



The Commonwealth of Massachusetts

Massachusetts Gaming Commission

NOTICE OF MEETING and AGENDA

October 30, 2012 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Tuesday, October 30, 2012

1:00 p.m.

Division of Insurance

1000 Washington Street

1st Floor, Meeting Room 1-E

Boston, Massachusetts

PUBLIC MEETING - #33

1. Call to order
2. Approval of minutes
 - a. October 16, 2012 Meeting
 - b. October 23, 2012 Meeting
3. Project Work Plan
 - a. Consultant status report
 - i. October 29th Meeting
 - ii. RFA-2 Process
 - iii. Discussion of policy priorities
 - b. Status of new ethics standards
4. Administration
 - a. Personnel searches
 - b. Report from Director of Administration
 - c. Employee Manual – Chapter 2
5. Racing Division
 - a. Report from Director of Racing Division
6. Public Education and Information
 - a. Community and/or Developer outreach/responses to requests for information
 - i. Requests from regional groups
 - b. Training
 - i. Discussion of Massachusetts Community Colleges' Casino Training Institute Proposal
 - ii. Discussion of commission's role in certification of training schools

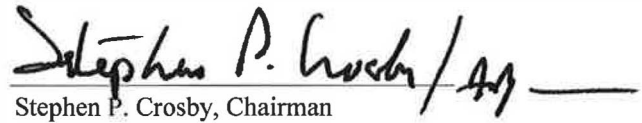
7. Research Agenda
 - a. Status report – Advisory Group

8. Internet Gaming

9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting

I certify that on this date, this Notice was posted as “Gaming Commission Meeting” at www.mass.gov/gaming/meetings, and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us, brian.gosselin@state.ma.us.

10/26/2012
(date)


Stephen P. Crosby, Chairman

Date Posted to Website: October 26, 2012 at 1:00 p.m.

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: October 16, 2012

Time: 1:00 p.m.

Place: Division of Insurance
1000 Washington Street
1st Floor, Meeting Room 1-E
Boston, Massachusetts

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Call to Order:

Chairman Crosby opened the 31st public meeting.

Approval of Minutes:

See transcript page 4.

Chairman Crosby stated that the October 9, 2012, minutes have not been reviewed so a vote will be taken at the next meeting.

Project Work Plan:

See transcript pages 4-66.

Consultant Status Report – The Commission’s gaming consultants, represented by Guy Michael, Steve Ingis, and Bob Carroll, were present to provide an update of the progress made over the past week. Mr. Carroll stated that considerable time was spent supplementing and refining the strategic plan and that supplementation resulted in a second draft, which was delivered to the Commission yesterday. The primary changes contained in the second draft came in response to the Commission's questions regarding the first draft. Mr. Carroll stated that, among other things, the consultants researched and conferred about best practices regarding the scope of licensing and qualifier identification processes, which he anticipates will be moving forward soon. The consultants now are researching, identifying, and discussing various policy issues the Commission will need to address in order to move forward with the regulation drafting process for Phase 2.

Commissioner Zuniga stated that the Commission should consider issuing the RFA for the Category 2 slots parlor first to comply with the statute and then issue the RFA for the Category 1 licenses several days later. Commissioner McHugh stated that if the RFA-2 for the slots parlor were issued first, the Commission would be fully compliant with the statutory command. He recommended issuing the RFA-1 to everyone on Wednesday, October 17, as scheduled and then think about issuing the substantive RFA-2 for the slots parlor license before issuing the RFA-2 for casinos. Chairman Crosby stated that he did not believe the intention of the Legislature was to slow down the progress of casino licensing in order to expedite the slot parlor process. Commissioner Cameron stated that the interested parties will complete the forms quickly and it will be up to the Commission to decide where it wants to focus investigative resources. She stated that the slots license could be focused on first and she does not anticipate someone not being prepared for the background investigation phase.

Commissioner McHugh suggested issuing the RFA-1 for the slots parlor on October 17 as scheduled and issuing the RFA-1 for casinos a few days later. Mr. Michael stated that he agrees with Commissioner McHugh in terms of a sequential issuance. Chairman Crosby stated that issuing the Category 2 RFA-1 on October 17 and the Category 1 RFA-1 on October 19 would accomplish technical compliance with the statute and leave open the question of how resources are allocated thereafter.

Motion made by Commissioner McHugh that the Commission issue an RFA-1 for Category 2 slots parlor on Wednesday, October 17, 2012, and that the Commission thereafter issue an RFA-1 for the Class 1 casinos on Friday, October 19, 2012. Motion seconded by Commissioner Cameron. The motion passed by a 4-1-0 vote. (Commissioner Stebbins opposed).

Chairman Crosby stated that he would like to discuss convening a group meeting for everybody who is thinking about filing an RFA-1. This meeting would consist of a common presentation about the process and a question and answer session. After that meeting, the process of scheduling individual meeting with applicants can begin. Mr. Carroll stated that a specific date has not been set for the initial meeting but the consultants are prepared to conduct the general meeting on a date the Commission chooses. Mr. Ingis stated that October 29 had been discussed as a potential date for that meeting. Mr. Carroll stated that he recommends the subsequent individual meetings be preceded by submission of the potential applicant's table of organization and that of its affiliated entities so that a meaningful discussion can take place.

Chairman Crosby asked if the group meeting should be an open public meeting so more than one Commissioner can attend. Mr. Carroll stated that he sees no problem with that, as no specific applicant information will be discussed. The Commission decided to hold the group meeting on the morning of Monday, October 29, and that the meeting will be an open public meeting. Applicants should let Commission know if they would like to have an individual meeting with the consultants to discuss the qualifier process as it applies to their specific organization, and the Commission will schedule a meeting for that purpose.

Commissioner McHugh asked if it is contemplated that the individual meetings will be between the consultants and the applicant. Mr. Michael stated that that at least one Commissioner may

want to be present at these meetings. Commissioner McHugh recommended the Commission formally authorize the consultants to define the scope of licensing for the individual applicant at those meetings, with the understanding that any disagreements or differences will be brought before the full Commission for approval. Commissioner Zuniga stated that he agrees with empowering the consultants, but would like to see representation from the Commission at those meetings, perhaps in the form of one Commissioner. Mr. Ingis stated that in his past experience Commissioners have not been present in the one-on-one meetings. Commissioner Stebbins asked if it was appropriate to have legal staff participate and the consultants agreed it would be. Mr. Carroll advised that staff be present rather than Commissioners.

Motion made by Commissioner McHugh that the Commission delegate the firm of Michael and Carroll and the firm of Spectrum, acting together, to conduct a meeting on a date to be selected for all interested applicants to discuss the general scope of the licensing process, and that, thereafter, in the fashion they elect, the consultants conduct meetings with interested parties with respect to individual scope of licensing issues, subject to an appeal to the Commission, in accordance with the Commission's now existing regulations, of any areas, questions or issues, as to which there is a disagreement between the interested party and the consultants. Seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Commissioner McHugh stated that a notice can be posted to the public on Wednesday that the Commission is issuing the RFA-1 and accepting RFA-1 applications from those interested in a Category 2 license. On Friday, a notice can be posted stating the Commission is issuing an RFA-1 and accepting applications for Category 1 licenses.

PMA Timeline Update – Scott Libby and Angel Arvelo of PMA Consultants addressed the Commission. Mr. Arvelo stated that they are still working toward a February, 2014, date for issuing the Category 2 license. He stated that they have been working with Commissioner Zuniga and Director Glovsky, and with several of the gaming consultants, to review the critical path to licensing, especially Category 2 licensing, to see if they can reach a date earlier than February, 2014.

He stated that recent achievements include the hiring of a racing director and initiation of the process of the public procurement of investigation services. Some of the milestones scheduled for the next several weeks are delivery of the strategic plan, publication of the RFA process for the Phase 1 applications, and determination of the scope of licensing for investigations for Phase 1 applications. Other items include development of the RFA for the research agenda, hiring of the ombudsman, convening the gaming policy advisory committee, continuation of the procurement process for investigation services, interviews of applicants for the general counsel and executive director positions, and drafting necessary MOUs.

Commissioner McHugh recommended looking at the timeline to see what deadlines are coming and to think about critical areas where timelines can be collapsed. Chairman Crosby stated that PMA is building this timeline and training Commission staff on how to use it so that the Commission can manage it in the future. Chairman Crosby stated that it would be important to

include space needs in the timeline, as the Commission is outgrowing its current space. Commissioner Cameron recommended including the IEB hiring process on the timeline.

A brief recess was taken.

Chairman Crosby reconvened the 31st meeting.

Chairman Crosby stated that the Commission is required to submit an annual report to the Legislature, and Commissioner McHugh has prepared a draft report. Commissioner Zuniga stated that he can provide information relative to financial expenditures for this report. Commissioner Stebbins recommended including information on the three-site meeting that was held on the regulations and the fact that two Commission meetings have been held outside of the Boston area. He stated that he would make some revisions to the draft report and send them to Chairman Crosby.

Administration:

See transcript pages 66-67.

Personnel Searches – Commissioner Zuniga stated that a temporary generalist position has been posted. Chairman Crosby stated that searches are ongoing for the Executive Director, Director of Investigations and Enforcement, General Counsel, Staff Counsel, fellowship attorney, two racing employees, and executive assistants.

Finance/Budget:

See transcript pages 67-95.

Budget Update - Commissioner Zuniga stated that he has submitted a summary report of first quarter expenditures on a cash basis. He stated that some recent expenses are not included as they have been incurred but not paid. He submitted a summary report for line items, which are tracking as expected, with the exception of the salary line item, which is lower than expected due to the fact that some positions have not yet been filled. He stated that investigative services are not reflected in this budget, as the expense will be borne entirely by the applicants, nor are expenses regarding the research agenda.

Commissioner Zuniga stated that he has submitted a summary memo relative to extension of the contract with the gaming consultants. He stated that he has reached a tentative agreement with the consultants to extend their contracts. This extension would include a slight increase in the lump sum monthly fee they have been receiving. The increase recognizes that more effort on the consultants' part will be required for the RFA-2 process than was required for the RFA-1 process. The extension will be for the remainder of the fiscal year, which ends on June 30, 2013.

Motion made by Commissioner Zuniga to ratify the tentative agreement with the gaming consultants to extend the contract for the amount and terms outlined in the memoranda included

as part of the meeting packet. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Commissioner Zuniga stated that the Commission is going to have to interpret the language the legislation that allows the Commission to assess costs to its licensees in proportion to the number of gaming positions each utilizes. He stated that the assessment of costs in proportion to gaming positions is simple and straightforward after a license holder's gaming establishment is up and running. If the Commission must wait to make an assessment until that point, however, it may face a funding problem. If the Commission has the ability to base its assessment on projected positions, then there is not likely to be a funding problem. After a brief discussion, the Commission decided that the assessment provisions of the statute, and their possible interpretations, deserved careful analysis so that financial planning can proceed on a sound footing.

Commissioner Zuniga stated that, at a prior meeting, he was given the authority to negotiate a sole service contract with the consultants for the purpose of conducting the RFA-1 investigations. In reviewing the timetable, however, he determined there is sufficient time to conduct a competitive procurement and, therefore, an RFR for investigative services has been posted. Commissioner Crosby suggested that, because of the Commission's prior authorization of a sole-source contract, it would be worthwhile for the Commission as a whole to ratify the changed course. In the discussion that followed, Commissioner, Commissioners Cameron and McHugh and Chairman Crosby explained their reasons for believing that the changed course was appropriate.

Motion made by Commissioner Zuniga to ratify his issuance of an RFR for competitive procurement of RFA-1 investigative services. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Procurement Update – Commissioner Zuniga stated that the stenographic services RFR was issued and responses are due on October 26.

Commissioner Zuniga stated that three responses have been received for financial advisory services. Chairman Crosby stated that the Commission made a tentative decision at an earlier meeting that it was worthwhile to try to increase competition for gaming licenses by engaging a financial advisor who could help the Commission interest investors in financing applicants for a Massachusetts gaming license. He stated that in considering the issue further, the general consensus is that the best way for the Commission to encourage financing is to have a clear, understandable, predictable, reliable, and stable licensing and regulation process which is above reproach, and if that kind of an environment is created the investors will be there. As a consequence and after looking at the amount of money it would cost to engage financial advisor, he concluded that the likely yield were not exceed the likely costs. Commissioner Zuniga stated that he originally thought that there would be a great deal of value engaging and advisor and talking to venture capitalists and other investors but now was no longer convinced that doing so would add value to the Commission's efforts. Commissioners McHugh, Cameron and Stebbins were in agreement not to proceed with engaging a financial consultant for purposes of

approaching the financial markets, at least at this time. Chairman Crosby emphasized, however, that no one has a lock on any license in any category in any part of the Commonwealth and that the Commission remains anxious to support vigorous competition for all licenses in all areas.

Racing Operations Update – Commissioner Cameron stated that the kennel owners had brought an issue to her for consideration. The issue arose out of a difference of opinion between the owners and the Division of Public Licensure regarding interpretation of a provision of the expanded gaming legislation. She stated that because this was a legal matter, she requested Nina Pickering-Cook of Anderson and Kreiger assist in an informal meeting in which each of the parties laid out their concerns. The kennel owners main concern had to do with unclaimed winning tickets, which are commonly referred to as “outs” monies. The outs in question covered unclaimed winnings from 2008 and 2009. The issue arose because the expanded gaming legislation enacted in November, 2011, changed the manner in which the outs were to be handled. She stated that, after hearing the kennel owners’ arguments and discussing the issue with Attorney Pickering-Cook, she determined the 2008 monies were due to the kennel owners because the new legislation did not affect the unclaimed monies from that year. The new law did affect the 2009 monies, however, and they were properly placed into the racing stabilization fund. She recommended, therefore, that the Commission approve payment to kennel owners for the 2008 outs monies.

Commissioner Cameron stated that another issue raised by the kennel owners concerned simulcast monies that are paid into the racing stabilization fund. The kennel owners believe that both Suffolk and Plainridge should be paying into that fund because they simulcast greyhound racing at those facilities. In looking into this matter, she found the law does not speak to the monies going into that account so the representatives have been advised this issue would have to be taken up with the tracks themselves.

Commissioner Cameron concluded by stating that John O’Donnell, the spokesperson for the kennel owners, has been verbally advised of her findings and recommendation and has informed her that kennel owners are willing to accept her decision as a final resolution of the "outs" issue.

Motion made by Commissioner Cameron to pay the kennel owners the 2008 “outs” monies after the individual owners sign an agreement stating that they are prepared to accept the payment in a full resolution of their claim for 2008 and 2009 "outs" monies. Motion seconded by Commissioner McHugh. The motion passed unanimously by a 5-0-0 vote.

A brief recess was taken.

Chairman Crosby reconvened the 31st meeting.

Commissioner Cameron stated that public hearings and would be conducted on the applications of Suffolk Downs and Plainridge for 2013 racing licenses. A hearing in Plainville will be held at 10:00 a.m. on Thursday, October 18, and at 2:00 p.m. on the same day in Boston for Suffolk Downs. The Racing Division monthly meeting will be held the same day at 3:00 p.m.

Commissioner Cameron stated that the simulcasting and pari-mutuel wagering regulations have to be reviewed, with regulations submitted to the Legislature by January 1, 2013. She stated that David Murray, former General Counsel at Consumer Affairs, who is now a consultant, has offered to assist the Commission with this project. A background check has been conducted and he will start this project on October 22.

