Fund (7006 0021)

Statement of Activities

FY 2012 - July 2011 through May 19, 2012

| | | |
|---|----------------------------|--------------------|
| | <u>Fiscal year to date</u> | |
| Fund balance, beginning of period | \$ 62,123.97 | |
| Program revenue & interest | <u>166,964.93</u> | |
| Funds available | 229,088.90 | |
| Less expenditures | <u>171,000.00</u> | |
| Fund balance, end of period | 58,088.90 | Transferred |
| Funds required for approved projects | <u>443,121.75</u> | |
| Excess (deficit) of funds available for approved projects | <u>\$ (385,032.85)</u> | |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | Balance @ 7/1/11, Approved Reim. or RFR Amount | RFR Rec'd | FY2012 Expenditures | Status/ Funds Required |
|------------------------------|-----------------------|--|--------------|------------------------|------------------------------|
| 2007 Spring Fall Campaign | SPT 07-1 | 171,000.00 | RFR | 171,000.00 | - |
| 2008 Direct mail advertising | SPT 08-1 | 443,121.75 | RFR | - | 443,121.75 |
| | | <u>\$ 614,121.75</u> | | <u>\$ 171,000.00</u> | <u>\$ 443,121.75</u> |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Sterling Suffolk Racecourse, LLC (6000177133)

Promotional Trust Fund (1005 0021)

Statement of Activities

FY 2012 - May 20, 2012 through June 30, 2012

| | |
|--|----------------------------|
| | <u>Fiscal year to date</u> |
| Fund balance, beginning of period | \$ 58,088.90 |
| Program revenue & interest | <u>34,240.41</u> |
| Funds available | 92,329.31 |
| Less expenditures | <u>-</u> |
| Fund balance, end of period | 92,329.31 |
| Funds required for approved projects | <u>443,121.75</u> |
| Excess or (deficit) of funds available for approved projects | <u>\$ (350,792.44)</u> |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | Balance @ 5/20/12 Approved Reim. or RFR Amount | RFC Rec'd | RFR Rec'd | FY2012 Expenditures | Status/ Funds Required |
|------------------------------|-----------------------|---|--------------|--------------|------------------------|------------------------------|
| 2008 Direct mail advertising | SPT 08-1 | 443,121.75 | Y | Y | - | 443,121.75 |
| | | \$ 443,121.75 | | | \$ - | \$ 443,121.75 |

PLAINRIDGE RACECOURSE

PLAINRIDGE BOARD OF JUDGES

Commission Judges

Lawrence Rooney, Chief Commission Judge
Salvatore Panzera, Associate Judge

Association Judge

Peter Tomilla, presiding Judge

ADMINISTRATIVE HEARINGS

The primary responsibility of the Board of Judges is to interpret and enforce the rules of racing as promulgated by the Commonwealth of Massachusetts.

In carrying out this duty, the Judges issued 46 rulings in 2012 - resulting in 35 fines and 14 suspensions.

MASSACHUSETTS GAMING COMMISSION

Plainridge 2012 vs. 2011 FINANCIAL VARIANCE REPORT

| Category | 2012 | 2011 | Variance | % Variance |
|-----------------------------|--------------------|---------------------|--------------------|---------------|
| Live Performances | 80 | 80 | | % |
| Live Handle | 1358788 | 1,476,452 | -117664 | -7.96% |
| Simulcast On-Track | 42444269 | 46,066,114 | -3621845 | -7.86% |
| Simulcast Off- Track | 9783458 | 5,811,080 | 3972378 | 68.35% |
| Total Simulcast | 52227727 | 51,877,194 | 350533 | 0.67% |
| Total Handle | 53586515 | 53,353,646 | 232869 | 0.43% |
| Commissions | \$313807.05 | \$335,745.57 | -\$21938.52 | -6.53% |
| Assessments | \$146637.90 | \$155,960.74 | -\$9322.84 | -5.97% |
| Association License Fee | \$108900.00 | \$110,400.00 | -\$1500 | -1.35% |
| Occupational License Fee | \$24535.00 | \$22,800.00 | \$1735 | 7.60% |
| Outstanding Tickets | \$176645.83 | \$171,078.54 | \$5567.29 | 3.25% |
| Fines & Penalties | \$3625.00 | \$1,650.00 | \$1975 | 119.69% |
| Miscellaneous | <u>\$2650.00</u> | <u>\$2,305.00</u> | <u>-\$345</u> | 14.96% |
| TOTAL REVENUES | \$776800.78 | \$799,939.85 | -\$23139.07 | -2.89% |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION

Summary of Pari-mutuel Activities at Plainridge

January 01, 2012 to December 31, 2012

Type: All Track Groups

Number of Events: 1307

Pools and Commissions

| Menu | Pools | Commissions |
|----------------|---------------------|-----------------------|
| Win/Place/Show | \$13,167,096 | \$2,232,162.82 |
| Exotic | 30,846,981 | 6,946,576.69 |
| Total | \$43,803,067 | \$9,178,739.51 |

Distribution of Breaks

| | |
|------------------------------|---------------------|
| Association Breaks | \$14,819.65 |
| Breaks to Stabilization Fund | 0.00 |
| Breaks to CIF | 181,083.46 |
| Minus Breaks | 21,344.81 |
| Net Breakage | \$174,508.30 |

Premiums

| | |
|-----------------------|---------------------|
| Suffolk | \$564,448.13 |
| Plainridge | 0.00 |
| Raynham | 204,097.98 |
| Wonderland | 0.00 |
| Total Premiums | \$768,546.11 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|-----------------------|-----------------|-----------------------|-----------------------|
| State Commission | 0.00000 | \$62,337.25 | 0.00000 | \$251,469.80 | \$313,807.05 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 1,377.07 | 0.00000 | 48,231.07 | 49,608.13 |
| Promotional Fund | 0.00000 | 14,632.78 | 0.00000 | 71,843.94 | 86,476.72 |
| Purses | 0.00000 | 536,082.66 | 0.00000 | 1,253,164.30 | 1,789,246.96 |
| Breeders | 0.00000 | 58,889.15 | 0.00000 | 143,372.50 | 202,261.65 |
| In-State Host Fee | 0.00000 | 27,278.68 | 0.00000 | 50,116.34 | 77,394.02 |
| Premiums | 0.00000 | 199,169.76 | 0.00000 | 354,354.93 | 553,514.69 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 1,138.99 | 1,138.99 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 572,342.40 | 0.00000 | 1,209,036.14 | 1,781,378.54 |
| Total Fees | 0.00000 | 1,472,099.73 | 0.00000 | 3,382,727.00 | 4,854,826.73 |
| Retained by Track | 0.00000 | 760,063.09 | 0.00000 | 3,563,849.69 | 4,323,912.78 |
| Total Commission | 0.00000 | \$2,232,162.82 | 0.00000 | \$6,946,576.69 | \$9,178,739.51 |

| | | | |
|-------------------|---------------------|---------------|--------------|
| State Commission | \$313,807.05 | Promo Fund | \$86,476.72 |
| Daily License Fee | 108,900.00 | Cap Fund | \$230,641.69 |
| Assessment | 146,637.90 | Grey Adopt | \$0.00 |
| Sub Total | \$569,344.95 | Stabilization | \$0.00 |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Ourway Realty, LLC - Plainridge Race Course (0000120837)