Motion made by Commissioner Cameron that Mr. David Murray assist the Commission for a two-month consulting project in which all of the simulcasting and pari-mutuel wagering regulations laws will be examined, researched, and recommendations made to the full Commission as to the progress of the project. Motion seconded by Commissioner Zuniga. The motion passed unanimously by a 5-0-0 vote.

Commissioner Cameron stated that the Commission had discussed hiring a paralegal primarily to assist with racing matters and she has chosen Danielle Holmes, who graduated from Albany Law School and has an extensive racing background. A background check has been conducted and she also is able to start employment with the Commission on October 22.

Public Education and Information:

See transcript pages 108-193.

Community and/or Developer Outreach/Responses to Requests for Information – Commissioner Stebbins stated that the Commission received a letter from the Charlton Board of Selectmen and he drafted a response for review. He stated that it is important for the Commission to remind communities, whether they are a host community or surrounding community, that, as they go through the process of assessing potential impacts of a gaming establishment, it helps to reach out as widely as possible to all segments of the community, town boards and commissions and to urge them all to think as broadly as possible about impacts a gaming facility might have so that all possible impacts can be discussed with potential developers at an appropriate time.

Ombudsman – Chairman Crosby introduced John Ziemba as his selection for the position of Commission Ombudsman. Mr. Ziemba addressed the Commission. He stated that he has worked in various state positions for sixteen years. He provided information on his background and his qualifications for this position and answered questions posed by the Commissioners. Discussion was held on the importance of this role and on the Commission's priorities for this position.

Motion made by Commissioner Zuniga that the Commission hire John Ziemba as its Ombudsman. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Host and Surrounding Community Reimbursement – Commissioner Zuniga stated that he reviewed the transcript and minutes from the Commission's discussion of reimbursement for host and surrounding communities. He prepared a memorandum describing the process for obtaining reimbursement and has revised that memorandum in response to concerns raised by Commissioners at the meeting where the original memorandum was first discussed. He asked for

feedback regarding the revision. Commissioner McHugh asked if the language in paragraph 1E could be tweaked to clarify the 50% reimbursement figure that paragraph referenced. Commissioner Zuniga stated that the process described in the paragraph was based on a retainage method used by the construction industry. Chairman Crosby stated that this provides cash-strapped town with a mechanism to keep ahead on the cash flow. Commissioner Zuniga stated that he would adjust the language to make the principle a little clearer and would present the revised memorandum for final approval in the near future.

Chairman Crosby stated that the Bureau of Indian Affairs disapproved the compact with the Mashpee Wampanoag tribe the Governor and the Legislature had negotiated and approved. The compact will now go back to the Governor and the Tribe for renegotiation, which will be done as soon as possible. It will then have to be approved by the Legislature again and the Commission, at least for now, will continue to watch as the process proceeds.

A brief recess was taken.

Chairman Crosby reconvened the 31st meeting.

Massachusetts Performing Arts Center Coalition Presentation – Troy Siebels, the Executive Director of the Hanover Theater in Worcester and Chair of the Massachusetts Performing Arts Center Coalition addressed the Commission. Present with him were Tina D’Agostino from City Stage in Symphony Hall in Springfield and Vincent Longo, Chief Operating Officer for South Shore Playhouse Associations, Inc. d/b/a Cape Cod Melody Tent and South Shore Music Circus.

Mr. Siebels stated that the Legislature made some provisions in the expanded gaming legislation to help mitigate negative repercussions gaming establishments might have on non-profit performing arts venues in Massachusetts. He stated that as the licensing process moves forward there are some issues on which they seek the Commission's support. He stated that their primary concern centers on their ability to obtain performers for their venues. The concern arises from the frequent use of “radius clauses” in contracts between casinos and premier performers whom the casinos book to appear at their facilities. In return for a premium the casinos pay to the performer, the clauses prohibit him or her from performing at any other entertainment venue within a certain radius for certain time. He then highlighted sections of the legislation that were included to protect the existing non-profit venues.

Mr. Siebels stated that casinos are required to submit with their application a signed letter of agreement with impacted live entertainment venues. He asked that the Commission recognize as “impacted” all non-profit and municipal venues in Massachusetts that have a seating capacity of between 1,000 to 3,500 persons and that present touring entertainment. He also asked that the Commission prevent casinos from staging any performances in an existing venue unless they did so in a partnership that would help to protect the viability of the existing non-profit venues throughout the Commonwealth.

An extensive discussion was held and the Commission stated that its role would be to uphold the legislation. The role of the Coalition would be to work out a letter of agreement with the

developers that has teeth and bring it to the Commission for approval, typically in the context of the developer's license application. Chairman Crosby stated that the Coalition is before the Commission today expressing its side, but there will be two sides to the situation and both sides will be heard at the appropriate time.

Report from Director of Communications and Outreach – Director Driscoll stated that a decision has to be made regarding which logo the Commission would like to use. She stated that based on the four logos presented last week, two concepts were chosen which Jackrabbit modified based on the Commission's feedback. Ms. Driscoll stated that that Jackrabbit stressed it was important not to morph things to the point where the integrity of the original concept is compromised. She reviewed the proposed concepts with the Commission and feedback was provided. The majority of the Commissioners preferred the seal style logo, but were not completely in favor of the content. Ms. Driscoll stated that she would provide that information to Jackrabbit and ask them to keep working. Chairman Crosby stated that they could also present additional concepts.

Ms. Driscoll stated that substantial progress has been made on the design of the new website and she provided the Commission with a brief overview.

Research Agenda:

See transcript pages 193-198.

Status Report – Chairman Crosby stated that six responses were submitted for the Research RFI. Three responses were from Spectrum, NCRG, and Clyde Barrow, who took the position that you cannot do this kind of research well because there is no recognized methodology for doing it. He stated that Harvard and U. Mass Amherst were very excited and consider this is an incredible opportunity. He stated that the Commission is putting together an advisory group to assist in making a recommendation. Commissioner Zuniga asked if consideration should be given to hiring someone, such as a Ph.D. candidate, on a contract basis to manage this initial effort. Commissioner McHugh recommended distributing the submitted information to all the Commissioners so everyone can look at it and perhaps make recommendations.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission October 16, 2012 Notice of Meeting & Agenda

/s/ James F. McHugh
James F. McHugh
Secretary

The Commonwealth of Massachusetts

Massachusetts Gaming Commission

Meeting Minutes

Date: October 23, 2012

Time: 1:00 p.m.

Place: Division of Insurance
1000 Washington Street
1st Floor, Meeting Room 1-E
Boston, Massachusetts

Present: Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron

Call to Order:

Commissioner McHugh opened the 32nd public meeting. He stated that Chairman Crosby and Commissioner Cameron are on business travel and will not be in attendance at today's meeting.

Approval of Minutes:

See transcript pages 2-3.

Commissioner McHugh stated that he has distributed the October 9 minutes and would welcome any comments. Commissioner Stebbins observed that the community colleges will be presenting their final plan to the Commission in November, not February as the draft minutes read.

Motion made by Commissioner McHugh to approve the October 9, 2012 minutes with the correction noted by Commissioner Stebbins. Motion seconded by Commissioner Stebbins. The motion passed by a 3-0-0 vote.

Commissioner McHugh stated that the October 16 meeting was lengthy and the minutes have not been finalized so they will be presented at the next Commission meeting.

Project Work Plan:

See transcript pages 3-44.

Consultant Status Report/Director of Administration Report – Director Glovsky addressed the Commission. She stated that she spoke with the gaming consultants today and received an update from them. In addition to their meeting with the Commission last week, they conducted meetings the following day with Commission members to identify and prioritize policy determinations that are preconditions to drafting Phase 2 regulations. They have worked on developing a schedule and sequence for making policy decisions. They continue to work on identifying and evaluating potential candidates for open staff positions. Commissioner Stebbins met with the consultants to discuss certifying curricula for gaming education and the most appropriate approach to the certification process. The consultants also have been involved in scheduling and providing support for the October 29 Scope of Licensing Meeting with the applicants, and the individual meetings that are expected to take place after that meeting. Finally, they have begun to respond to questions and comments from the Commission about the revised draft strategic plan, which was delivered on October 15.

Commissioner McHugh asked if the consultants consider the current draft of the strategic plan to be the final draft, or whether they anticipate further comments from the Commission. Commissioner Zuniga stated that he is not certain. Commissioner McHugh suggested that some of the policy issues being discussed today should be incorporated in the plan, as well as in adjustments to the project timelines. Director Glovsky stated that, when “finalized,” the strategic plan will become a living document. The Commission will approve it at some point and thereafter use it as a basis for continuing its work going forward. Director Glovsky stated that the consultants are also developing a work plan, which is a document in spreadsheet format that takes specifics steps describe in the plan and assigns staff to them. The consultants will take a first pass on assigning the Commissioners they think will be working in each area. She stated that this process will allow each Commissioner to look at the tasks that need to be accomplished, know the tasks for which they are responsible and understand who is handling the others. Commissioner McHugh asked how the spreadsheet would link to the plan PMA is maintaining. Director Glovsky replied that both were iterative and that determining the precise way to connect them remained a work in progress.

Director Glovsky stated that there are several RFRs in process, one for stenographic services, one for investigative services, and one for a temporary to permanent position for someone to do research on document management software. She stated that that a posting has been created for a senior business operations specialist who will work under her direction and can handle some of the accounting and information technology work that has to be done.

Commissioner McHugh asked how the Commission’s yet unarticulated document management policies fit into the process of procuring the document management software. Director Glovsky stated that she has had initial conversations with vendors and most of the systems available are all encompassing. Commissioner McHugh stated that he envisions a system that can be coded to deal with the document retention policies of the Secretary of State, aid in responding to Freedom of Information requests, and otherwise simplify the search and retrieval process for all documents in the Commission’s possession. Director Glovsky stated that those requirements would be in the procurement, along with any other specifications the Commission desired. Commissioner Zuniga stated that as part of the procurement the Commission needs to think through how to go about cataloging each document so the software can help retrieve it

later. Commissioner McHugh agreed in general, but observed that onerous or complex coding requirements would mean that the coding system would be ignored and the primary value of the software would be impaired, if not lost entirely.

Preparation for October 29 Meeting – Commissioner McHugh stated that the October 29 Scope of Licensing Meeting will be held at the Sheraton Framingham Conference Center at 10:00 a.m. At that meeting, the gaming consultants will explain the general parameters of the Phase 1 process, the criteria for determining those in the organizational hierarchy who must qualify, and the process the Investigations and Enforcement Bureau will follow during the qualification investigations. He stated that this meeting will be followed by three days of individual meetings between the consultants, individual applicants and those who are thinking about becoming applicants to go over specific questions they may have about their Phase 1 application. He asked that anyone planning on attending Monday's meeting register through the Commission's website.

RFA-2 Process – Commissioner McHugh stated that the RFA-1 deadline is January 15 and the investigations of the qualifiers will continue until June, by which time the Commission will have decided who is qualified. While the Phase-1 process is proceeding, the Commission will be proceeding with preparations for that Phase-2 process. The Commission intends to make judgments about the policies that need to be in place to issue the Phase-2 regulations during the month of November, set the policies in place in early December, and begin writing the regulations that will support those policies, with the goal of issuing the regulations by June.

Formal Organization of the Investigation and Enforcement Bureau (IEB) – Commissioner McHugh stated that when the Phase 1 applications are filed, the Commission will ask the IEB to commence an investigation as to the qualifications of the applicants. He stated that a search for a Director of the IEB is now in progress and the bureau will be created when that person is hired. The State Police will supply a component of the IEB and, if necessary, could provide temporary support while the IEB is being created.

Status of New Ethics Standards – Commissioner McHugh stated that the Commission is required by statute to create enhanced ethics standards that will apply to the Commission as well as the State Police and Alcoholic Beverages Control Commission personnel who work with the Commission. The Attorney General is required to create a separate enhanced ethics standard applicable to personnel in the Gaming Division her office creates. He stated that the Commission is currently in the process of working on these standards, which will be more stringent than the existing state ethics regulations. Commissioner Zuniga asked what the anticipated timeline would be. Commissioner McHugh stated that there is no firm timeline but he anticipates having them in place no later than the end of the year. Commissioner Stebbins recommended asking for public comments on the proposed ethics standards before they are finalized.

Preliminary Discussion of Policy Priorities – Commissioner McHugh stated that a preliminary list of policies the Commission needs to consider has been prepared and distributed as part of today's meeting packet. He stated that because the full Commission is not present, there will be no substantive discussion of those policies but a discussion of how to deal with prioritizing the policies would be helpful preparation for a meeting attended by all Commissioners next week.

Commissioner Zuniga stated that he liked the idea of grouping the policy questions. Some of the policies will affect the communities and applicants and some are important from a strategic standpoint and should be discussed soon. As an example, he focused on Paragraph 15 in the distributed list, which deals with construction information an applicant is required to provide as part of its application. He stated that, while the information mentioned in that paragraph is useful, an equally important level of detail that should be considered involves whether the construction will involve preassembly of materials from other states, because the number of construction hours in Massachusetts versus another state can be an important consideration in determining the impact of the construction process on Massachusetts job creation. Commissioner McHugh asked how the Commission can approach the task of determining the information it should require applicants to provide in addition to the information the statute specifies. Commissioner Stebbins stated that he agrees with grouping the questions to move the process along. He stated that some of the expertise needed to determine desirable information beyond that mentioned in the statute could be obtained from the people from whom the Commission has heard at the public forums it has held. Commissioner McHugh stated that perhaps it would be a good idea to post the current list of questions on the Commission's website to allow comment from the public and applicants. Commissioner Stebbins stated that many of the questions on the list probably have been answered in other jurisdictions and the Commission should draw on the many offers of help that people in those jurisdictions have extended.

Commissioner Zuniga recommended that, once the questions or issues on the list are placed in logical groups, the Commission should think about who should take the lead in gathering information relevant to the issues in each group. Following that theme, Commissioner McHugh stated that it would be ideal if a revised document containing groupings and priorities could be prepared so that at least part of the discussion at the next meeting could focus on assignment of responsibilities for information gathering. He recommended that Commissioners send suggestions for groupings and additional tasks to Director Glovsky and that she prepare a document for use at the next meeting based on those suggested additions and groupings. Commissioner McHugh also encouraged any member of the public who has thoughts about additional policy decisions that the Commission should soon make to send those suggestions to the Commission at the address for comments and questions posted on the Commission's website.

Administration:

See transcript page 44.

Personnel Searches – Commissioner McHugh stated that four searches are being conducted, in addition to the searches Director Glovsky addressed earlier. These searches include the Executive Director, Director of IEB, General Counsel, and fellowship attorney. All the searches are well underway and should be concluded the end of the year.

Racing Division:

See transcript pages 45-49.

Report from Director of Racing Division – Director Durenberger addressed the Commission. She stated that she was in Kentucky last week attending a Welfare and Safety of the Racehorse Summit and will have a report to the Commission by the end of the week. She stated that she spent Monday at Suffolk Downs viewing operations of the former SRC staff. She will be visiting Plainridge on Thursday, as well as the Raynham facility. She stated that she is in the process of finalizing a date and time for the working group. She stated that David Murray, Esq. has signed on to assist with the review of the pari-mutuel and simulcast laws, aided by Danielle Holmes, the new legal assistant.

Public Education and Information:

See transcript pages 49-53.