Capital Improvement Trust Fund (7006 0013)

Statement of Activities

FY 2012 - July 2011 through May 19, 2012

| | |
|--|------------------------|
| Fund balance, Beginning of period | \$ 19,048.40 |
| Program revenue & interest | <u>207,958.89</u> |
| Funds available | 227,007.29 |
| Less expenditures | <u>142,417.28</u> |
| Fund balance, end of period | 84,590.01 |
| Funds required for approved projects | <u>899,120.41</u> |
| Excess or (deficit) of funds available for approved projects | <u>\$ (814,530.40)</u> |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | <u>Balance @ 7/1/11, Approved Reim. or RFR Amount</u> | <u>RFR Rec'd</u> | <u>FY2012 Expenditures</u> | <u>Status/ Funds Required</u> | |
|------------------------------|-----------------------|---|----------------------|--------------------------------|---------------------------------------|----------------------|
| Architect & engineering fees | none | n/a | n/a | \$ 497.10 | n/a | |
| Parking/Facility Renovation | PCI 10-03 | 1,041,040.59 | RFR | 141,920.18 | 899,120.41 | |
| - | | | | | | |
| | | | | <u>\$ 1,041,040.59</u> | <u>\$ 142,417.28</u> | <u>\$ 899,120.41</u> |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Ourway Realty, LLC - Plainridge Race Course (0000120837)

Capital Improvement Trust Fund (1005 0013)

Statement of Activities

FY 2012 - May 20, 2012 through June 30, 2012

| | |
|--|----------------------------|
| | <u>Fiscal year to date</u> |
| Fund balance, beginning of period | \$ 84,590.01 |
| Program revenue & interest | <u>39,070.91</u> |
| Funds available | 123,660.92 |
| Less expenditures | <u>80,087.11</u> |
| Fund balance, end of period | 43,573.81 |
| Funds required for approved projects | <u>819,033.30</u> |
| Excess or (deficit) of funds available for approved projects | <u>\$ (775,459.49)</u> |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | Balance @ 5/20/12 | | | FY2012 Expenditures | Status/ Funds Required |
|------------------------------|-----------------------|---------------------------------|--------------|--------------|---------------------|------------------------------|
| | | Approved Reim. or RFR Amount | RFC Rec'd | RFR Rec'd | | |
| Architect & engineering fees | none | n/a | n/a | n/a | \$ - | n/a |
| Parking/Facility Renovation | PCI 10-03 | 899,120.41 | Y | Y | 80,087.11 | 819,033.30 |
| - | | | | | | |
| | | <u>\$ 899,120.41</u> | | | <u>\$ 80,087.11</u> | <u>\$ 819,033.30</u> |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Ourway Realty, LLC - Plainridge Race Course (0000120837)

Promotional Trust Fund (7006 0012)

Statement of Activities

FY 2012 - July 2011 through May 19, 2012

| | <u>Fiscal year to date</u> | |
|---|----------------------------|-------------|
| Fund balance, beginning of period | \$ 9,466.59 | |
| Program revenue & interest | <u>77,982.76</u> | |
| Funds available | 87,449.35 | Transferred |
| Less expenditures | <u>-</u> | |
| Fund balance, end of period | 87,449.35 | |
| Funds required for approved projects | <u>-</u> | |
| Excess (deficit) of funds available for approved projects | <u>\$ 87,449.35</u> | |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | Balance @ 7/1/11, <u>Approved Reim. or RFR Amount</u> | <u>RFR Rec'd</u> | <u>FY2012 Expenditures</u> | <u>Status/ Funds Required</u> |
|-------------------------|-----------------------|--|------------------|----------------------------|---------------------------------------|
| Uplink - Apr - Nov 2010 | PPT 10-02 | | RFR | | |

\$ - \$ - \$ -

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS GAMING COMMISSION

Ourway Realty, LLC - Plainridge Race Course (0000120837)

Promotional Trust Fund (1005 0012)

Statement of Activities

FY 2012 - May 20, 2012 through June 30, 2012

| | <u>Fiscal year to date</u> |
|--|-----------------------------|
| Fund balance, beginning of period | \$ 87,449.35 |
| Program revenue & interest | <u>14,170.04</u> |
| Funds available | 101,619.39 |
| Less expenditures | <u>-</u> |
| Fund balance, end of period | 101,619.39 |
| Funds required for approved projects | <u>-</u> |
| Excess or (deficit) of funds available for approved projects | <u><u>\$ 101,619.39</u></u> |

Status of Individual Projects

| <u>Work Item</u> | <u>Project Number</u> | <u>Balance @ 5/20/12</u> | | | <u>FY2012 Expenditures</u> | <u>Status/Funds Required</u> |
|-------------------------|-----------------------|-------------------------------------|------------------|------------------|----------------------------|------------------------------|
| | | <u>Approved Reim. or RFR Amount</u> | <u>RFC Rec'd</u> | <u>RFR Rec'd</u> | | |
| Uplink - Apr - Nov 2010 | PPT 10-02 | | | RFR | | |
| | | <u>\$ -</u> | | | <u>\$ -</u> | <u>\$ -</u> |

STATUS OF GREYHOUND RACETRACKS IN 2012

As a result of Chapter 388 of the Acts of 2008, the two greyhound racetracks located in the Commonwealth were precluded from conducting greyhound races effective January 1, 2010. Therefore, no live greyhound races were conducted during 2012.

Chapter 167 of the Acts of 2009, and subsequently, Chapter 203 of the Acts of 2010 allowed these facilities to continue operations as simulcasting venues without conducting the minimum of 100 live racing performances mandated by Chapter 128C of the General Laws. These facilities offered pari-mutuel wagering on greyhound races conducted outside the Commonwealth as well as both in-state and out of state thoroughbred and harness races, with conditions.

Massasoit Greyhound Association and Taunton Greyhound, Inc. continued simulcasting operations throughout 2012 at Raynham/Taunton Greyhound Park.

Wonderland Greyhound Park continued simulcasting operations, at their facility, until August 18, 2010, when it closed down its racing activities. On June 2, 2011 Wonderland reopened its simulcast operations at Suffolk Downs.

Chapter 194 of the Acts of 2011 (section 92) has extended greyhound simulcast racing through July 31, 2014.