Community and/or Developer Outreach/Responses to Requests for Information – Commissioner McHugh stated that the City of Chelsea had posed several questions to the Commission and revised draft answers are included in the meeting packet. One question addressed the Local Capital Projects Fund described in G.L. c. 23K, § 59 and c. 29, § 2EEEE. The statutes describe the money that goes into that fund, but there is no description of how money goes out or the nature of the projects the fund is designed to support. The Commission contacted the Comptroller's office to see if it had any information that might help to answer those questions but it does not. More work, therefore, must be done to determine how the money comes out of the fund and a legislative correction may have to be requested. The Commission was in agreement that the answers in the form included in today's meeting packet may be delivered to Chelsea City Manager Jay Ash and posted as part of the frequently asked questions on the Commission's website.

Requests from Regional Groups – Commissioner Stebbins stated that Chairman Crosby is going to prepare a response to the letter from the Springfield Convention and Visitors Bureau regarding its proposal for a standard MOU with applicants for gaming licenses. Commissioner McHugh stated that the formal response is in the Chairman's hands, but the policy underlying the question will be addressed as the Commission addresses the policy decisions discussed earlier.

United Auto Workers Workplace Safety Presentation – Commissioner McHugh stated that a presentation was scheduled for today, but due to issues beyond their control the representatives could not attend today's meeting so the presentation will be rescheduled.

Research Agenda:

See transcript pages 53-71.

Status Report – Commissioner Zuniga stated that he would encourage all the Commissioners to read through the questions and responses the Commission received to the RFR issued for the Research Agenda. He stated that there are two broad themes within the responses. There is a realization that measuring social and economic impact of problem gambling is difficult. There is also an opportunity to do this research when it matters most, i.e., prior to the introduction of

casinos. He stated that another common theme in the responses is the idea that all research should be peer reviewed and published in reputable science journals.

Commissioner Zuniga stated that the Commission needs to think about the immediate next steps because a report is due to the legislature by the end of 2013. He stated that a decision should be made on whether to issue an RFP and, if so, what the focus of the RFP should be. Some of the responses recommend the Commission establish a research bureau which would become the repository for all of the Commission's research.. Commissioner Zuniga stated that the Commission could also consider entering into an ISA with the University of Massachusetts to conduct the research.

Commissioner McHugh asked whether the Commission could identify 10 or 15 items that it wanted to track and did not involve value judgments or comorbidities and use those items as a starting point for research. Commissioner Zuniga stated that approach could be taken and some information would be readily available. He added, however, that general methods of surveying are more and more challenging due to technology and people not answering phone calls. Commissioner Stebbins asked if the scientific advisory panel would peer review the results or look at the methodologies by which the information is being evaluated and assessed. Commissioner Zuniga stated that the scientific advisory panel could do both but precisely what it will do is yet to be determined. Commissioner Stebbins stated that it is critical to have this conversation with the Department of Public Health since they will be in charge of the research fund.

Commissioner Stebbins asked if the Commission should be looking at the Gaming Policy Advisory Committee and recommending to the appointing authorities the type of people it would like to have as members, such as someone with a background in research. Commissioner McHugh stated that he is concerned about establishing baselines before construction starts, because as construction starts the baselines the Commission desires to measure will inevitably change.

Commissioner McHugh recommended continuing this discussion at the next Commission meeting when all the Commissioners will be available, with the goal of making a policy decision about which direction to go in order to move the research agenda forward.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission October 23, 2012 Notice of Meeting & Agenda
2. October 9, 2012 Meeting Minutes of the Massachusetts Gaming Commission
3. Potential Policy Issues for the Commission's Resolution (Preliminary Draft)
4. Questions from City of Chelsea and Proposed Answers

/s/ James F. McHugh
James F. McHugh
Secretary

Massachusetts Gaming Commission						
Framework for Addressing Policy Questions						
Family (Group) of Questions and/or Policies		Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
Questions / Policies Necessary for Planning Purposes (for Communities and/or Applicants)						
1	How will we define "surrounding communities" and should we publish that definition early in the process?	[name - staff and/or commissioner]	[examples: A&K, Consultants, RPA's]	[examples: Studies, Mitigation Agreements]	[example: 2]	
2	Should the Commission issue guidelines for municipalities which may be a surrounding community to more than one host community?					
3	What criteria will we use to decide which "not-for-profit or municipally-owned performance venues" are "impacted live entertainment venues" within the statute's meaning.					
16	Should the Commission confirm through a formal policy that no host community agreements should be executed or referendums held before the relevant applicant has qualified through RFA-1?					
17	Should the Commission specify the minimum required content for a host community agreement?					
18	Should the Commission approve the wording of the summary required by G.L. c. 23K, § 15(13) before it is submitted to the public?					
31	Will the Commission promulgate additional ethics or reporting standards for applicants and/or related municipalities?					
37	Should the Commission set election criteria for a local referendum if there are more than one project on the ballot?					
45	Should the commission require completion of the Phase 1 qualifying investigation before permitting a host community vote?					

Massachusetts Gaming Commission					
Framework for Addressing Policy Questions					
Family (Group) of Questions and/or Policies	Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
46 Should the commission prohibit gambling by local officials in casinos located within their jurisdiction?					

Massachusetts Gaming Commission					
Framework for Addressing Policy Questions					
Family (Group) of Questions and/or Policies	Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
II Strategic Considerations for the Commission (in anticipation of bidding out licenses)					
8					
14					
19					
21					
32					
III Policy Questions Relevant to the Contents of an Application					
4					

Massachusetts Gaming Commission

Framework for Addressing Policy Questions

Family (Group) of Questions and/or Policies	Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
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?					
9 Should the Commission increase the minimum license fee and/or capital investment requirements? Should the Commission encourage bidding on the license fee? If the amounts are modified, should they vary by region?					
10 How should the Commission determine a suitable debt-to-equity ratio for applicants for a gaming license?					
11 Should the Commission allow a facility to open in stages, with the casino opening prior to the hotel and/or other facilities? If so, under what constraints?					
12 To what degree will an applicant be required to have progressed in federal, state and local permitting and other regulatory process before submitting its RFA-2 application?					
15 What degree of building design completion will be required before the licensing selection?					
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?					
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?					
38 As part of an applicant's goal to impact small businesses, what information should the commission require?					

Massachusetts Gaming Commission						
Framework for Addressing Policy Questions						
Family (Group) of Questions and/or Policies		Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
44	What should the studies and reports required by G.L. c. 23K, §§ 9 (a) (13), 18 (18) contain?					
IV	Policy Questions Pertaining to the Evaluation of the Gaming Licensee and their Proposals					
5	What, if any, criteria in addition to those listed in G.L. c. 23K, §§ 15, 18 should the Commission use in the RFA-2 licensing determinations in order to ensure that the license awarded will provide the highest and best value to the Commonwealth in the region in which a gaming establishment is to be located and how should all of those criteria be weighted, ranked or scored?					
20	What kind of a team with what kinds of skills and competencies does the Commission need to help it assess the Phase 2 proposals?			Procure Certain Services		
22	What, if any, conditions in addition to those prescribed in G.L. c. 23K, § 21, should the Commission prescribe for each gaming license?					
35	To expound on the point in question 5, should the Commission formulate and communicate a scoring system prior to the receipt of proposals with the relative weight of different criteria? Should the Commission establish a minimum scoring for applicants?					
39	How much weight or consideration does the commission give to the facility itself in meeting the goals of Sec. 5 SS 3 related to building appeal and other factors?					

Massachusetts Gaming Commission

Framework for Addressing Policy Questions

Family (Group) of Questions and/or Policies	Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
V Policy Questions Pertaining to Operations / Regulations of Casinos (may still need to be answered prior to awarding license)					
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					
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?					
25 When should the regulations pertaining to operations on the gaming floor be issued and what should those regulations contain?					
26 When should regulations regarding issuance of credit be issued and what should those regulations contain?					
27 When should regulations regarding check-cashing be issued and what should those regulations contain?					
28 When should regulations regarding approval of promotional gaming credits be issued and what should those regulations contain?					
29 When should regulations regarding excluded persons be issued and what should those regulations contain?					
30 When should regulations regarding provision of complementary services, gifts, cash or other items of value be issued and what should those regulations contain?					

Massachusetts Gaming Commission					
Framework for Addressing Policy Questions					
Family (Group) of Questions and/or Policies	Responsible for Follow Up	Advice / Input of others Needed	Document/ Info Needed	Priority Level *	Proposed Answer / Determination
40 Should the commission prescribe the games, rules and controls a licensee may have or should it solicit proposals from the applicants/licensees?					
41 What process should the commission use/require for testing gaming equipment? See § 66.					
47 Should the commission adopt the self-exclusion lists in effect in other jurisdictions? (See §46(k))					
48 What criteria should be used to exclude individuals involuntarily from casinos?					
49 What regulations and standards should the commission prescribe for the audits it is required to conduct?					

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H.C

SECTION 2. WORKPLACE POLICIES

2.1. Dress Code

The Commission has established an image of professionalism and wishes each of you to reinforce this image. Your attire has a direct impact on the image of MGC. One of the key aspects of our image is personal appearance. Good grooming and appropriate attire are essential in establishing a good impression. Impressions are important in our relationships with our constituents, clients, visitors, and fellow employees. Because of this, MGC has instituted a dress code to provide a general guideline to establish what it considers appropriate and professional attire. MGC currently has a “business” standard of dress for employees. We ask that everyone cooperate and wear appropriate business attire.

The guidelines are that you look neat and professional. Aside from complying with any safety regulations that may apply, we ask that you dress in a manner that is appropriate for your job and not distracting to other employees or visitors. Employees are expected to dress appropriately when notified that visitors to the premises are expected. Please remember that you are a representative of MGC and we expect that you will present yourself accordingly.

General definition of business attire for women: A reasonable length skirt or trousers of a non-jeans material combined with a top (such as a dress shirt, or sweater set) is considered acceptable. An informal dress with appropriate skirt length is also acceptable.

General definition of business attire for men: A combination of collared shirt (such as a dress shirt or polo shirt), cotton trousers (such as khakis or blue, green, brown, or black trousers) with a belt. Jeans are not acceptable business casual attire. A blazer or business jacket can optionally be added. Jacket and tie and/or suits are recommended if and when on an official meeting or in an official capacity.

The following is a partial list of examples that do not constitute business attire: jeans, shorts, tank tops, tee-shirts, cargo pants, mini-skirts, rumped or ripped clothing, underwear as outerwear, inappropriately revealing attire such as bare midriffs, and flip-flops.

2.2. Workplace Behavior and Employee Conduct

In order to maintain a productive working environment, MGC expects a level of employee conduct that is consistent with the practices mature people expect from each other. Our behavior

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in the workplace should be based on the consideration of rights, privileges and responsibilities of all individuals and designed to protect you and MGC from careless or abusive conduct. As a responsible employee you are expected to abide by all rules, regulations, policies, procedures, and instructions of MGC and managerial personnel. In the event of violations, MTC will impose such corrective action as is necessary, including disciplinary action where appropriate.

Code of Conduct

Conduct of employees shall at all times adhere to the highest standards of professional conduct and accountability and reflect favorably upon the Commission. Employees are expected to conduct themselves in their official relations with the public and with their fellow employees in a manner which will enhance public respect for, and confidence in, the employee, the Commission, and the Commonwealth as a whole. Employees are prohibited from engaging in any conduct in their official capacity that is intended to secure private gain, give preferential treatment to any person, or prevent any person from securing benefits to which he or she is entitled. Employees are expected to perform their duties in a fair and impartial manner and to avoid any conduct which gives the reasonable basis for an impression that he/she is acting otherwise. In no case should they abuse the integrity of the Commission or improperly use their official title.

This manual in general and this section in particular are intended to educate Commission employees about what types of behavior are considered unacceptable and may subject them to discipline. The employee manual is not to be considered all-inclusive. The absence of a specifically enumerated rule of conduct does not mean or imply that any other acts of misconduct are condoned. The Commission reserves the right to discipline employees, up to and including termination, for unethical or unacceptable conduct which may or may not be enumerated specifically in this handbook.

Employees must review and comply with M.G.L. c. 268A (the Conflict of Interest Law) as well as other applicable state and federal laws governing the conduct of public employees. All attorneys shall strictly adhere to all ethics standards established by the State Ethics Commission. In addition, within thirty days of being hired and then every two years thereafter, all employees must complete the State Ethics Commission's online training, which is available at the Ethics Commission's web site www.mass.gov/ethics. Upon completing the program, employees should print out the completion certificate and keep a copy for themselves. Employees will be required to provide a copy of the completion certificate to the Commission upon request.

Criminal Activity

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All MGC employees shall at all times adhere to the highest standards of conduct. If an employee engages in criminal activity relating to his or her employment at the Commission, he or she may be subject to discipline, up to and including discharge. Examples of criminal activity that relates to MGC employment include: theft, misappropriation or unauthorized use of MGC funds, falsification of time or other MGC records, possession or sale of drugs or possession of unauthorized firearms or other dangerous weapons on MGC property, acceptance or solicitation of gifts, money, or other things of value intended as inducement to perform or refrain from performing an official act, and other violations of laws of the United States or the Commonwealth of Massachusetts.

All employees of the MGC must accept personal responsibility for obeying the laws of the Commonwealth of Massachusetts, of other state jurisdictions, and of the United States. Any employee who is arrested, charged, or convicted of a crime must immediately notify the General Counsel. Depending upon the nature of the charge, an employee may be subject to suspension without pay and/or loss of other employee benefits, pending resolution of a criminal matter. Any employee who is convicted of a crime relating to his/her employment may be subject to discipline, up to and including discharge.

2.3. Drug and Alcohol Policy

The Massachusetts Gaming Commission seeks to ensure a safe, healthy, and productive work environment for all employees. Evidence clearly indicates that employee substance abuse results in low productivity, high absenteeism, excessive use of medical benefits, and a risk to their own safety as well as that of their co-workers. In a good faith effort to comply with the Federal Drug-Free Workplace Act of 1988, MGC, through this statement to employees, hereby re-emphasizes its policy against the use of illegal drugs and alcohol on MGC's premises.

MGC has taken steps to combat the dangers posed by substance abuse. Some resources available to you to help find out about treatment options and resources include the Governor's Alliance Against Drugs, which provides drug and alcohol education materials and is active in local schools and communities and the Massachusetts Substance Abuse Information and Education helpline located on the web at <http://www.helpline-online.com> or by telephone at 1-800-32 7-5050 (TTY 61 7-536 -5872). In furtherance of the Drug-Free Workplace Act of 1988, and in an effort to safeguard further its employees, MGC hereby provides each employee with notice of the following: (i) all employees are required to adhere to the provisions and requirements contained in this Statement as a condition of their employment with MGC; and (ii) MGC policy calls for disciplinary actions, up to and including termination, in instances where employees are found to have violated the provisions of this Statement.

MGC's policy is as follows:

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No MGC employee shall illegally manufacture, distribute, dispense, possess, consume or otherwise use any controlled substances during the employee's employment hours. The possession or consumption of a controlled substance is permissible only if it is under the direction of a physician or other person authorized to issue prescriptions for controlled substances. "Controlled substances" shall mean a drug, substance, or immediate precursor in any schedule or class referred to in M.G.L. Chapter 94C.

The illegal manufacture, distribution, dispensing, possession, consumption, or other use of alcohol or a controlled substance while on the job or while on MGC premises is an offense for which MGC will take such corrective action as is necessary, including disciplinary action where appropriate. Any illegal controlled substances may be turned over to the appropriate law enforcement agency and may result in criminal prosecution. Employees who are under the influence of alcohol or unlawfully under the influence of a controlled substance shall be subject to sanctions, up to and including discharge.