MASSACHUSETTS GAMING COMMISSION

Raynham 2012 vs. 2011 FINANCIAL VARIANCE REPORT

| Category | 2012 | 2011 | Variance | % |
|--------------------------|--------------------|-----------------------|--------------------|----------------|
| Live Performances | 0 | 0 | 0 | 0.00% |
| Live Handle | 0 | 0 | 0 | 0.00% |
| Simulcast On-Track | 36198094 | 37,154,037 | -955943 | -2.57% |
| Simulcast Off- Track | 0 | 0 | 0 | 0.00% |
| Total Simulcast | 36198094 | 37,154,037 | -955943 | -2.57% |
| Total Handle | 36198094 | 37,154,037 | -955943 | -2.57% |
| Commissions | \$539087.90 | \$556,628.99 | -\$17541.09 | -3.15% |
| Assessments | \$121288.74 | \$149,059.45 | -\$27770.71 | -18.63% |
| Association License Fee | \$108300.00 | \$106,800.00 | \$1500.00 | 1.40% |
| Occupational License Fee | \$0210.00 | \$30.00 | -\$180.00 | -600% |
| Outstanding Tickets | \$182598.88 | \$304,578.84 | -\$121979.96 | -40.04% |
| Fines & Penalties | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Miscellaneous? | <u>\$105</u> | <u>\$309.99</u> | <u>-\$204.99</u> | -66.12% |
| TOTAL REVENUES | \$951590.52 | \$1,117,407.27 | -\$165816.7 | -14.83% |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION
 Summary of Pari-mutuel Activities at Raynham
 January 01, 2012 to December 31, 2012

Type: All Track Groups
 Pools and Commissions

Number of Events: 115

| Menu | Pools | Commissions |
|----------------|---------------------|-----------------------|
| Win/Place/Show | \$6,303,214 | \$1,076,165.22 |
| Exotic | 29,894,780 | 6,795,460.25 |
| Total | \$36,197,994 | \$7,871,625.47 |

Distribution of Breaks

| | |
|------------------------------|---------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 108,002.95 |
| Breaks to CIF | 0.00 |
| Minus Breaks | 2,791.71 |
| Net Breakage | \$105,211.24 |

Premiums

| | |
|-----------------------|---------------------|
| Suffolk | \$448,600.59 |
| Plainridge | 98,336.28 |
| Raynham | 0.00 |
| Wonderland | 0.00 |
| Total Premiums | \$546,936.87 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|-----------------------|-----------------|-----------------------|-----------------------|
| State Commission | 0.00000 | \$57,203.30 | 0.00000 | \$481,884.60 | \$539,087.90 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 3,948.97 | 0.00000 | 50,701.99 | 54,650.96 |
| Promotional Fund | 0.00000 | 9,508.82 | 0.00000 | 64,519.11 | 74,027.93 |
| Purses | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Breeders | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| In-State Host Fee | 0.00000 | 15,733.74 | 0.00000 | 52,439.86 | 68,173.60 |
| Premiums | 0.00000 | 146,183.34 | 0.00000 | 407,388.48 | 553,571.82 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 920.44 | 920.44 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 217,488.77 | 0.00000 | 902,804.11 | 1,120,292.88 |
| Total Fees | 0.00000 | 450,066.94 | 0.00000 | 1,960,658.59 | 2,410,725.53 |
| Retained by Track | 0.00000 | 626,098.28 | 0.00000 | 4,834,801.66 | 5,460,899.94 |
| Total Commission | 0.00000 | \$1,076,165.22 | 0.00000 | \$6,795,460.25 | \$7,871,625.47 |

| | | | |
|-------------------|---------------------|---------------|--------------|
| State Commission | \$539,087.90 | Promo Fund | \$74,027.93 |
| Daily License Fee | 108,300.00 | Cap Fund | \$54,650.96 |
| Assessment | 121,288.74 | Grey Adopt | \$0.00 |
| Sub Total | \$768,676.64 | Stabilization | \$108,002.95 |

MASSACHUSETTS GAMING COMMISSION

Wonderland 2012 vs. 2011 FINANCIAL VARIANCE REPORT

| Category | 2012 | 2011 | Variance | % Variance |
|--------------------------|--------------------|---------------------|-------------------|--------------|
| Live Performances | 0 | 0 | 0 | 0.00% |
| Live Handle | 0 | 0 | 0 | 0.00% |
| Simulcast On-Track | 5144691 | 2,523,747 | 2620944 | 103.85% |
| Simulcast Off- Track | 0 | 0 | 0 | 0.00% |
| Total Simulcast | 5144691 | 2,523,747 | 2620944 | 103.85% |
| Total Handle | 5144691 | 2,523,747 | 2620944 | 103.85% |
| Commissions | \$128617 | \$63,093.75 | -\$180,073.04 | -74.05% |
| Assessments | \$17275 | \$22,619.44 | -\$22,371.48 | -49.72% |
| Association License Fee | \$98700 | \$61,200.00 | -\$6,600.00 | -9.73% |
| Occupational License Fee | \$00 | \$30.00 | -\$30 | -100% |
| Outstanding Tickets | \$10352.10 | \$135,059.21 | \$18,001.88 | -13.32% |
| Fines & Penalties | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Miscellaneous | <u>\$0</u> | <u>\$156.93</u> | <u>-\$156.93</u> | -100% |
| TOTAL REVENUES | \$254844.10 | \$282,159.33 | \$27315.23 | -9.6% |

MASSACHUSETTS GAMING COMMISSION

MASSACHUSETTS STATE RACING COMMISSION
 Summary of Pari-mutuel Activities at Wonderland
 January 01, 2012 to December 31, 2012

Type: All Track Groups
 Pools and Commissions

Number of Events: 926

| Menu | Pools | Commissions |
|----------------|--------------------|-----------------------|
| Win/Place/Show | \$684,697 | \$124,304.01 |
| Exotic | 4,459,994 | 1,048,763.99 |
| Total | \$5,144,691 | \$1,173,068.00 |

Distribution of Breaks

| | |
|------------------------------|--------------------|
| Association Breaks | \$0.00 |
| Breaks to Stabilization Fund | 14,601.56 |
| Breaks to CIF | 0.00 |
| Minus Breaks | 262.10 |
| Net Breakage | \$14,339.46 |

Premiums

| | |
|-----------------------|---------------|
| Suffolk | \$0.00 |
| Plainridge | 0.00 |
| Raynham | 0.00 |
| Wonderland | 0.00 |
| Total Premiums | \$0.00 |

| Distribution of Commissions | WPS Take-Out | WPS Comm | Exotic Take-Out | Exotic Comm | Total |
|-----------------------------|----------------|---------------------|-----------------|-----------------------|-----------------------|
| State Commission | 0.00000 | \$17,117.43 | 0.00000 | \$111,499.85 | \$128,617.28 |
| Racing Stabilization Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Capital Improvement Fund | 0.00000 | 1,711.74 | 0.00000 | 11,149.99 | 12,861.73 |
| Promotional Fund | 0.00000 | 1,711.74 | 0.00000 | 11,149.99 | 12,861.73 |
| Purses | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Breeders | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| In-State Host Fee | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Premiums | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Tufts Veterinary | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Division of Fairs | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Greyhound Adoption Fund | 0.00000 | 0.00 | 0.00000 | 0.00 | 0.00 |
| Out of State Host Fee | 0.00000 | 29,119.55 | 0.00000 | 164,616.74 | 193,736.29 |
| Total Fees | 0.00000 | 49,660.46 | 0.00000 | 298,416.56 | 348,077.02 |
| Retained by Track | 0.00000 | 74,643.55 | 0.00000 | 750,347.43 | 824,990.98 |
| Total Commission | 0.00000 | \$124,304.01 | 0.00000 | \$1,048,763.99 | \$1,173,068.00 |

| | | | |
|-------------------|---------------------|----------------------|--------------------|
| State Commission | \$128,617.28 | Promo Fund | \$12,861.73 |
| Daily License Fee | 98,700.00 | Cap Fund | \$12,861.73 |
| Assessment | 17,275.20 | Grey Adopt | \$0.00 |
| Sub Total | \$244,592.48 | Stabilization | \$14,601.56 |

LABORATORY ANNUAL REPORT

**The Commonwealth of Massachusetts
State Racing Commission Laboratory
305 South Street
Jamaica Plain, MA 02130**

QUALITY RACING

The State Racing Commission Laboratory is an important link in the Racing Commission's effort to ensure the integrity of pari-mutuel racing, to guard the health of the race animals and to safeguard the interest of the wagering public and racing participants within the Commonwealth. The primary function of the State Racing Commission Laboratory is to analyze samples of urine and blood for the presence of any drug which is of such character as could affect the racing condition of the animal. Samples are taken from every winning horse and any other horse designated by Racing Commission officials in cooperation with track officials. In the calendar year 2012, 2,617 samples were tested from Plainridge Racecourse and Suffolk Downs. Testing is performed by a specially trained staff at modern facilities located within the State Laboratory Institute, University of Massachusetts Medical School, Jamaica Plain Campus.

LABORATORY STAFF

Chief of Laboratory

Vacant

Assistant Chemists

Lucille Saccardo, B.S., Animal Science
Melchor S. Layon, A.S.

INTEGRITY OF SAMPLES ENSURED

Special precautions are taken at all Massachusetts race tracks when post race urine and blood samples are collected to ensure that no tampering can take place. In order to assure the continuity-of-evidence, every winning horse and all designated horses are under the surveillance of a uniformed Massachusetts State Police officer and a Racing Commission Testing Assistant from the finish of

MASSACHUSETTS GAMING COMMISSION

the race until specimens are obtained. All equine samples are properly identified and transported immediately after the close of each racing performance by a uniformed Massachusetts State Police officer to the Racing Commission Laboratory in Jamaica Plain and placed in a locked and refrigerated laboratory locker for analysis the following day.

Responsibility for the custody of samples is assumed by the State Racing Commission Laboratory personnel once the samples have been placed in the laboratory locker or upon receipt of locked boxes. To eliminate bias, the chemist identifies the sample by number only. After analyses are completed, any positive results are reported directly to the State Racing Commission.

DRUG FINDINGS

In the calendar year 2012, the State Racing Commission Laboratory analyzed the following numbers of samples for the presence of drugs:

| <u>SOURCE</u> | <u>URINE</u> | <u>BLOOD</u> | <u>POSITIVES*</u> |
|---------------|--------------|--------------|-------------------|
| Thoroughbred | 970 | 430 | 0 |
| Harness | 918 | 299 | 6 |
| TOTALS | 1888 | 729 | 6 |

* Not including Controlled/Bleeder Medication Program violations.

CONTROLLED MEDICATION PROGRAM

All equine urine samples submitted were subjected to screening for phenylbutazone and/or its metabolites as per the Massachusetts State Racing Commission rules with the following results: No violations of the controlled medication program were found.

DRUG FOUND IN SAMPLES

The following prohibited drug was reported in post-race samples:

| <u>SOURCE</u> | <u>DRUG FOUND</u> | <u>#SAMPLES</u> |
|---------------|-------------------|-----------------|
| Plainridge | Flunixin | 6 |

MASSACHUSETTS GAMING COMMISSION

BLEEDER MEDICATION PROGRAM

All equine urine samples submitted were subjected to screening for the presence of furosemide as per the Massachusetts State Racing Commission Bleeder Medication Program Rules with the following results:

| Source | Lasix Found Not On Program | No Lasix Found On Program |
|---------------|---------------------------------------|--------------------------------------|
| Thoroughbred | -0- | -0- |
| Harness | -0- | -0- |

SUMMARY

Official Urine & Blood Samples Analyzed for 2012

| Month | Suffolk | | Plainridge | | Monthly Totals | |
|---------------|----------------|------------|-------------------|------------|-----------------------|------------|
| | Urine | Blood | Urine | Blood | Urine | Blood |
| January | | | | | 0 | 0 |
| February | | | | | 0 | 0 |
| March | | | | | 0 | 0 |
| April | | | 44 | 17 | 44 | 17 |
| May | | | 148 | 36 | 148 | 36 |
| June | 206 | 57 | 112 | 40 | 318 | 97 |
| July | 205 | 96 | 147 | 43 | 352 | 139 |
| August | 178 | 98 | 122 | 44 | 300 | 142 |
| September | 201 | 99 | 118 | 44 | 319 | 143 |
| October | 163 | 77 | 115 | 34 | 278 | 111 |
| November | 17 | 3 | 112 | 41 | 129 | 44 |
| December | | | | | | |
| Totals | 970 | 430 | 918 | 299 | 1888 | 729 |

CONTACT INFORMATION

MASSACHUSTTES GAMING COMMISSION

| | |
|-----------------|--|
| BOSTON OFFICE | (617) 979-8400 |
| FAX | (617) 725-0258 |
| WEB SITE | www.massgaming.com |
| PLAINRIDGE | (508) 643-2500 Ext. 109 |
| RAYNHAM/TAUNTON | (508) 824-4071 Ext. 105 |
| SUFFOLK DOWNS | (617) 568-3336 |



MEMORANDUM

TO: Massachusetts Gaming Commission

FROM: David Acosta, Director of Licensing

CC: Kathleen Baertsch, Licensing Consultant
William Curtis, Licensing Supervisor

RE: Policy questions pertaining to how an application is filed

DATE: October 3, 2013

Will an applicant for a key gaming license, gaming employee license, and vendors, or an applicant for gaming service employee registration be allowed to apply directly to the Commission or will licensing/registrations be required to originate through the gaming establishment?

By requiring that applications originate through the gaming establishments, the initial application will be subject to an initial vetting process conducted by the gaming establishment. An application that is initially vetted by the gaming establishment is more likely to meet the minimum standards for licensing and thus reduce the number of applications submitted that may be found unsuitable for licensure. Other states like Ohio and Maryland have found this process to be the most efficient way to submit applications for licensure or registration. In addition, it has been found to be a cost efficient practice. The cost associated to investigate applicants who do not meet the suitability requirements is significantly higher than the application fee. In New Jersey and Ohio the cost could easily exceed two to three times the cost of an application for licensure and I suspect that this is also the case in most states where gaming requires a suitability background check. While the vetting conducted by the gaming establishment will not be as



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comprehensive as a suitability check conducted by the MGC, it is the first step of review that should reduce the number of applications filed by applicants who may be found unsuitable for licensure. Furthermore, by having applications for the gaming license originating through the gaming establishment you minimize the number of individuals who apply for a license and once licensed is unable to obtain employment. In gaming jurisdictions where an application is filed directly by the applicant, there is a tendency to request for the application fee to be refunded when they are unable to obtain employment. While the individual may hold a license, a license does not guarantee employment opportunities in a gaming establishment. Frequently, these individuals are not in a financial position to pay for a gaming license to later discover that they are unemployable. This is a real hardship and a difficult situation to deal with as a gaming agency. By requiring that applications be filed through the gaming establishment you will minimize the prospects of an individual who does not have the resources to pay the application fee to be licensed and subsequently be unable to find employment. Applications filed through a gaming establishment usually means that a job has been promised. Again the process of requiring an application to originate through the gaming establishment is more efficient and more cost effective for the applicant. With respect to the application fees, requiring an application to originate through a gaming establishment allows for the employer and the potential employee to enter into a payment arrangement where the application fee is paid by the gaming establishment and the gaming establishment is able to recoup the fee through payroll deduction.