MGC expects employees to report for work at all times in condition to perform their duties. Accordingly, off-the-job illegal use of a controlled substance which adversely affects an employee's job performance, or which could jeopardize the safety of other employees or guests of MGC, or MGC property or equipment, may be proper cause for the imposition of disciplinary action, up to and including discharge, where appropriate.

Managerial employees are to be alert for any infraction of this policy and are responsible for notifying the Human Resources Manager of any apparent violations. This Statement is intended to clarify MGC's drug-free workplace policy. If you have any further questions, please contact the Human Resources Department.

2.4. Smoking Policy

Pursuant to the Massachusetts Clean Indoor Air Act (Massachusetts General Laws Chapter 270, Section 22) no smoking is permitted in any space of the Commission. Smoking is permitted outside only, and in accordance with the guidelines of the building manager and/or property manager. Urns or other appropriate receptacles may be available in various outdoor locations for disposal purposes.

2.5. Freedom from Unlawful Harassment and Discrimination Policy

The Gaming Commission has a fundamental commitment to treating its employees with dignity and respect. The support of equal employment opportunity includes the recognition that all employees have the right to work in an environment free of unlawful harassment on account of race, color, religion, sex, national origin, ancestry, age, mental or physical disability, pregnancy,

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sexual orientation, any veteran status, any military status or application for military service, or membership in any category protected under applicable local, state or federal law. Harassment and discrimination based on protected status, whether by managerial personnel, co-workers or third parties with whom the Commission does business is unlawful and will not be tolerated by the Commission.

The Commission takes complaints of harassment and discrimination based on protected status seriously. The Commission will respond promptly to all reported complaints. Where it is demonstrated to its satisfaction that unlawful harassment and/or discrimination based on protected status did in fact occur, MGC will respond promptly and impose such corrective action as is necessary, including disciplinary action where appropriate.

Please note that while this policy sets forth MGC's goals of promoting a workplace that is free of harassment and discrimination based on protected status, the policy is not designed or intended to limit MGC's authority to discipline or take remedial action for unacceptable or inappropriate workplace conduct regardless of whether the conduct satisfies the legal definition of harassment. Derogatory and otherwise inappropriate remarks, slurs, or jokes based on any category protected by law will not be tolerated. The initial responsibility to investigate complaints of harassment and discrimination in the workplace has been assigned to the Human Resources Manager and General Counsel. Any employee who believes that he or she has been subject to unlawful harassment or discrimination based on protected status should report the alleged act to the General Counsel and/or Human Resources Manager as soon as possible. If the employee would prefer to report the alleged act to the employee's direct manager, or to any other manager, the employee should feel free to do so. These individuals are available to discuss any concerns employees may have and to provide information about MGC's policy and the complaint process. Employees should not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation.

An investigation of any such complaint will be undertaken promptly. The investigation may include a private interview with the employee making the complaint, with witnesses, and with the person accused of harassment.

The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. When MGC has completed its investigation, it will, to the extent appropriate, inform the person filing the complaint and the person alleged to have committed the conduct of the results of the investigation. If the investigation reveals that harassment did occur, MGC will act promptly to eliminate the offending conduct and impose disciplinary action where warranted.

It is unlawful to retaliate against an employee for filing a complaint of unlawful harassment or discrimination based on protected status or for cooperating in an investigation of such a complaint. Any individual who has been found to have engaged in retaliation against an MGC employee for filing a complaint or participating in the investigation of a complaint may be

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subject to appropriate sanctions, up to and including discharge. If any employee believes that he or she has been subjected to retaliation for having brought or cooperating in the investigation of a complaint of unlawful harassment or discrimination based on a protected class, that employee is encouraged to report the situation as soon as possible to the Human Resources Manager or General Counsel, the employee's direct manager, or any other MGC manager. We trust that all employees will continue to act responsibly to establish and maintain a pleasant working environment.

2.6. Sexual Harassment Prevention Policy

All employees have the right to be free from unwelcome sexual advances or any other verbal or physical conduct which constitutes sexual harassment. Sexual harassment is unlawful and will not be permitted by either managerial personnel or non-managerial personnel. MGC takes allegations of sexual harassment seriously. MGC will respond promptly to complaints of sexual harassment. Where it is demonstrated to its satisfaction that such harassment occurred, MGC will act promptly to eliminate the harassment and impose such corrective action as is necessary, including disciplinary action where appropriate.

Please note that while this policy sets forth MGC's goals of promoting a workplace that is free of sexual harassment, the policy is not designed or intended to limit MGC's authority to discipline or to take remedial action for workplace conduct we deem unacceptable or inappropriate, regardless of whether that conduct satisfies the definition of sexual harassment.

In Massachusetts, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature where: (a) submission to or rejection of such advances, requests, or conduct is made either explicitly or implicitly a term or condition of employment or as a basis for employment decisions; or (b) such advances, requests, or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating, or sexually offensive work environment. These definitions include any direct or implied requests by a manager for sexual favors in exchange for actual or promised job benefits, such as favorable reviews, salary increases, promotions, increased benefits, or continued employment, as well as any sexually-oriented conduct that is unwelcome and has the effect of creating a workplace environment that is hostile, offensive, intimidating, or humiliating to male or female workers.

Examples of conduct, which, if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances, including the severity of the conduct and its pervasiveness, include the following: Either explicitly or implicitly conditioning any term of employment (e.g., continued employment, wages, evaluation, advancement, assigned duties, or shifts) on the provision of sexual favors; Touching a sexual part of an employee's body; Touching any part of an employee's body after that person has indicated, or it is known, that such physical contact was

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unwelcome; Continuing to ask an employee to socialize on or off-duty when that person has indicated she or he is not interested; Displaying or transmitting sexually suggestive pictures, objects, cartoons, or posters if it is known or should be known that the behavior is unwelcome; Regularly using sexually vulgar or explicit language in the presence of a person if it is known or should be known that the person does not welcome such behavior; Derogatory or provoking remarks about or relating to an employee's gender, sexual activity or sexual orientation; Coerced sexual acts.

The responsibility to investigate complaints of sexual harassment has been assigned to the Human Resources Manager and the General Counsel. Any employee who believes that he or she has been the subject of sexual harassment should report the alleged act to the Human Resources Manager and/or General Counsel as soon as possible. If the employee would prefer to report the alleged act to the employee's direct manager, or to any other manager, or to any one of the commissioners, the employee should feel free to do so. These individuals are available to discuss any concerns employees may have and to provide information about MGC's policy on sexual harassment and the complaint process. Employees should not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation.

An investigation of any such complaint will be undertaken promptly. The investigation may include a private interview with the employee making the complaint, with witnesses, and with the person accused of sexual harassment. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. When MGC has completed its investigation, it will, to the extent appropriate, inform the person filing the complaint and the person alleged to have committed the conduct of the results of the investigation. If the investigation reveals that sexual harassment did occur, MGC will act promptly to eliminate the offending conduct and impose any appropriate disciplinary action, up to and including discharge.

It is unlawful to retaliate against an employee for filing a complaint of sexual harassment or for cooperating in an investigation of a complaint for sexual harassment. Any individual who has been found to have engaged in such retaliation against another employee may be subject to appropriate sanctions, including counseling, verbal or written warnings, transfer, suspension and/or discharge. If any employee believes that she or he has been subjected to retaliation for having brought or supported a complaint of harassment, that employee is encouraged to report the situation as soon as possible to the Human Resources Manager or General Counsel, the employee's direct manager, or any other manager of MGC.

The state agency responsible for complaints of sexual harassment is the Massachusetts Commission Against Discrimination ("MCAD"). The MCAD can be reached in Boston at One Ashburton Place, Room 601, Boston, MA 021 08, telephone number: (61 7) 994-6000 or in Western Massachusetts at 436 Dwight Street, Suite 22 0, Springfield, MA 01103, telephone number: (413) 739-2145.

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The Equal Employment Opportunity Commission (“EEOC”) is the federal agency which investigates sexual harassment claims. The EEOC can be reached at JFK Federal Building, Room 475, Boston, Massachusetts 02203, telephone number (617) 565 -3200.

If you believe you have been the victim of sexual harassment or retaliation, you may contact the MCAD or the EEOC. You must file a charge at the MCAD or the EEOC within 300 days of the alleged discriminatory action.

We trust that all employees will continue to act responsibly to establish and maintain a pleasant working environment free of sexual harassment and unlawful discrimination of any type.

2.7. Conflict of Interest and Financial Disclosure

Employees of MGC are state employees and are thus subject to the Massachusetts Conflict of Interest Statute, Massachusetts General Laws Chapter 268A. You are encouraged to confer with our General Counsel if you have any questions about the application of this statute. In addition, all Commissioners and certain employees of the Commission are required to file annual disclosure documents with the Massachusetts State Ethics Commission. Employees to whom this requirement applies will be notified annually of their obligation by MGC and the State Ethics Commission. An employee who fails to fulfill this obligation will be subject to such corrective action as is necessary, including disciplinary action where appropriate.

The following is a summary of the Chapter 268A provisions that apply to Commission’s employees. Please note this is not intended to be a definitive or complete summary of these provisions, but only to give you an idea of the issues covered. If you have any questions with regard to the application of Chapter 26 8A to you or your activities, please contact the General Counsel.

2.7.1. Summary of Provisions of Chapter 268A for State Employees

Definition of State Employee

For purposes of Chapter 268A, a “state employee” is a person performing services for or holding a position in a state agency. MGC is a state agency. A person is a state employee regardless of whether s/he is: elected or appointed, paid or unpaid, part-time or full-time, a regular employee or an independent contractor.

The key personnel who provide services to a state agency under a contract between the agency and a corporate or other entity may be deemed to be state employees.

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The law applies less restrictively in some circumstances (see below) to a subset of state employees referred to as “special state employees.” A special state employee is a state employee who: is not paid for the services rendered to the state agency; is permitted by the terms of his contract or conditions of employment to engage in personal or private employment during normal working hours (written disclosure of such permission must be filed with the State Ethics Commission prior to the personal or private employment); or earns compensation as a state employee for an aggregate of less than eight hundred hours during the preceding three hundred and sixty five days.

Bribery, Gratuities, Gifts

No person may give something of value to a state employee to influence an official act (bribery). No such employee may accept a bribe.

No person may give anything of substantial value (usually \$50 or more in the aggregate) to a present or former state employee for or because of any act of the employee in performing his job.

No present or former state employee may accept anything of substantial value for or because of any act of the employee in performing his job or for any act within his official responsibility.

Acting for Others; Current State Employee

A state employee may not: receive compensation from anyone other than the State in relation to any particular matter in which the State has a direct and substantial interest (e.g., receiving payment for consulting services from a private person or company in relation to a matter pending before the MGC); or represent (regardless of compensation) someone other than the State in connection with a particular matter in which the State has a direct and substantial interest (e.g., dealing with DEP in connection with a neighbor’s permit application). These prohibitions apply to a special state employee only if (i) s/he personally participated in the particular matter or (ii) it is now or was within his/her official responsibility within one year or (iii) the matter is pending in an agency in which s/he has served on more than 60 of the preceding 365 days.

A business partner of a present state employee may not represent anyone other than the State (with or without compensation) in any particular matter in which the state employee participates or has participated or over which he has official responsibility.

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Acting for Others; Former State Employee

A former state employee may not: ever represent or receive compensation from anyone other than the State in connection with a particular matter that is integrally related to a particular matter in which he participated as a state employee and in which the State has a direct and substantial interest. (This prohibition also applies to the former state employee's business partners, but for only 1 year after the state employment ceases.); for 1 year after state employment ceases, appear personally as a representative for someone other than the State in connection with a particular matter in which the State has a direct and substantial interest and which was under his official responsibility at any time within the two years prior to the end of his state employment; or for 1 year after state employment ceases, act as a legislative agent before the agency with which he was formerly associated.

Participating in Matters Affecting the Financial Interests of Related Parties

A state employee may not participate as such employee in a particular matter in which to his knowledge he or the following persons have a reasonably foreseeable financial interest: members of his immediate family (spouse, parents, parents-in-law, children, brothers, sisters); business partner; a "business organization" (includes non-profits) in which he serves as officer, director, trustee, partner, or employee; and a person or organization with which he is negotiating or has an arrangement concerning prospective employment.

There is no violation if (1) the employee fully discloses to his appointing official and the State Ethics Commission the nature and circumstances of the particular matter and the financial interest and (2) the appointing official then either: assigns the matter to another employee; assumes responsibility for the particular matter; or files with the State Ethics Commission a written determination that the interest is not so substantial as to affect the integrity of the services the State may expect from the employee, in which case the employee may participate.

Financial Interest in State Contracts

A state employee may not have a financial interest, directly or indirectly, in a contract made by any state agency, in which the State is an interested party, of which interest he has knowledge or has reason to know.

Exemptions—the prohibition does not apply:

- if the financial interest consists of the ownership of less than one percent of the stock of a corporation;

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- to a state employee who in good faith and within 30 days after he learns of an actual or prospective interest makes full disclosure of his financial interest to the contracting agency and terminates or disposes of the interest;
- to a state employee under these conditions:
 - (a) he is not a member of the General Court;
 - (b) he is not employed by the contracting agency or an agency, which regulates the activities of that agency;
 - (c) he does not participate in or have official responsibility for any of the activities of the contracting agency;
 - (d) the contract is made after public notice or where applicable, through competitive bidding; and
 - (e) the state employee files with the State Ethics Commission a statement making full disclosure of the interest and the interests of his immediate family in the contract.
 - (f) in the case of a contract for personal services if (1) the services will be provided outside the employee's normal working hours, (2) the services are not required as part of the employee's regular duties, (3) the employee is compensated for not more than 500 hours during a calendar year, and (4) the head of the contracting agency makes and files with the State Ethics Commission a written certification that no employees of that agency are available to perform those services as a part of their regular duties.
- to a state employee who is:
 - (a) a member of the General Court;
 - (b) the contract is made by an agency other than the General Court or either branch thereof;
 - (c) his direct and indirect interests and those of his immediate family in the corporation or other commercial entity with which the contract is made do not in the aggregate amount to ten percent of the total proprietary interests therein;
 - (d) the contract is made through competitive bidding; and
 - (e) he files with the State Ethics Commission a statement making full disclosure of his interest and the interests of his and immediate family.
- to a special state employee who:
 - (a) does not participate in or have official responsibility for any of the activities of the contracting agency; and
 - (b) he files with the State Ethics Commission a statement making full disclosure of his interest and the interests of his immediate family in the contract.
- to a special state employee who:
 - (a) who files with the State Ethics Commission a statement making full disclosure of his interest and the interests of his immediate family in the contract; and
 - (b) the Governor exempts him.

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- to a state employee who:
 - (a) provides services or furnishes supplies, goods, and materials to a recipient of public assistance;
 - (b) the services, supplies, goods, and materials are provided in accordance with a schedule of charges promulgated by the welfare agency; and
 - (c) such recipient has the right under law to choose and in fact does choose the person or firm that will provide such services or furnish such supplies, goods and materials.

- to a state employee who
 - (a) teaches or performs other related duties in an educational institution of the Commonwealth;
 - (b) does not participate in, or have official responsibility for, the financial management of the educational institution; and
 - (c) is so employed on a part time basis.

2.7.2. Appearance of Conflict

A state employee may not knowingly: accept other employment involving compensation of substantial value, the responsibilities of which are inherently incompatible with the responsibilities of his public Department; use or attempt to use his official position to secure for himself or others unwarranted privileges or exemptions which are of substantial value and which are not properly available to other persons in similar circumstances; act in a manner, which creates the appearance that another person can improperly influence or unduly enjoy his favor in the performance of his official duties, or that he is likely to perform his duties influenced by kinship, rank, position or undue influence of any party or person. Exception: no violation occurs if the employee has disclosed in writing to his appointing authority on a form provided for that purpose by the state Ethics Commission the facts that would create the appearance.