Requiring that applications originate through a gaming establishment prohibits an individual who wishes to apply directly with the MGC. In New Jersey, an application is filed directly by the individual without the gaming establishment being involved in the process. There are benefits with this process as

an applicant will disclose information material to the suitability investigation and not share the information with the potential employer. This practice also increases the number of licensed individuals significantly and may, therefore, reduce the need to issue temporary licenses.

It is the recommendation of Licensing that application for a key gaming employee, gaming employee, non-gaming vendors license applications, and gaming service employee registration applications be required to originate through the gaming establishment. Applications originating through a casino is a more efficient and cost effective practice. The MGC may adopt procedures where an individual may apply for licensure directly with MGC, but it should be the exception versus the norm. It is further recommended that all gaming related vendor applications be filed directly to the MGC. Gaming related vendors are not employees of the gaming establishment and may enter into an agreement to provide goods or services with multiple gaming establishments. Gaming related vendors may have confidential information that they may not wish to provide and/or share with the gaming establishment. Non-gaming vendor registration should originate through the gaming establishment as the services provided are usually directed to a particular establishment. More importantly, the information that is required from a non-gaming vendor applicant is basic company information and does not compromise confidentiality nor business practices. The filing of non-gaming vendor applications through gaming establishment is common practice with other gaming jurisdictions.

The recommendation of sponsorship or an application originating from a gaming establishment, must consider the conditions of the MOU between MCCTI and MGC.



MEMORANDUM

TO: Massachusetts Gaming Commission

FROM: David Acosta, Director of Licensing

CC: Kathleen Baertsch, Licensing Consultant
William Curtis, Licensing Supervisor

RE: Policy questions pertaining to the Commission role in the approval of licensure

DATE: October 3, 2013

What will the Commission's role in the licensing process be, i.e. – will it delegate approval authority to staff? Will it differ for key gaming employee applicants, gaming employee applicants, temporary licenses, gaming service employee registrants, and vendors?

The commission should review and approve through the public meeting the applications for key employee and gaming vendors as well as any applicant whose report contain derogatory information.

Bases for review by commission for key and gaming employees and gaming vendors:

- A key gaming employee will be any employee in a position of a supervisory capacity and/or empowered to make discretionary decisions which regulate gaming establishment operations.
- A gaming employee is directly connected to the operation or maintenance of a slot machine or game taking place in a gaming establishment, provides security and has access to restricted areas of the gaming establishment.



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- A gaming vendor who offers goods or services to a gaming applicant or gaming licensee on a regular or continuing basis which directly relates to gaming equipment and simulcast wagering equipment manufacturer, suppliers and repairers.

The gaming service employees, non-gaming vendors and gaming employees or registrants whose IEB does not contain derogatory information shall be considered for licensing through the authority granted to the IEB under Chapter 194 of the Act of 2011, Section 30(g) and the Commission should determine if IEB determination of licensure requires the review of the Commission before issuance of license or registration. Again, if any of the reports have any derogatory information it would need to be reviewed by the commission through the public meeting.

The same would be true for the key and gaming employee's temporary licenses to be issued while the review of the application is being completed, if the temporary was to go before the public meeting process it would delay the process of getting that applicant working. If the temporary license is to be considered at the public meeting it would be contrary to the issuance of such license.

Given that the volume of gaming employee, casino employee registrants and non-gaming vendors may exceed 2,000 applicants per casino in particular registrant and temporary licenses. Time is essential for employees to commence employment to fill positions, scheduling those applicants for the commission public meeting would only hold up the employment of these licenses or registrations. However, it should be noted that if any applicant has a derogatory report, the applicant or registrant must go through the commission at a public meeting.

It should be noted that other jurisdictions best practices have been reviewed and studied before making such recommendations.



MEMORANDUM

TO: Massachusetts Gaming Commission

FROM: David Acosta, Director of Licensing

CC: Kathleen Baertsch, Licensing Consultant
William Curtis, Licensing Supervisor

RE: Policy questions pertaining to licensing/registration fees

DATE: October 3, 2013

How will the licensing/registration fee be calculated?

For key gaming employees it is recommended that a minimum deposit fee at the time of application be charged and an hourly rate shall be collected to defray the commission costs associated with the processing of the application, investigation and cost associated with fingerprinting of the applicant. The fee should be the responsibility of the applicant based on the actual cost incurred by the bureau professional and paraprofessional employees in determining the suitability of whether the applicant qualifies for licensure. If the final costs of the investigation exceed the initial application fee, the applicant should pay the additional amount to the commission within 30 days after notification that the Commission has completed the licensure process. It is also recommended that a maximum amount be establish and no application fee will exceed the maximum cost.

If an applicant withdraws the application and the bureau agrees to approve the withdrawal, the individual will be charged the excess of the initial deposit to cover the cost incurred for the



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investigation. Again the application fee should not exceed the maximum cost established by the Commission.

For gaming employee license, gaming service employee and non-gaming vendor registrants it is recommended that a flat fee be charged at the time of the application to defray the commission costs associated with the processing of the application, investigation and cost associated with fingerprints.

For gaming vendor licenses and any additional qualifiers of the company it is recommended that a minimum deposit fee at the time of application be charged and an hourly rate shall be collected to defray the commission costs associated with the processing of the application, investigation and cost associated with fingerprinting of the applicant. The fee should be the responsibility of the applicant based on the actual cost incurred by the bureau professional and paraprofessional employees in determining the suitability of whether the applicant qualifies for licensure. If the final costs of the investigation exceed the initial application fee, the applicant should pay the additional amount to the commission within 30 days after notification that the commission has completed the licensure process. It is recommended that a maximum amount be established and no application fee will exceed the maximum cost.

If an applicant withdraws the application and the bureau agrees to approve the withdrawal, the individual will be charged the excess of the initial deposit to cover the cost incurred for the investigation. Again the application fee should not exceed the maximum cost established by the Commission.

Attached is a chart of license fees applicable to other states that may be used to evaluated and consider before a decision is made on the fees.

License Fee Schedules

| | | <u>Key Gaming Employees</u> | <u>Gaming Employees</u> | <u>Gaming Service Employees</u> | <u>Gaming Vendor</u> | <u>Non Gaming Vendor</u> | <u>Labor Organization Registration</u> | <u>Ancillary Gaming Co.</u> |
|----------------------|---------|---|---------------------------------|---------------------------------|-----------------------------|--------------------------|--|-----------------------------|
| | | Section 30 (b) | Section 30 (b) | Section 30 (c) | Section 31 (b) | Section 31 (b) | Section 32(b) | Section 33 (b) |
| Arizona | License | \$250 License Fee | \$250 License Fee | \$250 License Fee | \$5,000 License Fee | --- | --- | --- |
| | Renewal | --- | --- | --- | \$1,000 / yearly | --- | --- | --- |
| Connecticut | License | No fee charged for licenses. The state fees are absorbed through their budget. Junkets are required to pay their own FP | | | | | | |
| | Renewal | | | | | | | |
| Delaware | License | \$500 + out of pocket | \$200 | Registrant cost of FP | --- | --- | --- | --- |
| | Renewal | 2 yrs. (r) 3 yrs. | 3 yrs. (r) 4 yrs. | 5 yrs. (r) 6 yrs. | --- | --- | --- | --- |
| Indiana | License | \$1,000 Filing Fee | \$200 Filing Fee | \$75 Filing Fee | \$5,000 Filing Fee | --- | --- | \$250 yearly |
| | | \$100 License Fee | \$50 License Fee | \$25 License Fee | \$7,500 License Fee | --- | --- | \$75 per employee |
| | | 1 Year License | 1 Year License | 1 Year License | \$1,000 Personal Disclosure | --- | --- | --- |
| Louisiana | License | \$500 | \$200 | --- | \$3,000 | \$250 | --- | --- |
| | Renewal | \$200 License Fee | \$200 License Fee | --- | \$3,000 License Fee | \$250 License Fee | --- | --- |
| | | 2 Year License | 2 Year License | --- | 5 Year License | 5 Year License | --- | --- |
| Maine | License | --- | --- | --- | --- | --- | --- | --- |
| | Renewal | --- | --- | --- | --- | --- | --- | --- |
| Maryland | License | \$2,500 + \$2,000 Inv. Fee | \$250 Filing Fee - \$37.25 FP | --- | \$1,500 Filing Fee | \$500 | --- | --- |
| | | \$37.50 FP - \$750 License | \$150 license fee | --- | \$2,000 B/G | --- | --- | --- |
| | | --- | --- | --- | \$2,500 license fee | --- | --- | --- |
| | Renewal | 5 yr license | 3 yr license | --- | 3 yrs. | 3 yrs. | --- | --- |
| Missouri | License | \$1,000 Filing Fee + \$100 Lic. Fee | \$75 Filing Fee + \$50 Lic. Fee | N/A | \$10,000 | N/A | N/A | N/A |
| (Riverboat) | | \$100 | \$50 | --- | \$5,000 | --- | --- | --- |
| | Renewal | Yearly | Yearly | --- | Yearly | --- | --- | --- |
| Montana | License | FP only | FP only | FP only | \$1,000 | --- | --- | --- |
| | Renewal | --- | --- | --- | yearly | --- | --- | --- |
| New Jersey | License | \$750 /Dep. bill as much as \$4,000 | --- | \$95 | \$5,000 Filing Fee | N/C | --- | \$2,000 file fee |
| | Renewal | \$750 / 5 yrs. | --- | Review 5 yrs. | --- | --- | --- | --- |
| Ohio | License | \$2,000 Filing Fee - \$46 FP | \$250 Filing Fee - \$46 FP | N/A | \$15,000 Filing Fee | --- | --- | --- |
| | | \$500 License fee | \$250 License fee | --- | \$10,000 License fee | --- | --- | --- |
| | | 3 yr license | 3 yrs license | --- | \$2,546 Qualif. Fee | --- | --- | --- |
| Pennsylvania | License | \$2,500 | \$350 | \$60 | \$8,000 | \$2,000 | --- | \$6,000 |
| | Renewal | 3 yr license | 3 yr license | 3 yr license | \$1,000 per key emp. | \$60 per employee | --- | --- |
| | | --- | --- | --- | 4 yr license | 4 yr. license | --- | 3 yrs. License |
| Rhode Island | License | \$300 + \$35.00 FP | \$150 + \$35.00 FP | N/A | 750 + \$35.00 FP | --- | --- | --- |
| UNABLE TO PROVIDE | | \$300License Fee | \$75 License Fee | --- | \$750 License Fee | --- | --- | --- |
| HOW ADDITIONAL COSTS | | 3 yr license | 3 yrs license | --- | 3 yrs license | --- | --- | --- |
| WERE ARRIVED AT. | | --- | --- | --- | --- | --- | --- | --- |
| Massachusetts | License | --- | --- | --- | --- | --- | --- | --- |
| | Renewal | --- | --- | --- | --- | --- | --- | --- |



MEMORANDUM

TO: Massachusetts Gaming Commission

FROM: David Acosta, Director of Licensing

CC: Kathleen Baertsch, Licensing Consultant
William Curtis, Licensing Supervisor

RE: Policy question pertaining to licensing/registration/renewals

DATE: October 3, 2013

What will the licensing/registration/renewal process entail, i.e.- will on-line applications be accepted, will on-line payment (check or credit card) be accepted?

There are two groups of employees that would require a renewal process:

1. Key Gaming and Gaming Employees – initially licensed for a three year period, recommend renewal every 3-5 years
2. Gaming Service Employees – registered only, recommend renewal every five years

As practiced in other jurisdictions, such as New Jersey and Michigan, the renewal process would be staggered between the key gaming and gaming employee renewals and re-registration of the gaming service employees, in an attempt to manage volume and maintain an expeditious renewal process.

The renewal application would be a condensed version of the initial application and tailored to have the applicant provide new or updated information since becoming a licensed employee. The renewal application would ask for applicant demographics along with employment and personal



Massachusetts Gaming Commission

questions. A list of documentation would be required to be submitted with the renewal application.

While MGC would prefer on-line filing, mailed renewal applications, available on-line to download and complete, would also be accepted.

It is the opinion of Licensing that the timely submission of a completed application and fee payment for renewal is the individual responsibility of key gaming, gaming and gaming service employees. While the Licensing Division will notify the licensee of the pending renewal, the licensee must pay specific attention to the rules regarding licensure. In addition the Commission will notify the gaming establishment that their employee's license will expire on a specified date. The establishment will also be notified that they are prohibited from employing a non-license individual in a position that requires licensure.

Recommendations for the **key gaming and gaming employee** renewal process are as follows:

- Seven months prior to the expiration of key gaming and gaming employee licensure, a renewal notice shall be emailed to the licensee along with instructions on how to renew on-line.
- For key gaming employees (only), copies of filed federal tax returns, for the most recent five consecutive years and not already submitted to the MGC, would be required to be submitted as a part of the renewal process.
- A Licensing recommendation for fingerprinting will be forthcoming. Currently, there are two digital fingerprinting systems under consideration to be acquired and used by the MGC. An option that is being explored is for once fingerprinted, a fingerprint image will be reproduced as needed to complete a renewal investigation. If fingerprints must be

retaken at time of renewal, the licensee will need to be fingerprinted by Commission staff at the gaming establishment.

- A standard background and Criminal Offender Record Information (CORI) check would be required for both key gaming and gaming employees.
- Waivers and authorization forms would be required to be signed and submitted to perform fingerprinting, background and CORI checks.
- Renewal fee payment would be required at time of application.
- As in other jurisdictions, acceptable forms of renewal fee payment would be bank certified check, money order and a credit card authorization form. Cash would not be accepted as the labor required to accept cash as a form of payment would be extensive and not cost efficient.
- If the renewal application is submitted on-line, payment could be made via the web with credit cards.
- Failure to submit all documentation and answer all questions would result in an incomplete renewal. The key gaming and gaming employee would receive a written incomplete renewal application notification from the MGC with an explanation of incompleteness and a deadline for resubmission.
- Once suitability is completed for the key gaming and gaming employee, the Director of IEB shall approve or deny the renewal application. The decision of the IEB will be referred to the Commission for final issuance pursuant to ((30(g))). The Commission

reviews each recommendation for key employee, gaming vendor, and gaming employee whose report contain derogatory information. The final decision for the issuance of gaming employee license, casino service registration, and non-gaming vendors will be delegated to the Director of IEB.