A current or former state employee may not knowingly: accept employment or engage in any business or professional activity that will require him to disclose sensitive information which he has gained by reason of his official position or authority; improperly disclose materials or data falling within the exemptions to the definition of “public records” acquired by him in the course of his official duties nor use such information to further his personal interest.

2.8. Confidential Information

The Commission has issued detailed regulations pertaining to the nature and handling of Confidential Information. The language in this section contains excerpts from such regulations (205 CMR 103)

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All records made or received by the Commission or the Investigations and Enforcement Bureau (IEB) are public records and are available for disclosure on request, with the exception of the following:

- (1) all records, including without limitation investigatory materials, specifically excluded from the definition of “public record” pursuant to M.G.L. c. 4, § 7, cl. 26;
- (2) all confidential information defined in 205 CMR 102.02(2);
- (3) all records which are or which contain “criminal offender record information”, “evaluative information”, or “intelligence information” pursuant to M.G.L. c. 6, § 167, the disclosure of which would not be in compliance with M.G.L. c. 6, §§ 167 through 178;
- (4) all records which are or which contain “personal data” pursuant to M.G.L. c. 66A, § 1, the disclosure of which would not be in compliance with M.G.L. c. 66A; or which are or which contain “personal information” pursuant to M.G.L. c. 93H, § 1, the disclosure of which would not be in compliance with M.G.L. c. 93H; and
- (5) all records specifically or by necessary implication exempted from disclosure by statute including, but not limited to, the exemption (a) statutes listed by the supervisor of public records in the Appendix to the official Guide to the Massachusetts Public Records Law.

Official Custodians; Individual Responsible for Personal Data System

The commissioner secretary is the official custodian of all books, documents and papers filed by the commission and of its minute book; the chief financial and accounting officer is the official custodian of its books of account and accounting records; the deputy director of the IEB is the official custodian of all records of the bureau; and the executive director is the official custodian of all other records of the commission. In the case of an absence or vacancy in the office of an official custodian, or in the case of disability as determined by the commission, the chair may designate an acting custodian to serve until the vacancy is filled or the absence or disability ceases. Each official custodian may, with the permission of the chair, from time to time delegate to another commissioner, employee or employees of the commission or the bureau responsibility for the custody of some or all public records under his or her jurisdiction.

The custodians of the records will establish procedures for the safe keep of the records, and in the case of confidential information such procedures will include procedures to maintain restricted access to such records. Confidential information may be identified with tags “Exempt/Redact” within the content of a form or file.

Employees are precluded from distributing or gaining willful access to confidential information without the prior express consent of the custodian of the records. Employees are advised to place particular attention to the nature of confidential information, and thus refer any questions they may have (i.e., whether or not certain information may be confidential) to

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any one of the custodians of the records, any one of the commissioners or the General Counsel.

Safeguarding Information from Improper Use and Disclosure

MGC employees, consultants and contractors are expected to protect Sensitive Information from improper use and disclosure at all times. The following are examples of the kinds of protective procedures that should be followed:

Limited Communication to MGC Personnel: Sensitive Information should not be communicated to other MGC employees, except to the extent that they need to know the information to fulfill their MGC mission-related responsibilities and their knowledge of the information is not likely to result in misuse or a conflict of interest.

Limited Communication to Non-MGC Personnel: Sensitive Information should not be communicated to anyone outside MGC, including family members, except to the extent outside parties need to know the information in order to provide necessary services to the Commission, its applicants or recipients, or as otherwise directed by the General Counsel to comply with legal requirements necessitating disclosure, such as proper requests under the Public Records Act.

Notification of Confidentiality: When Sensitive Information is communicated to any person, either inside or outside MGC, the individual receiving such information should be informed of its sensitive nature and the need to safeguard such information from improper use and disclosure. MGC will generally require that its contractors and consultants execute a confidentiality agreement that has either been provided or approved by the General Counsel before Sensitive Information is disclosed to them.

MGC Use Only: Sensitive Information should only be used for MGC purposes. Under no circumstances may a present or former MGC employee, consultant, contractor or licensee “trade on” such information or otherwise use it, directly or indirectly, for personal gain or for the benefit of any party other than the owner of such information. Exception: From time to time, the Commission’s Enforcement Division, may conduct or cause to conduct a criminal investigation. *See separate section on procedures relative to criminal investigations.*

Prevention of Eavesdropping, Unauthorized Viewing, etc.: Sensitive matters should not be discussed in restaurants, on public transportation or in other public places or in locations, such as hallways, elevators and building lobbies, where unauthorized individuals could overhear the discussion. Similarly, Sensitive Information should not be exchanged or discussed via cordless or cellular phones or similar “non-secure” communication lines.

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Speaker phones can amplify conversations and should be used with care when discussing Sensitive Information. Common sense precautions should also be taken with respect to Sensitive Information in written form, such as stamping or marking such documents “CONFIDENTIAL” to flag them for special handling, limiting access to files to those with an MGC-related “need to know,” locking documents that contain Sensitive Information in desk drawers or file cabinets when you are away from your desk, carefully limiting the circumstances in which (and exercising appropriate care when) such materials leave MGC’s office, delivering sensitive materials to others in sealed envelopes, and limiting the addressees and “cc’s” of letters, memoranda, emails, and other communications containing Sensitive Information to those individuals who reasonably need to see such communications. Data stored on desktop computers, laptops, tablets, flash drives, CD-ROMs, and other electronic media containing Sensitive Information, should be properly secured to keep them from being accessed by unauthorized individuals. Documents containing Sensitive Information that are sent to printers should be picked up promptly, computer passwords should be protected, and MGC employees should log off when leaving the office.

Communications with the Public; Compulsory Legal Process: All contacts with the media and all speeches or other oral or written public statements made on behalf of MGC, or concerning its activities, applicants or recipients, must be cleared in advance by MGC’s Communications Director. In speeches and statements not made on behalf of MGC, proper care should be taken to avoid any implication that the Commission endorses the views expressed. All disclosure requests under the Public Records Act or in the form of requests for discovery, subpoenas, court or administrative orders, or the like must also be referred to the General Counsel for appropriate handling.

Special Procedures Relating to the Fair Information Practices Act: If you feel that some aspect of your job function requires you to collect, use, or maintain information about the personal finances, health or other personal circumstances or attributes of individuals, please contact the General Counsel for guidance.

Special Procedures Relative to the Public Records Act: MGC is subject to the provisions of Massachusetts Public Records Act, M.G.L. Chapter 66, which can require the Commission to make certain Sensitive Information available to the public. Accordingly, documents and other data made or received by MGC and its consultants and contractors are subject to public disclosure unless such materials are specifically exempted under the statute and certain specific procedures are followed.

No MGC employee other than the General Counsel is authorized to make determination as to whether particular information is a “Public Record” or is exempt from disclosure under the Public Records Act, or how MGC would respond to any given request or demand for disclosure of Confidential Information.

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Additional Procedures: MGC divisions, departments, and working groups should establish appropriate supplemental procedures that are consistent with the above objectives and guidelines to help protect Confidential Information. Such procedures may include limiting the staffing of matters that entail Confidential Information and instituting appropriate file management techniques. All such supplemental procedures should be reviewed by the General Counsel and should be used only to protect Confidential Information from improper use and disclosure, and not to circumvent compliance with legal requirements necessitating disclosure of certain types of Confidential Information.

2.9. Supplemental Employment and Business Activities

General Statement

As stipulated in the Commission’s enabling statute G.L. chapter 23K section 3 (o) “No employee of the commission shall pursue any other business or occupation or other gainful employment outside of the commission without the prior written approval of the commission that such employment will not interfere or be in conflict with the employee’s duties to the commission.”

MGC recognizes that many of its employees have specialized skills or areas of expertise, and that the utilization of these skills in “supplemental employment” or business activities can be beneficial to both the individual and to MGC. As a general policy, MGC respects the right of an employee to engage in supplemental employment or business activities of the employee’s choice, as long as: (i) the employee has obtained prior written approval from MGC; (ii) it does not bring discredit to MGC; and (iii) it does not diminish the fulfillment of the requirements of the employee’s position with MGC. MGC may disapprove of any such supplemental employment or business activities.

General Guidelines

While the Commission does not, as a condition of employment, impose any absolute restrictions on an employee’s right to engage in supplemental employment or business activities of the employee’s choice certain general policies and procedural guidelines apply to supplemental employment or business activities of Commission employees:

1. The employee’s commitment during normal working hours is to the employee’s full-time position at the Commission. Supplemental employment or business activities may not reduce the time spent or the quality of your work at MGC;

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2. The supplemental employment or business activity may not influence the employee or create the appearance of influencing the employee in the performance of the employee's Commission employment;
3. The employee may not use Commission sensitive information to secure or to support such supplemental employment or business activity;
4. The employee may not use Commission equipment, supplies or materials (including telephones, fax machines, Department supplies, copy machines) in the course or in support of such supplemental employment or business activity;
5. The employee may not be paid by a non-State or private party if the Commonwealth or MGC has a direct and substantial interest in the supplemental employment or business activity;
6. In any supplemental employment or business activity, the employee must take care to avoid any perception that such supplemental employment or business activity is representative of or in any way connected with MGC or that employee's relationship therewith; and
7. The supplemental employment or business activity must be in conformance with the Massachusetts Conflict of Interest statute.

Prohibited Supplemental Employment or Business Activity

1. The following outside supplemental employment or business activity is prohibited, even if it meets the above guidelines: any supplemental employment or business activity *during your scheduled working hours* (including, but not limited to, real estate, retail sales, insurance, law and accounting);
2. Any supplemental employment or business activity that involves particular matters in which you have participated as a Commission employee or which are the subject of your official responsibility; and
3. If you are a Commission attorney, you may not appear in court as an attorney on behalf of a private client if the Commonwealth or MGC is also an interested party.
4. Any advocacy activity (paid or un-paid) for or against the presence of a casino in a local jurisdiction (within or outside of the Commonwealth).

Activities that Are Not "Supplemental Employment or Business Activity"

The following are examples of activities that are not generally considered to be "Supplemental Employment or Business Activity" and for which no advance approval will generally be required:

1. Unpaid work for civic, scout, religious, educational, fraternal, social, community, veterans, or charitable organizations (However, you may not engage in fundraising activities for those organizations by soliciting funds from any person or organization that

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does business with MGC. Be aware that the State's Conflict of Interest Law has strict guidelines on what you may participate in if any matter involves MGC or another state agency.);

2. Serving as a notary public or justice of the peace;
3. Serving as a trustee, guardian, conservator, executor, administrator, or act as resident agent for your immediate family;
4. Renting property (However, you may not rent property to MGC. Further, rental of any property to the Commonwealth, a municipality or any entity connected therewith may have ethical implications and should be reviewed by the State Ethics Commission);
5. Personal and/or professional involvement in the community, with professional organizations, and in state or local politics (if those events or organizations do not include advocacy for or against casinos or gaming); and
6. Performing minor services and odd jobs for friends, relatives, or neighbors. Examples include: repairs or maintenance work such as painting, yard work, carpentry, or babysitting and carools involving payment for transportation.

Notwithstanding the above, however, if any of these activities involves MGC, Commission's consultants, any person or organization that does business with MGC, or another state agency, you must get prior written approval from the Executive Director. These activities may not be undertaken during work hours.

Disclosure Requirements

A general policy cannot cover all situations. Employees planning to participate in supplemental employment or business activities are expected to disclose and review their plans with the Executive Director or his designee prior to making any commitment. Employees participating in supplemental employment and business activities are required to disclose the activities and make a report to the General Counsel on a semi-annual basis or whenever circumstances dictate. The report shall include the following:

1. The company or organization involved
2. Number of days (including dates)
3. Type of activity
4. Compensation (if requested)
5. Other information deemed necessary or appropriate by the employee of MGC

You are encouraged to confer with our General Counsel if you have any questions about supplemental employment and outside activities.

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2.10. Corrective Action Process

Our hope is always that employees will correct problems with performance and conduct when they occur. However, MGC may impose such corrective action as is necessary, including disciplinary action where appropriate. Typical progressive disciplinary action may include the following:

1. The manager may issue a verbal warning to an employee for unsatisfactory conduct or performance;
2. The manager may issue a written warning for continued or repeated unsatisfactory conduct or performance, or failure to satisfactorily improve following a verbal warning; and
3. Discharge.

For major offenses, such as physical violence, theft, destruction of MGC property, unauthorized use of MGC property, possession of controlled substances, etc., the first offense could result in termination of employment and even prosecution if commission of a crime occurs. This explanation is not meant to be all encompassing. Each incident requiring discipline is reviewed and handled on an individual basis. Although progressive discipline often is used to address performance issues, the decision whether to use progressive discipline and the appropriate type of discipline to apply in any particular case remains in MGC's sole discretion. Your employment is at all times "at will," which means that either you or MGC may terminate your employment at any time and for any lawful reason.

2.11. Open Meeting Law

As a public instrumentality, the Commission is subject to State law governing the posting of meeting times and locations, and accessibility of meetings to the public, with regard to the meetings of the Commission. It is the responsibility of the MGC staff person convening the meeting to secure compliance with the Open Meeting Law. Commissioners generally schedule a public meeting once a week. Directors should confer with the Commissioner Secretary or the chair of the Commission to include items for discussion in the agenda.

Among other considerations, certain confidential information obtained from applicants and licensees can be protected from unnecessary disclosure provided the procedures described in Employee Handbook Section 2.12 "Public Records Act and Other Legal Disclosure Requirements" are followed in connection with MGC meetings that would otherwise be subject to the Open Meeting Law.

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2.12. Public Records Act and Other Legal Disclosure Requirements

As a public instrumentality, MGC is subject to the Massachusetts Public Records Act, M.G.L. Chapter 66, which governs the retention, disposition, and archiving of public records. Commissioners, Directors and Staff are advised to confer with MGC's General Counsel about which records are "public records," how long you may be required to retain those records, the method by which they should be disposed of, and archiving requirements. The Public Records Act also contains provisions which could require the Commission to disclose to the public certain Sensitive Information made, received, or maintained by MGC, its contractors and consultants from time to time. In addition, MGC may be compelled by legal process to disclose information in its possession, including Sensitive Information about MGC itself or about its applicants, or recipients, or other third parties. Care must be taken to comply with all such legal requirements; however, it should be remembered that, in the absence of a specific legal requirement to disclose (as determined by the General Counsel), all MGC employees, consultants, contractors, and licensees are expected to take appropriate measures to safeguard Sensitive Information from improper disclosure and use at all times. If material is a "public record" within the meaning of the Public Records Act, it is subject to inspection by the public and cannot be destroyed or returned to those who delivered it to MGC, other than as specifically permitted under the Public Records Act. If material is deemed not to be a "public record," it is subject to some protection from disclosure under the law.

What Are "Public Records"?

For purposes of the Public Records Act, "public records" include all books, papers, maps, photographs, recorded tapes, financial statements, statistical tabulations, or other documentary materials or data, regardless of physical form or characteristics, made or received by MGC. File notes and memoranda created by MGC employees or outside contractors and licensees could be deemed to be "public records, and the use of the Commission's Information Technology Resources can create "public records" which are subject to the retention requirements of and potential disclosure under the Act.