- The License Division will mail credentials to the address listed on the renewal application should the license be approved and issued by the Commission. A licensee may request to pick-up his or her credential at the MGC office.

Recommendations for length of renewal:

- Key gaming and gaming employees who submit completed renewal forms and fee payment at least five full months prior to license expiration, would receive a license renewal for four or five years. Requiring that a renewal application will allow for a suitability investigation to be completed prior to the expiration of a license. By allowing the renewal of an application to be filed on the last day of expiration, you will have to issue a license prior to the back investigation being completed or operate with the understanding that many credentials on the gaming floors have expired. NJ found that operating with expired credential creates a host of problems that were difficult to manage with limited resources. Most gaming jurisdictions that require renewal of licensure, require the renewal application to be submitted prior to expiration and allow for sufficient time to conduct a suitability investigation.

- If the completed renewal forms and fee payment are submitted with less than five full months prior to license expiration, the key gaming and gaming employee's license would be renewed for only three years and be subject to the initial application fee.
- If a renewal application is submitted after the renewal expiration date, it is recommended that a temporary license be granted by the Commission until suitability is completed only if the applicant can demonstrate just cause for the issuance of a temporary license.
- If a key gaming and gaming employee fails to submit a completed renewal form and payment prior to licensure expiration, a new license application for the same license type, would need to be submitted to the MGC along with the required documentation and initial application fee.

Recommendations for the **gaming service employee** renewal process are as follows:

- The gaming service employee is required only to register with the MGC.
- It is recommended that the gaming service employee be required to update registration information every five years.
- A registrant renewal notification shall be emailed three months before registration expires.
- While MGC would prefer on-line filing, mailed updated registrant information would be accepted.
- The updated registrant form would be filed with MGC before registration expires.

- The updated registration form would ask basic applicant demographics and personal questions.
- The gaming service employee would be required to undergo a standard background and CORI check.
- The gaming service employee's updated registration would be considered incomplete if all information is not provided.
- Failure to submit the required form and answer all questions would result in an incomplete registration renewal. The gaming service employee would receive written notification with an explanation of incompleteness and a deadline for resubmission.
- If a gaming service employee fails to submit a completed registration renewal form prior to expiration of registration, a new gaming service employee registrant application would be required to be submitted to the MGC, along with the required documentation and initial application fee.
- Failure to update a registration may result in the gaming service employee being terminated once the registration expires.



MEMORANDUM

TO: Massachusetts Gaming Commission

FROM: David Acosta, Director of Licensing

CC: Kathleen Baertsch, Licensing Consultant
William Curtis, Licensing Supervisor

RE: Policy question pertaining to suitability or suitability and education

DATE: October 3, 2013

Will licensure as a key gaming employee or gaming employee be based on suitability only, or skill and education as well?

In Chapter 194 of the Act of 2011, Section 5(A) (12) states in part “requires that all gaming establishment employees be properly trained in their respective professions.” The Commission is hereby charged with how best to administer this session of the act. Gaming jurisdictions are also face with this charge. How does the Commission imposes or requires that the gaming establishments hire properly trained staff? A review of regulations and statutes from states that have legalized gaming shows that it is common practice to have similar language found in Chapter 194 of the Act of 2011, and not require that licensure be based on suitability and some form of skill and/or education. In New Jersey, applicants for some key employee license like Controller and Internal Auditor and gaming employees like dealer position were required to demonstrate that they possess certification in a particular subject. For example, accountants, controllers, internal auditors were required to demonstrate that they had earned 21



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college credits in accounting. Dealers were required to show that they had attended an approved gaming school and completed a predetermine number of hours in a particular game training. The cost and labor incurred by the State to administer this requirement was very high. It required a Unit of three staff whose only responsibility was to receive the requested documents, verify the information indicated on the documents and certify that the applicant had met the educational or experiential requirements. Applicants were often prohibited to gainful employment because they were not able to provide the required documentation on a timely manner (ie needed to request for copy of their College Transcripts or obtain a certificate from a gaming school that was no longer in business).

New Jersey eliminated this requirement in 1991. New Jersey requires through the Internal Control submission that the gaming establishment spell out how they ensure that their staff is highly skilled and trained in a particular area. If it is discovered that an infraction has occurred because staff is not highly skilled and trained, New Jersey may impose fines and ask to address any deficiencies in their hiring practices. This method of regulation has proven be effective and cost efficient. The State of Ohio also has similar language in their Revised Codes and through the Internal Control Submission process ensures that the gaming establishments employ highly skilled and trained staff.

Unlike New Jersey and Ohio, the State of Pennsylvania does require the gaming employees like dealer provide documentation that they have successfully completed predetermined hours of training in a particular game. I can report that there were a number of applicants for licensure in Pennsylvania who were trained and worked in New Jersey that

requested from New Jersey for copies of their certification only to be told that a copy of their certification was no longer available. I recall stories where these applicants were required to attend training in order to be issued a license.

While Licensing recognizes the need for a gaming establishment to hire highly skilled and trained staff, there are other means to ensure that the gaming establishment hires and maintains a highly skilled and trained staff. The cost associated with the administration of requiring that application for licensure is based on suitability and skills or education will be challenging when resources may be limited. In addition, such a requirement may force some applicant to not be gainfully employed as quickly as possible. Suitability should be the only bases for licensure.



To: Commissioners
From: Jill Lacey Griffin, Director of Workforce, Supplier and Diversity Development
Date: Monday, September 30, 2013
Re: Small Business Definition

Mass Gaming Staff recommends that the Commission consider issuing a definition of what constitutes a "Small Business" for the purpose of supplier and vendor development for the Casino industry. Staff believes that this clarification may help applicants to better craft programs to support, grow and develop long term relationships with Massachusetts companies with a greater impact across the state ensuring that the intent of the Act Establishing Expanded Gaming in The Commonwealth is realized. During discussion with Massachusetts Gaming Commission's Vendor Advisory Group, members highlighted some of the challenges facing firms interested in doing business with Casinos. They shared information regarding the Massachusetts business landscape. The Commonwealth is made up of a predominance of smaller firms. In fact, according to the 2008 US Department of Commerce Census 85.5 % of businesses in Massachusetts have 20 or fewer employees. Outside of Greater Boston the predominance of larger employers is extremely limited with 95% of businesses having 10 or fewer employees. These figures do not include sole proprietors.

The federal definition of small business has a threshold of 500 employees, which for Massachusetts would be a large firm. Absent a statewide definition for small business, the Commission may want to consider a standard used for specific business programs within the Commonwealth such as the Small Business Purchasing Program (SBPP) created by Executive Order 523 or Massachusetts Group Health Insurance definition of small business.

Executive Order 523 signed by Governor Patrick on June 29th, 2010 established a Small Business Purchasing Program (SBPP) in Massachusetts. The mission of the SBPP is to support the existence and growth of small businesses in Massachusetts by directing state spending for non-construction goods and services to SBPP-participating vendors in Comm-PASS. The Operational Services Division, the Commonwealth's central procurement and contracting office, is responsible for SBPP development and implementation including policies, training, capacity-building, and annual benchmarks. For the purposes of this program, a small Business is defined as an entity, including all of its affiliates combined, if that entity, accepts the participation agreement and attests to the criteria below, as applicable: s:

- has its principal place of business in Massachusetts;
- has been in business for at least one year;
- Currently employs a combined total of 50 or fewer full-time equivalents in all locations;
- has gross revenues of \$15M or less, based on a 3-year average, and;

Either

For any entity attesting to Business Type "For-Profit":

- is organized under laws of the Commonwealth or is properly registered to do business in the Commonwealth; and
- is independently owned and operated.