Exemptions under the Public Records Act

"Public records" do not include certain materials or data which fall within one of the specifically enumerated exemptions set forth in the Public Records Act or in other statutes, including MGC's enabling act, M.G.L. 23K. One such exemption is for certain internal personnel records.

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Procedural Considerations and Mandatory Use of Policy and Procedures for the Submission of Sensitive Information

MGC staff may from time to time be exposed to types of information that may contain “sensitive” information that a submitting party often seeks to protect from public disclosure. While it is understandable that the owner of such information may wish to restrict its disclosure, MGC is a “public agency” pursuant to the Massachusetts Public Records Act, and the submission of such information to MGC is, generally speaking, subject to public disclosure (without notice and without restriction) upon MGC’s receipt of it. In response to the inherent tension between MGC’s obligation to honor public records requests in a timely and comprehensive manner, and a submitting party’s desire to restrict access to its Sensitive Information, MGC has implemented a *Policy and Procedures Regarding Submission of Sensitive Information* (the “Procedures”) and that policy is set out in Section 2.8 of this Handbook.

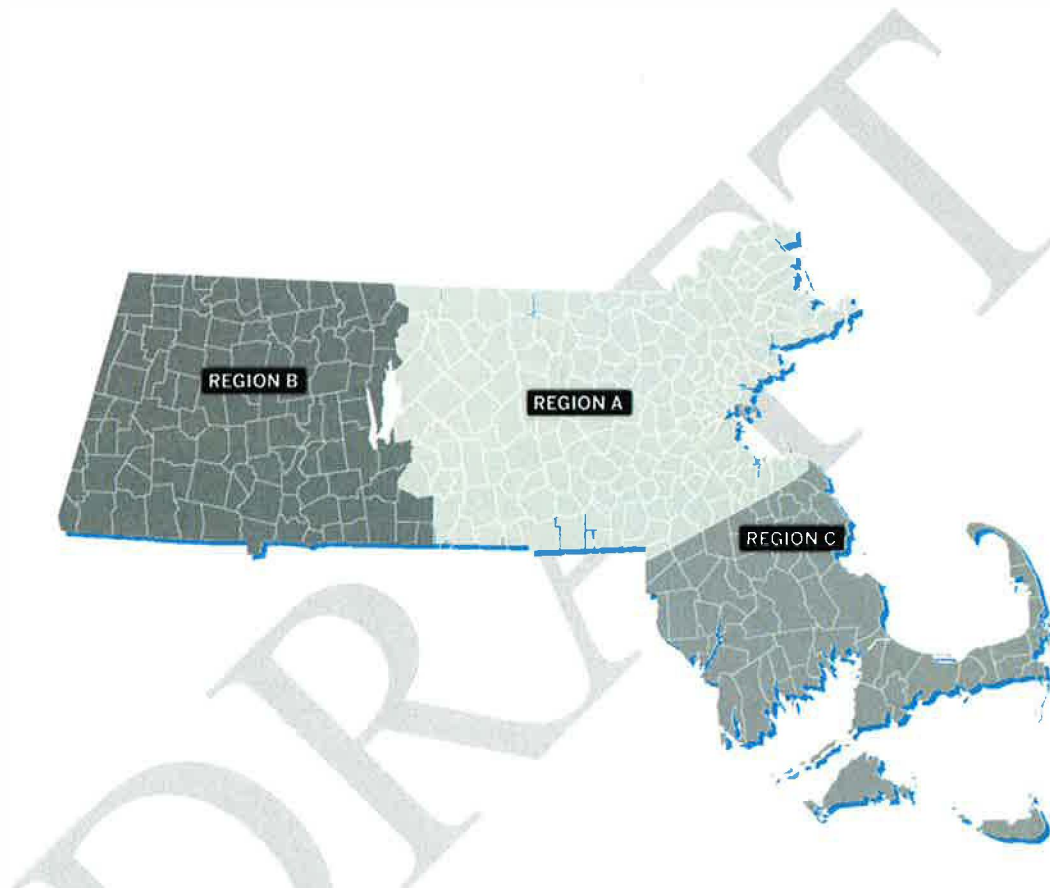
In addition, all communications seeking inspection or other disclosure of materials under the Public Records Act must be referred promptly to the General Counsel, as custodian of records for the Commission. Similarly, all subpoenas and other legal process documents requesting or seeking to compel disclosure of materials made or received by MGC, its consultants, or contractors must be delivered or promptly forwarded to the General Counsel upon receipt.

2.13. “Customer Relations” and Service

As a public instrumentality, our “customers” are made up of every citizen of the Commonwealth of Massachusetts. Our daily interactions include: communication with individuals from the gaming, hospitality, racing sectors, local and regional economic development officials, government officials, business and industry constituents, academicians, and environmental and consumer advocates. Building positive working relationships with all these groups is an integral part of the important work we do.

You are encouraged to remember that you are a representative of MGC whenever you speak, correspond or meet with anyone in the course of your work for MGC. All employees are required to adhere to the highest standards of courtesy and politeness in our dealings with these individuals and groups who comprise our “customers.” MGC and even the Commonwealth of Massachusetts may be judged on the manner in which we conduct business. Because of this, we pride ourselves in our effort to provide the highest level of performance to those we serve, whether that service involves responding to a telephone call, answering a request for information from a co-worker, meeting with grant applicants, or making a presentation to the State Legislature. As MGC employees, this is our responsibility and our mandate, and something of which we may all be proud.

A Statewide Initiative Addressing the Workforce Needs of the Gaming Industry in Massachusetts



Prepared by the

***Massachusetts Community College System
Casino Careers Training Institute***

Revised October 26, 2012

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I. Summary – Initial Recommendations

The primary workforce issue related to the establishment of the Casino Gaming industry in Massachusetts is to scale up the effort in order to provide a diverse pool of workers to meet the large demand for qualified employees in a timely fashion. Recruitment, screening and skill matching will require that a statewide pool of at least 30,000 applicants be created to meet the estimated 10,000+ job openings. In order to meet this sizable demand and to impact the population of Massachusetts residents who are unemployed, underemployed, in need of skills training or looking for career pathways the State's workforce system and community colleges have come together to offer a united workforce response to the needs of this new to Massachusetts industry.

Therefore we recommend the following steps in order to meet this requirement:

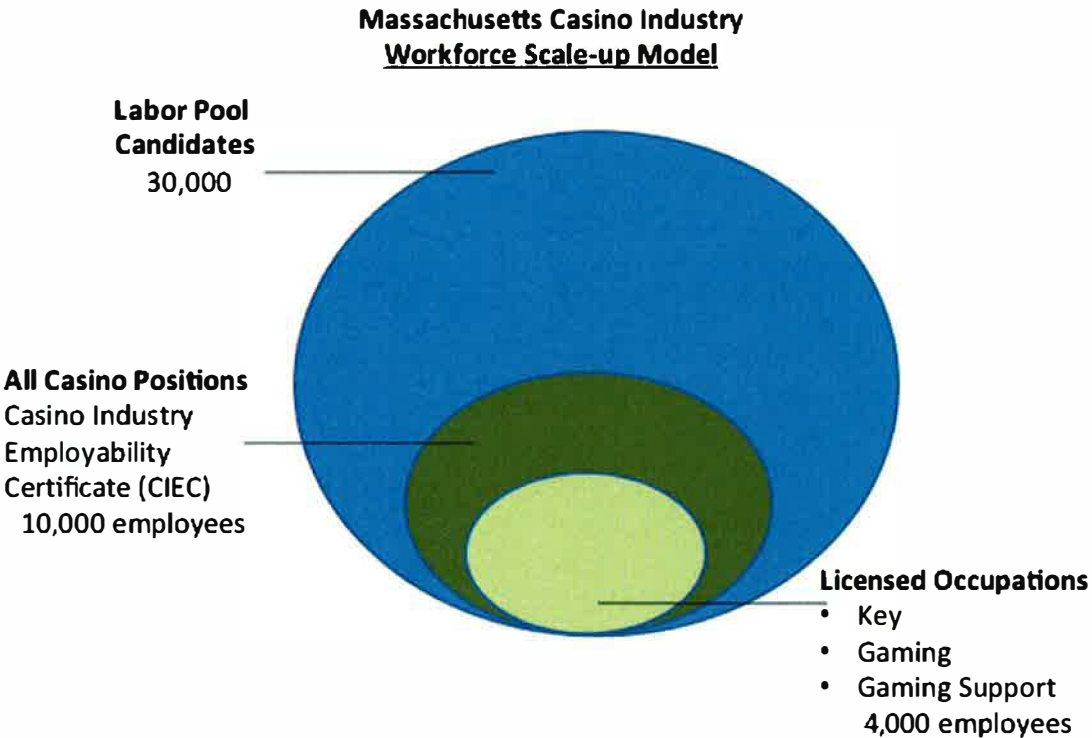
- a) That the Massachusetts Gaming Commission enter into a Memorandum of Agreement/Understanding with the Massachusetts Community College System Casino Career Training Institute (the Institute – a collaboration of the community colleges, Workforce Investment Boards/Regional Employment Boards and various workforce development agencies) to design and implement the workforce program including recruitment, screening, career counseling, training, and job placement for licensed positions;
- b) That the Institute, in collaboration with the Commission, work with all potential Casino Developers/Operators to create a Memorandum of Understanding that will create a workforce relationship with the Casino Career Training Institute in order to enable the workforce scale up to begin as soon as possible;
- c) That the Commission and selected casino operators collaboratively define the pre-employment screening requirements and process such as residency, drug testing, CORI/SORI review, and basic educational requirements;
- d) That the Commission create a certification for all potential casino workers i.e. Casino Industry Employability Certificate (CIEC), and a License for gaming related occupations called the Gaming Employability License (GEL) which would have three license levels: Key, Gaming or Gaming Service; and,
- e) That the commission work with Governor, the Legislature and various secretariats to identify funding options for the initial training and for the eventual training of incumbent workers. (Some of the options include employer contributions, individual fee-based payments, workforce set aside from casino operations, workforce training fund, WIA vouchers, etc.)

II. Having a Ready Workforce

In November of 2011, Governor Deval Patrick signed into law legislation establishing the Casino Industry in Massachusetts. The focus of the legislation was to create

jobs while also enhancing the existing business climate in the Commonwealth, specifically the hospitality/entertainment/tourism sector and the small business sector. At the same time the legislation charges the Gaming Commission with the responsibility for maintaining the integrity of gaming and gaming operations.

Building the workforce for this new-to-Massachusetts industry will require recruiting, screening, training and placing a large number of workers for or in the construction, hospitality, business operations and gaming industries. It is estimated that well over 30,000 applicants will need to be recruited to fill approximately 10,000+ positions at the three new casino locations alone. An immediate task for the Gaming Commission is the drafting of regulations for the selection of training vendors for gaming related positions, the identification of occupations which will be licensed and the resulting requirements, including screening and training, for each gaming occupation. These decisions will help the Commission create an environment, which will maintain the integrity of gaming operations in Massachusetts. However, the high level of screening of applicants and the specific licensure training will require a large planning effort and a fast scale up effort that needs to begin now in order meet the needs of the industry for openings, which may occur within 18 months to 2 years.



Each of the three identified gaming regions face a variety of workforce challenges, including, but not limited to:

- An aging workforce population

- Shortages of technically skilled workers
- Multiple-language considerations at entry level
- Lack of “professional” customer service employees
- Low educational attainment levels of unskilled and currently unemployed
- Shallow hospitality and restaurant supervisor and mid manager labor pools
- Fears of major labor force cannibalization from other service oriented and technical skilled trades dependent industry sectors

It is clear that the State and its workforce development system need a unified response to the establishment of this new industry. A collaborative workforce effort will comprehensively address these issues, create an efficient and effective response to the workforce needs, attract a diverse labor pool, utilize the specific strengths of various workforce partners, provide a single point of contact for the Commission and the Casino developers/operators and provide a high-quality training program.

In light of the new law, on April 13, 2012, the presidents of the 15 Massachusetts Community Colleges (System) signed a Memorandum of Agreement (MOA-- Attachment 1) endorsing a statewide initiative to address the workforce needs of the new gaming industry in Massachusetts. The MOA provides for coordinated approach to working with state agencies, the Massachusetts workforce system, educational institutes and designated casino operators to:

- Provide for the **recruitment, screening, training and placement of Massachusetts residents** in positions related to the gaming industry and the associated development project;
- Provide coordination and linkages between all shareholders and stakeholders involved in identifying and developing the necessary human capital for the gaming facilities in the Commonwealth – i.e. **establish regional workforce collaborations within the gaming regions**;
- Establish the **Casino Career Training Institute (Institute)** a collaboration by and between the 15 community colleges and the regional workforce leadership within each gaming region of the Commonwealth;
- Plan to meet the gaming related occupation training needed by leasing curriculum, technical assistance, and train-the-trainer services from **Atlantic Cape Community College (ACCC)** in New Jersey; and,
- Develop **educational pathways** (aka 2+2+2) from high school through grade 16 that are aligned to the career pathways in the gaming industry

The presidents affirmed that the 60+ year history of the community colleges to provide appropriate and effective career/licensure training could be applied to the workforce needs related to the casino industry, specifically in relation to positions requiring licensure. Realizing that this is a new initiative for a new industry, that the size of projected workforce is significant, and that there are a variety of workforce-related tasks that need to be done in a short period of time, the presidents

recognized the need for a systematic statewide (with regional teams) workforce approach. No one organization has the ability to achieve this task alone. In addition they noted that each member of the workforce system has distinct strengths. The roles of the various Institute workforce partners, include, but are not limited to:

- **Workforce Investment Boards** (Regional Employment Boards) can help define the regional workforce pool, provide data management, facilitate regional responses to grants and other funding opportunities and engage and maintain business input in the workforce development process.
- **One-stop Career Centers** provide a visible entry point for many job seekers with the ability to recruit, screen and direct individuals to the appropriate career pathways and related training. The Centers also provide a significant level of support services regarding job readiness, e.g. interview preparation, resume writing, job matching and more.
- **Community based organizations, labor unions, and other public and private vendors** provide a variety of training offerings in the construction, hospitality, and related industries. It is estimated that over 65% of the new jobs will not be related to gaming.
- **Four-year higher education and graduate programs** provide a number of educational pathways, which will enable individuals to enhance their knowledge for positions requiring advanced skills. (2+2+2 transfer options)
- **Local School Districts and Vocational Schools** provide the opportunity to develop career pathways in culinary, hospitality, information technology and numerous other areas.

Ensuring a Diverse Casino Industry Workforce:

Diversity is an important issue for the Community Colleges of Massachusetts both in terms of the students they serve but also in terms of the faculty and staff hired by the colleges. The colleges have a strong tradition of developing diversity initiatives. The Institute acknowledges that the Massachusetts Gaming Legislation places a high priority on ensuring that those filling the new casino industry positions will represent a diverse workforce. We anticipate that the Gaming Commission, as part of the application package, will require a Diversity Plan from each applicant. Similar plans are required for licensing of operators in other states. The following is the Diversity Mission Statement for the Institute. A detailed plan can be found in Attachment 2.

The Massachusetts Casino Careers Training Institute Diversity Mission Statement

"The Institute and its partners are committed to establishing a casino industry workforce system that assures equal employment opportunity for all persons regardless of race, color, religion, gender, age, national origin, citizenship status, or disability. We are dedicated to establishing a system that reflects a

fundamental respect for different ways of working and living. We intend to assure every individual the opportunity to reach his or her potential.