Or

For any entity attesting to a Business Type "Non-Profit"

- is registered as a nonprofit or charitable organization with and up to date on its filings with the Massachusetts Attorney General's Office; and
- is tax-exempt under Section 501(c) of the Internal Revenue Code.



Massachusetts Gaming Commission

Massachusetts Group Health Insurance definition of small business uses a threshold similar to the above purchasing program threshold. Massachusetts group health insurance plans are only available to companies who have at least two and no more than 50 employees. This number of employees comes from the total of eligible employees who may participate in the Massachusetts small business health insurance program. Most typically these employees are full time, meaning they work at least 30 hours a week, and they are not seasonal or contract.

Alternatively, several business organizations suggested that the Commission adopt a guideline that falls between the federal definition and those of the Mass Group Health Insurance targeting firms with 100 employees and a revenue of \$25M or less.

Staff also recommends that commissioners officially recognize for purposes of the application a clarification of Minority Business Enterprise "MBE", Women's Business Enterprise "WBE" and Veterans Business Enterprise "VBE" definition and certifying entities. A "MBE" shall be considered a minority-owned business that has been certified by the Massachusetts Supplier Diversity Office, the Greater New England Minority Supplier Development Council, or both. A "WBE" shall be considered a woman-owned business that has been certified by the Massachusetts Supplier Diversity Office, the Women's Business Enterprise National Council, or both. These offices may be used as resources in the development of the applicant's marketing program. A "VBE" shall be considered a veteran-owned business or a service-disabled veteran-owned business as such terms are defined by the federal government. Resources to help identify VBEs can be found at www.vetbiz.gov and www.sam.gov.

Attachments: Small Business Purchasing Program (SBPP)



Massachusetts Gaming Commission

Small Business Purchasing Program



Program Overview

Governor Patrick signed **Executive Order 523** on Tuesday, June 29th, 2010 establishing a Small Business Purchasing Program (SBPP) in Massachusetts.

The mission of the SBPP is to support the existence and growth of small businesses in Massachusetts by directing state spending for non-construction goods and services to SBPP-participating vendors in Comm-PASS.

The Operational Services Division, the Commonwealth's central procurement and contracting office, is responsible for SBPP development and implementation including policies, training, capacity-building, and annual benchmarks. For more information on the Operational Services Division please visit: www.mass.gov/osd.

How will my company benefit?

There are many benefits for SBPP participation including:

- **COMM-PASS SMARTBID ACCOUNT:** Your company will receive automatic email notification of procurements posted in your areas of interest, desktop tracking of procurements and on-line submission of bid responses.
- **STATE BUSINESS PARTNER PREFERENCE:** Executive Departments conducting procurements for non-construction goods and services will RESTRICT AWARD to small businesses for bids between \$5,000 and \$150,000.
- **COMM-PASS BUSINESS DIRECTORY PRIORITY:** SBPP participating companies are listed ahead of non-participating companies in the searchable, central directory used by public purchasers seeking vendors.
- **FREE SBPP TRAINING:** Access to free training about the SBPP, the Commonwealth's procurement process and the Commonwealth's online bidding system, Comm-PASS.

Need more information?

- To learn more about the SBPP and the many benefits of participation, please visit the SBPP website at www.mass.gov/sbpp.
- Businesses with questions about the SBPP or the SmartBid subscription process can request assistance by sending an email to the Comm-PASS Help Desk at comm-pass@state.ma.us

Is training available?

Training is critical to success in the SBPP. Review the training information on the website (www.mass.gov/sbpp) carefully and be sure to register for classroom training as close as possible to the time that you enroll in SBPP through SmartBid.

For complete details on SBPP training, please go to www.mass.gov/sdo Instructor-Led training web pages and direct training specific questions to: osdtraining@state.ma.us.

What is a Small Business?

An entity, including all of its affiliates combined, is eligible to participate in the SBPP if that entity, exclusively through Comm-PASS SmartBid, accepts the participation agreement and attests to the criteria below, as applicable:

- has its principal place of business in Massachusetts;
- has been in business for at least one year;
- currently employs a combined total of 50 or fewer full-time equivalents in all locations;
- has gross revenues of \$15M or less, based on a 3-year average, and;

Either

For any entity attesting to Business Type "For-Profit":

- is organized under laws of the Commonwealth or is properly registered to do business in the Commonwealth; and
- is independently owned and operated.

Or

For any entity attesting to a Business Type "Non-Profit"

- is registered as a nonprofit or charitable organization with and up to date on its filings with the Massachusetts Attorney General's Office; and
- is tax-exempt under Section 501(c) of the Internal Revenue Code.

Small Business Purchasing Program Frequently Asked Questions (FAQ's)



1. Why is construction excluded from the program?

The SBPP is managed by the Commonwealth's Operational Services Division (OSD), which oversees the procurement and management of contracts for goods and services under 801 CMR 21.00. The SBPP does not include vertical or horizontal construction procurements since both are covered under statutes outside OSD's authority, MGL c. 149, §44A-H and MGL c. 30, §39M, respectively.

1. What does "RESTRICT AWARD to small businesses for bids between \$5,000 and \$150,000" mean?

Assuming that there is sufficient capacity, eligible small businesses should only be competing with other small businesses for small procurements. Executive Departments are now required to target notification of small procurements (between \$5,000 and \$150,000) to small businesses identified as such on Comm-PASS and to award a contract to the small business that submits the "best value" response. This should translate into more contract opportunities for eligible SBPP companies.

3. What is the SBPP Agreement?

Companies that are SBPP-eligible must agree to comply with the following program terms or face sanctions including, but not limited to, loss of their SmartBid subscription:

- provide true and accurate program information through the SmartBid account's My Profile features;
- update the SmartBid account's My Profile information to ensure accurate and complete program information;
- provide additional information upon request to support the program eligibility information provided; and,
- allow the Commonwealth to audit any of its business records pertaining to the program.

4. How do I declare my SBPP eligibility and accept the agreement?

If you do not have a SmartBid account, go to www.comm-pass.com and select the *Join* tab. Follow the SmartBid *Subscribe* options. If your company meets the SBPP eligibility requirements and you agree to participate, your company will be listed in the Comm-PASS Business Directory with a *Small Bus.* value of *Yes*, and all your online responses will appear with the SBPP program icon so purchasers can authenticate your status.

If you already have a SmartBid account:

- Login to your SmartBid account;
- Select *My Profile*;
- Select *Edit Contact Information*;
- Update all information including the *SBPP Eligibility and Agreement* section; and
- Select the *Save* option.

Your company will be listed in the Comm-PASS Business Directory with a *Small Bus.* value of *Yes*, and all your online responses will appear with the SBPP program icon so purchasers can authenticate your status.

5. I am an SBPP-eligible small business. Does that mean I can be added to a Statewide Contract?

No. The SBPP only applies to Executive Department procurements for non-construction commodities and services valued between \$5,000 and \$150,000. However, at no point is a business "automatically" eligible to be added to a SWC.



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