We are committed to recruiting and developing the best employees for the industry regardless of race, color, religion, sex, age, disability or national origin. The Institute will develop systems and activities that will comply with the Equal Employment Opportunity Act and will adopt policies consistent with the Act that apply to all practices including recruitment, education and training, and placement.

We believe that all future casino industry employees are responsible for contributing to a work environment free from discrimination and prejudice, regardless of position or title. We will ensure that diversity is respected, encouraged, and embraced throughout the system.”

- a) Insert Statewide Workforce Profile with regional profiles as well***
- b) Insert Casino Workforce Demand Projection***

III. Commission’s Role Regarding Licensure and Certification

There are a variety of items, which require decisions from the Massachusetts Gaming Commission, such as:

- Adoption of a system, which will create the casino industry labor force needed for the startup phase and for the sustainability of the workforce (It is recommended that the Massachusetts Gaming Commission execute a Memorandum of Agreement with the MA Community College System Casino Career Training Institute (MOA) on behalf of the State’s Workforce Development System to design and implement the workforce program.);
- Define residency as well as other hiring requirements such as drug testing and CORI/SORI review;
- Identification of occupations requiring licensure or certification as well as the requirements and process for licensure or certification of individual workers for those specific jobs;
- Adoption of rigorous and reliable certification and licensure curriculum;
- Confirmation of the workforce training infrastructure regarding but not limited to enrollment, confidentiality, documentation, support services, staffing and reporting compliance.

- Creation of reciprocal agreements or test-out provisions for workers from other states with previous experience; and,
- Determining the business model (i.e. source of funding for the equipment, assessments, job coaching, training, placement, etc.)
- Insuring affordable access to the pathway to employment to individuals who may have fiscal challenges.

At the same time there are a number of other workforce concerns, which will need to be addressed:

- The protection of MA citizens from training operations which are not sanctioned by the commission and that will place a financial burden on the job seeker;
- Eradication of potential fly-by-night training providers who do not meet the Commission's guidelines and may be committing unlawful gaming acts;
- Confirm with casino operators the workforce certification and licensure program so they can the necessary workforce planning by the Casinos will be part of the RFP process;
- Limit misinformation related to casino jobs as well as the licensure and certification process;
- Creating policy, procedures, technology and other infrastructure requirements; and,
- The timing of the workforce scale up.

IV. Licensed Occupations

As the legislation states, the Gaming Commission will develop the regulations that will identify the licensed occupations and licensing requirements for the gaming industry. Those decisions, combined with the additional requirements of the casinos, will dictate the direction the workforce system shareholders will undertake in employee recruitment, screening and training. In reviewing the decisions of the gaming oversight agencies (commissions/gaming control boards/lottery commissions) in New Jersey, Delaware, West Virginia, and Pennsylvania, it is clear that licensed positions are identified as those positions that have contact with or which can influence the gaming activities in the casinos.

At a minimum, those positions typically include employees involved in table games, slot machine repair/maintenance, and security/surveillance. Delaware probably has one of the most comprehensive licensing protocols of the four states and it is also aligned with Section 20 of the Massachusetts law. Their licensing system is the following:

- **Key Licensees** are persons acting in a supervisory capacity or empowered to make discretionary decisions regarding operations which include Pit Managers, Cage Managers, floor supervisors, cage or cashier managers and officers/upper management of the Casino.
- **Gaming Licensees** are persons involved in security, maintenance, servicing, repair, or operation of VLTs (slots) and table games. They include Dealers, VLT Technicians, Cage Cashiers, Security/Surveillance Officers, among others. Roughly eighty percent of their licensees have Gaming licenses.
- **Gaming Service Licensees** are persons who have access to the gaming or restricted gaming area but are not Key or Gaming employees. They include Bartenders, Cocktail Servers (who work the casino floor), EVS – anyone who works on the gaming floors, but doesn't work on machines/tables and can't influence game play or access sensitive information.

All three-license levels are required to complete their licensing procedures; cost of application fee and scope of investigation vary by level. Employees who work in hotels, restaurants, back-of-house, etc. are not required to be licensed.

V. Criteria for Licensed Occupations

The System recommends that the Casino consider adopting the following policies:

- That through the Casino Training Institute all casino industry employees obtain the basic Casino Industry Employability Certificate (CIEC) indicating that they have successfully completed the background check (CORI/drug testing) and have the basic educational requirements for employment; and,
- That those employees involved in gaming operations (30 to 40%) will obtain a Gaming Employability License (GEL) which would have three levels: Key, Gaming or Gaming Service licenses (using the names from the Delaware system) demonstrating that they have completed the required training or its equivalent and have met all the criteria for licensed occupations.

Recommended License Criteria:

- Drug Testing
- CORI/SORI
- Pre-employment skills assessment (Reading for Information, Applied Mathematics, and Locating Information)
- Training Completion Certificate (or appropriate experience)
- Post-training assessment – Career Readiness/Employability Certificate
- License Application
- License Fee
- MA Gaming Commission issued license

VI. Skills Assessment – Career Readiness Certificate

In discussion with the community colleges in the four aforementioned states, applicants' inability to pass a CORI, to speak/read/write English effectively, and/or possess the required education levels and/or baseline skills has caused them to recruit far more individuals than the number of needed employees. This information is consistent with the experiences of the System's community colleges that have run industry-specific workforce training that has training and job prerequisites. These efforts dictate that approximately 3 individuals must be recruited and screened for every one eligible individual. Between 25,000 and 35,000 individuals will have to apply in order to fill all the positions. Therefore this will be a large number of individuals who will not be hired by the Casinos.

The regional workforce systems have experience in recruiting and screening individuals for jobs and training. With the colleges as partners it also has the education system in place to provide a safety net to individuals who do not currently possess all of the requirements for employment. Through the screening and career advising process available through the One Stop Career Centers and the training center staff, those applicants who do not meet basic education, English language, or education/skill level requirements will be referred to education and training services where they can obtain those skills and reapply for gaming training and/or employment once they have attained the additional skills or education.

It is important to note that the intent of the law is to result in a net increase in new jobs. While every attempt will be made to provide employment to the unemployed, underemployed, and dislocated workers, there will be current employees in other industries who desire employment in the casinos. The regional workforce partners will have a system in place to assist current employers in order to backfill their vacated jobs with qualified employees.

The System and its workforce partners will utilize the ACT WorkKeys assessment system to evaluate each applicant's existing workplace skills in Reading for Information, Applied Mathematics, and Locating Information. These three assessments are the foundation of many statewide Career Readiness Certificates (CRCs) endorsed across the country. Holyoke Community College has had several conversations with the Massachusetts Department of Labor and Workforce Development about adoption of the CRC, and while the Department is in agreement on the CRC's use in the Commonwealth's workforce system, its use has not yet been funded. The CRC has been used by a number of the community colleges in grant-funded programs and private company contracts to design appropriate customized training curriculum for companies and for screening program participants. The CRC assessments can be administered both at the colleges and at the One

Stop Career Centers in order to provide assessments in as many locations as possible.

The community colleges will evaluate appropriate WorkKeys skill level scores for each of the occupations that will be recruited for the casinos. Through the screening and advising process, each individual's scores will be compared to the benchmark scores of the casino occupations, and the individual will be made aware of which occupations for which they would currently qualify. Those who desire a position requiring a higher score will be enrolled into a short-term developmental course that will assist them in raising their scores to an appropriate level so they will qualify to apply for those positions or, in the case of licensed positions, will allow them to enroll into the gaming training for those positions.

It is anticipated that public funding will be identified to fund the training costs for unemployed, underemployed, and dislocated workers. Those applicants who are in need of training but who do not qualify for public funding but must be certified through completion of gaming training must self-pay their program costs.

- a) Insert Gantt chart for the scale up of the licensure and full workforce process
- b) Insert additional information on funding options

Funding models for workforce training and specifically licensure training will need to be explored. In addition to payment by individuals or an investment by private businesses a combination of the following options will be necessary.

- WIA Vouchers through the One-Stops (The trend is for the reduction of this source)
- Special WIA dislocated worker funds through the One-Stops
- WIA state regional set asides (REBs and One-Stops, similar to the funding for the previous green programming)
- WIA state set asides (through DLWD)
- Combined funding from DWLD, DHE, DOE, DTA similar to some previous initiatives such as BEST
- Special funding using the Massachusetts Workforce Training Funds (again, through DLWD)
- DTA funding ~~specifically~~specifically for TAFDC recipients (through HHS/DTA)
- A funding pool using some funds under the jurisdiction of the Massachusetts Gaming Commission

VII. The Instruction

Gaming Training:

As previously noted, any instruction for licensed gaming positions (table games, slot technicians, and surveillance) will be through the community colleges utilizing ACCC's curriculum, and additional casino-specific training topics will be infused into the training programs. The following is a sample of the curriculum – a more detailed summary is attached.

a) Sample Courses for Gaming Training (See next page):

MA Casino Industry Certification Training

Training	Prerequisite:	Number of Training Hours	Training Schedule of Delivery	Number of Weeks
Introduction to Casino Games - Blackjack	Not Required	80	5 hours per day, 4 days per week	4
Craps	Introduction to Casino Games.	160	5 hours per day, 4 days per week	8
Baccarat	Introduction to Casino Games.	80	5 hours per day, 4 days per week	4
Poker	Introduction to Casino Games.	80	5 hours per day, 4 days per week	4
Pai Gow Tiles	Introduction to Casino Games.	80	5 hours per day, 4 days per week	4
Roulette	Introduction to Casino Games.	80	5 hours per day, 4 days per week	4
Pai Gow Poker	Introduction to Casino Games.	80	5 hours per day, 4 days per week	4
Surveillance Training	Introduction to Casino Games.	96	5 hours per day, 4 days per week	4.8
Slot Technology Technicians		96	5 hours per day, 4 days per week	4.8
Skills Assessment Program	Introduction to Casino Games.	2	1 Session	

Using this sample curriculum the following estimated cost model was developed. It gives an initial assessment of the cost of the training start up expense. It attempts to identify all the variables involved in determining the cost.

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b) Estimated Cost Model for Gaming Training:

**MA Casino Industry Certification Training –
Start Up Phase Labor Pool Development
Sample Expense Estimate - September 12, 2012**

Training Focus Area	Hours of Training	Est. Cost	No. of Employees Needed to be Trained *	Gross Expense
Recruitment - TBD **				
Casino Career Advisement	2	\$50	6,000	\$300,000
Casino Employability Certification	6	\$235	13,000	\$3,055,000
Work Readiness and ESL Training/Casino Industry	24	\$250	3,900	\$975,000
Intro to Casino Games - Blackjack*	80	\$650	1,950	\$1,267,500
Craps	160	\$1,085	750	\$813,750
Baccarat	80	\$650	750	\$487,500
Poker	80	\$650	750	\$487,500
Pai Gow Tiles	80	\$650	750	\$487,500
Roulette	80	\$650	750	\$487,500
Pai Gow Poker	80	\$650	750	\$487,500
Surveillance Training	96	\$835	375	\$313,125
Slot Machine Repair	96	\$835	94	\$78,490
Skills Assessment Program	2	\$50	300	\$15,000
Total				\$9,255,365

* Total number of employees to be trained includes projected turnover for each position for the initial 2-year startup period.

** Costs of Recruitment (Advertising, CORI/SORI, Drug Testing, Basic Educational Assessment) are not included in this estimate.

c) Additional Gaming-related Cost Factors:

Another cost factor to be considered is training space build-out and the fitting up of space with the necessary equipment. Through discussions and negotiations with the selected casino operators, the training center locations will be determined by the casinos' availability of appropriate training space or a mutually agreed upon location. It is anticipated that, as has occurred in the four aforementioned states, the casinos will provide the equipment necessary for hands-on instruction and practice in the training programs.

English for Speakers of Other Languages (ESOL):

Those applicants who are determined to be in need of English language training in order to meet the requirements of their desired positions or to enroll into gaming training will be referred to the many Massachusetts Department of Education or Department of Public Welfare ESOL programs available at a number of the workforce development partner organizations including the colleges. The ESL program is designed to help individuals improve their English skills and thereby be able to reapply for positions at a future date.

GED Preparation and/or Testing:

Those who have not earned a high school diploma or GED that may be required of their desired occupations will be provided with a list of available programs and testing sites. Again, many of the workforce development partners, including the colleges already offer these services. Once they have earned their GED, they may reapply for appropriate positions or gaming training.

CRC Skills Development:

Currently, two recognized providers of ACT WorkKeys-aligned curriculum exist—Worldwide Interactive Network (WIN), and Key Train. Both companies provide curriculum that is skills-based and adult-oriented. Either of these curriculums will be utilized to improve applicants' reading, math and locating information skill levels and subsequent WorkKeys scores.

Non-Gaming Training:

Through the various workforce partners workforce skills training in non-gaming occupations will be provided. By maximizing the strengths of various training partners, including the college, a high-level of workforce training will be offered to job seekers.

VIII. Gaming Training Program Instructors

The lease between the System and ACCC includes the training of the System's gaming instructors in the teaching of the classroom and hands-on laboratory

portions of the ACCC curriculum. Once trained in the curriculum, the trainers will be certified as authorized to teach ACCC's gaming programs. As has occurred in every state that utilizes ACCC's curriculum, many of the trainers are also employees of the casino for which the training is being held. This gives the casino additional leverage in including unique casino-related topics into the curriculum, and in ensuring that program graduates have the highest technical skill levels possible so they will be effective employees once hired. ACCC has established qualifications for their trainers. The System will apply those qualifications to anyone that is hired as a gaming program trainer. Trainers will be monitored and evaluated by System staff to ensure adherence to ACCC's core curriculum, and effective adult teaching methodology.

IX. Career Pathways

Job seekers, with varying skills and with different levels of educational attainment, will seek out these new casino employment opportunities. In order to successfully match individuals to jobs and career pathways it will be important to have a multiplicity of training options and the proper support services in place. The Massachusetts Community Colleges are uniquely situated and qualified to assist the gaming industry with the development of formal career pathways within the casinos, and to develop education pathways that are aligned to their career pathways. With solid relationships with virtually all high schools and four-year colleges in the Commonwealth through Career and Technical Educational Linkages, School To Career, and a variety of articulation agreements, the System will work with these educational institutions to develop 2+2+2 education and training opportunities that will provide casino employees with the opportunity to continue their education and thereby qualify for advancement within the industry.

Initially, the System is developing an inventory and matrix of all credit and non-credit programs amongst the 15 community colleges. The System has developed a generic Occupational List and Career Cluster document (see Attachment 6) for the gaming industry. Using that document, the System will develop a career pathway document that will show the potential career ladders and lattices for each cluster. For definition purposes, ladders designate upward mobility opportunities, and lattices designate crossover occupations where one may use their transferable skills from one career ladder to move to another.

Once the three casino operators are selected by the Gaming Commission, staff from the Lead Community Colleges in the three regions will meet with the casino operators to review and refine the Occupational List/Career Cluster and Career Ladder documents to reflect the actual occupations and ladders within each of the casinos. Once those are refined, the Lead Colleges will align the education and training programs to the actual career ladders at each casino and will then meet with representatives from each casino to review the education pathways and attempt to gain agreement from the casinos to adopt the educational pathways and pay or

reimburse the tuition of any of their employees who enroll into the pathways for career advancement purposes.

Using the final pathways, the System will work with high schools and vocational schools to advise them of the pathways within the community colleges in order for high school guidance counselors to be able to recommend course selection for high school students that would begin the students' pathways to casino industry careers. System representatives would also meet with four-year institutions to develop 2+2 programs that would take students graduating community college degree programs as third-year students into bachelor degree programs.

This grade 9-16 approach will satisfy the intent of the Massachusetts gaming law of ensuring careers, not just jobs, for casino employees who want to participate in lifelong learning experiences and advance within the industry.

X. Community College Capacity and Capabilities

The following describes the initiative's key elements that we believe will meet the needs and expectations of the Gaming Commission in fulfilling its workforce related duties described in the legislation. As the Commonwealth's training vendor the community colleges are uniquely positioned to provide the necessary training as well as help build the workforce collaboration, which is imperative in order to have a ready workforce in a timely fashion.

- a. **Appropriate and Effective Training:** The Community College System has a standing Letter of Agreement with Atlantic Cape Community College (ACCC) for a long-term lease of its internationally recognized gaming training curriculum, technical assistance, and train-the-trainer services. ACCC's curriculum, utilized by the State's community colleges, is the training curriculum approved by the states of New Jersey, Delaware, West Virginia, and Pennsylvania for training its licensed gaming employees. No other existing curriculum in the nation can compare to ACCC's 30+ years experience in providing effective training for the gaming industry. The System's agreement with ACCC provides for exclusive access to their curriculum and services in Massachusetts and potentially in contiguous states that may fall within a 100-mile radius of any approved Massachusetts casino.

Use of the ACCC curriculum and services, combined with the System's 60+ years of providing high-quality workforce and industry sector training for businesses, employees and job seekers in the Commonwealth, will ensure that graduates of the training programs will be able to access career opportunities while also meeting and exceeding all the skill expectations of the Commission and the casino operators.

- b. **The System's Qualifications as a Training and Licensure Organization:** The System has the longest history in the Commonwealth as a provider of workforce and industry training of any organization in Massachusetts. The System's longevity and stability bring a huge value to the training organization selected for the gaming industry in Massachusetts. Community colleges in the state have a long history and currently provide licensure for healthcare, information technology, hospitality, public safety, trade and many other occupations that require documented and demonstrated skills and abilities, and the corresponding knowledge. The Gaming Commission's approval of the System as the licensure provider for the industry will ensure that the training received by those interested in working in licensed occupations in the industry will be prepared when employed. Such training will also stand the test of time, and will provide for future career advancement in the industry.
- c. **Creating Standardized Industry Certifications:** Generally, there has been growing national conversations and movement toward standardized industry certification and transportability of those certifications, starting with the USDOL SCANS Report in 1991. Since that time, organizations like the National Association of Manufacturers and over 24 states have adopted certifications that document individuals' skills and abilities in the workplace. The System brings a tremendous advantage to the Commission, the potential gaming employees, and the casino operators, in that it is a statewide system. I.e. training that takes place in any of the 3-4 casino training centers established under this initiative will provide a consistent core of skills training. This ensures that not only will each graduate have baseline employability and work-related skills but also that a graduate of any of the training centers will be able to be licensed to work in any of the Massachusetts gaming facilities without further training.
- d. **A Collaborative Approach:** To fulfill all of the human capital needs of the Massachusetts casinos, there must be a coordinated effort of all of the workforce system shareholders in the Commonwealth. Activities must include recruitment, screening, career advising, training (as necessary for licensing and to meet minimal skill levels in all occupations), job placement, employee retention, and further education and training for career advancement. Because of its existing long-term relationships with all of the workforce system shareholders in the Commonwealth and the standing regional Memorandums of Understanding with those workforce partners, the System is uniquely qualified to coordinate the full array of organizations to meet the workforce needs of the gaming industry employees. Not only those Massachusetts residents entering into licensed occupations, but also into all other positions including support, culinary, hospitality, office, management, customer service, etc. The Regional Workforce Coordinating Teams will meet with the selected casino operators to identify their hiring needs and the

qualifications of the positions, and will develop a timeline and processes that will ensure their needs are met.

- e. **Financial Management:** We assume that the Commonwealth, through the Gaming Commission, Department of Labor and Workforce Development, or other avenue, will dedicate funding for training unemployed and underemployed individuals for the gaming industry. This will require that the training organization providing the training will give assurance of appropriate accounting and management to the Commonwealth in order to guarantee appropriate use of public funds. All of the 15 community colleges in Massachusetts have a long history of receiving and appropriately accounting for federal and state funds. The Chief Financial Officers of the community colleges meet on a regular basis, and are capable of developing a statewide accounting model that will ensure both consistent regional accounting for each of the training centers, and a statewide system that will collapse the three regional accounts into a statewide account that the funding authority can audit. Further, the colleges have a long history of tracking and reporting data on non-credit training to the Department of Higher Education. For this initiative, the System will work with the funding authority to identify the desired data elements on student participation, completion/graduation, placement, retention, and any other elements that need to be captured and reported, and will design regional and a comprehensive statewide reporting system.

XI. Casino Operator Relationships

Representatives from the statewide and/or regional initiatives have been meeting with potential casino operators to provide an orientation to the initiative, and to inform the operators of the benefits of the initiative to the casinos. Benefits include:

- Time-savings by coordinated communications between the casino operators and the workforce system;
- Development of an effective timeline for recruitment, screening, education/training, and employment referral that will meet the casinos' human capital needs on time;
- Access to a qualified workforce;
- Use of internationally recognized training curriculum for gaming-related occupations as well as accredited curriculum in numerous non-gaming occupations, e.g. hospitality management, culinary, information technology and security, criminal justice, accounting and many more. While the training curriculum will set a standard it also will allow for flexibility reflecting the needs of individual casino operators;
- The opportunity to have the casinos' employees become certified trainers and to participate in the training of the future gaming employees;
- The opportunity to have additional unique training topics infused into the core curriculum, thus saving employee post-hire orientation time; and,

- Long-term educational and training relationships to prepare employees for career advancement

Feedback from the potential operators that have met with System representatives has been extremely positive. It is our goal to have the Gaming Commission, in recognition of these benefits and benefits to the Commonwealth and its residents, approve the System as the training arm for training of licensed gaming positions. In collaboration with the Commission, the System will work with the potential casino operators to develop Memoranda of Agreement that the casinos will agree to one or more of the following:

- To adopt the System as its licensed position training partner:
- To provide space for a training center if possible;
- To provide equipment necessary for hands-on training;
- Participate in the development of an inventory of positions and qualifications for their casinos;
- Participate in the screening process:
- Refer appropriate employees to become trained as certified trainers in the ACCC curriculum and to participate as trainers in the training centers;
- In collaboration with the System establish formal Career Pathways for their employees; and,
- To assist in the review and final development of Education and Training Pathways that are aligned to the casinos' Career Pathways, and to provide tuition assistance to employees to participate in the Pathways.

It is important to note that one or more unions will be associated with the construction and the operation of the casinos. The colleges have experience providing education and training services in union environments. In deed the most effective training environment is one in which collaboration with management and the union(s) is emphasized. What we have overwhelmingly found in such situations is that both management and unions have welcomed involvement of the community colleges alike. There are two very important reasons for this:

- As a third party the colleges are not influenced by the unions or by management. Therefore any findings and recommendations for processes and training are those that will be in the best interest of all parties, specifically those seeking the training; and,
- The colleges' recommendations will be based on interactions with management and unions, thereby gaining information and objectives from both parties. The unions, in particular, appreciate the fact that their members are part of any final recommendations from the colleges.

The Massachusetts Casino Careers Training Institute **Draft Diversity Plan – October 26, 2012**

Consistent with the mission and values of the State's community colleges and the workforce development system the Massachusetts Casino Careers Training Institute has adopted this diversity plan in order to reflect one of the primary purposes of the casino gaming legislation, i.e. scaling up a qualified and diverse workforce for this new to Massachusetts industry.

1) Applicant, Education and Training, and Placement Diversity Data Collection:

The Institute will design and utilize a Diversity Data Collection and Tracking System that will be regularly reviewed to ensure that outreach, recruitment, education and training, and placement activities are attracting and serving a diverse population. The Lead Community College in each region will compile its regional data, which will be aggregated into a statewide database by the Institute. If, upon review, it is found that certain segments of the population require more intense outreach, the leadership of the Institute will work with its partners to design an appropriate plan and launch new activities to resolve any deficiencies. The Institute will share its diversity data with the Massachusetts Gaming Commission as requested.

2) Outreach & Recruitment: The Institute is committed to being proactive in its development of appropriate outreach and recruitment communications that will effectively and appropriately outreach to all members of the Commonwealth. One important benefit of the System and its partners is that they all have decades of experience working with a diverse population, providing services, skills assessment, career counseling, education and training, and job placement. Programs and projects developed by the System and their partners have achieved national and statewide recognition not only for their ability to successfully meet or exceed all expected outcomes, but also for their ability to provide services to participants whose diversity reflects the composition of the communities served.

The Institute's partners have developed solid relationships with many community-based organizations, agencies serving specific segments of the communities, churches, and libraries that will ensure that a diverse workforce is recruited for casino industry training and occupations. We will employ those relationships in our outreach and recruitment efforts to ensure utmost exposure to members of the communities. In addition we will access niche-marketing avenues that cater to various segments of the community in order to assure full exposure for recruitment. Targeted outreach and recruitment activities may include:

- Trade and vocational schools that specialize in providing training and assistance to economically disadvantaged persons to help attain our diversity goals.
- Niche publications that reach out to a broad spectrum of ethnicities to advertise opportunities.

- Civic groups and community organizations that represent diverse constituencies to help promote employment and training opportunities.
- Target radio stations to promote job fairs and employment centers.
- Diverse local websites offering them an opportunity to link to the Institute's website.
- Recruiting in different languages so that we do a responsible job of promoting the opportunities to those persons who speak English as a second language.
- Local organizations that train and help secure employment for seniors, veterans, and persons with disabilities.

In a study by the Public Sector Gaming Study Commission (PSGSC), it was noted that in Tunica County, Mississippi, the number of persons receiving Aid to Dependent Children payments was reduced by 67 percent and food stamp distribution decreased 58 percent between 1992, when the first casino opened, and 1998. According to the study, in Atlantic City, New Jersey, 40 percent of gaming industry workers were female.

Accordingly, the Institute will work with the Massachusetts Department of Transitional Assistance (DTA) to develop a targeted outreach and recruitment campaign to recipients of Transitional Assistance for Families with Dependent Children (TAFDC). As of September 2012, there are approximately 108,278 such recipients in Massachusetts. Many of the System's colleges and their partners have operated successful transition programs for TAFDC recipients, so they are adept at serving this population with programs and services that lead to self-sufficiency. We anticipate that gaming industry employment will provide the Commonwealth's TAFDC recipients the ability to transition off public assistance.

3) Education and Skill Gap Safety Net: Too often, diverse members of our community have barriers that will inhibit their immediate qualification to enter training and to be placed in gaming industry occupations. The strong community relationships developed by the System and its partners over the years provide a safety net to potential workers. Strong assessment, case management, and career advising, a particular expertise of the System and its partners, will ensure that all individuals are aware of the occupational opportunities in the industry and any shortcomings they may have in initially meeting the requirements of those positions. The Institute and its partners will refer such individuals to education and training programs that will allow any identified skills or education gaps to be remedied through attainment of a GED, increased workplace skills, and/or increased English communication skills that will meet the expectations of the casino operators, in order for the workers to effectively perform the jobs.

The selected casino operators will be instrumental in helping to establish diversity goals to meet any particular goals they may have established in their Diversity Plans submitted to the Gaming Commission.

4) Diversity Training: To ensure that all employees in the industry respect and embrace diversity, the Institute will work with the casino operators to develop an Employee Diversity Training Program and a Diversity Training Program for Managers and Supervisors. Any casino training programs designed and offered through the Institute will include the Employee Diversity Training Program.

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Massachusetts Gaming Commission

MEMORANDUM

Date: October 24, 2012
To: Commissioners
From: Enrique Zuniga
Re: Reid-Kyl Bill for Regulation of On-Line Poker

Recommendation: That the Gaming Commission authorize the chair of the commission to draft and issue communications on behalf of the Commission to the appropriate federal legislators or committees regarding regulatory developments for on-line poker in particular, and internet gaming in general.

I have summarized certain considerations regarding recent developments in the regulatory arena of on-line poker and attached a draft of the current version of the Reid-Kyl bill, titled: "To prohibit Internet gambling, to regulate online poker, to provide consumer protections, and for other purposes"

Background

The enabling statute of the Commission, G.L. Chapter 23K, Section 4 § 36 states that

The [Gaming] Commission shall have all powers necessary and convenient to carry out and effectuate its purposes ... including the power to ... [(36)] monitor any federal activity regarding internet gaming and coordinate with the office of the treasurer and receiver general on implementing any measures necessary to protect the commonwealth's lottery and gaming interest."

Reid-Kyl Bill Regulating Internet Poker

A bill titled "To prohibit Internet gambling, to regulate online poker, to provide consumer protections, and for other purposes," sponsored by Senate Majority Leader Harry Reid (D-NV) and Senator Jon Kyl (R-AZ) is drafted (attached) and would effectively preclude all states with the exception of Nevada from conducting and regulating on-line poker.

It is unclear how likely the bill is to advance in the coming months, given the upcoming general election, the lame duck session or the next U.S. Congress. It is also unclear how likely is the House of Representatives to take such a measure (before or after the election), as it is not clear whether there is a similar version of such a bill in the House.

While it is difficult to ascertain the likelihood of those developments, or the speed by which they could take place, it appears that the current Reid-Kyl bill as drafted would significantly benefit the state of Nevada and the gaming operators with presence there by precluding any other states or operators without a presence in Nevada from conducting on-line poker. The bill would further significantly limit the ability of state lotteries from conducting a majority of lottery games on-line, regardless of whether those products were approved or would eventually be approved by state legislatures.

The State Treasurer's Office has reached out to this Commission in an effort to communicate a single message in opposition to this approach, given that both the operations of the lottery and the operations of certain casinos in the nascent casino landscape in Massachusetts could be eventually adversely impacted by this bill. A draft of a potential communication is attached.

October 24, 2012

Senator Harry Reid
522 Hart Senate Office Bldg.
Washington, DC 20510

Senator Jon Kyl
730 Hart Senate Building
Washington, D.C. 20510

Dear Senator Reid/Senator Kyl:

We are writing on behalf of the Massachusetts State Lottery Commission (MSLC) and Massachusetts Gaming Commission (MGC) to object in the strongest possible terms to the proposed "Internet Gambling Prohibition, Poker Consumer Protection, and Strengthening UIGEA Act of 2012" ("Act").

Both of our commissions have voted to vigorously oppose any attempt to impose the Act's draconian federal limitations on the ability of states to control online gaming within their borders. The Commissioners believe this unwarranted and unjustified usurpation of authority will be harmful to the interests of the people of Massachusetts.

Gaming historically has been subject to state regulation, and the Department of Justice in opinion released December 23, 2011 ("Whether Proposals by Illinois and New York to Use the Internet and Out-Of-State Transaction Processors to Sell Lottery Tickets to In-State Adults Violate the Wire Act") has extended that principle to online intrastate sales.

The proposed Act would effectively limit participation in the online gaming marketplace to gaming operations with a presence in Nevada and sharply constrain the ability of state lotteries to offer online products. This would have a damaging effect on the Commonwealth of Massachusetts where casino gaming was authorized by the Legislature last year and the Massachusetts Lottery is the most successful in the nation as measured by per-capita sales.

MGC has begun the process of awarding the three casino and one slot parlor licenses approved by the Legislature. The Act would imperil that process by creating an unequal playing field for casino applicants. Those that have Nevada ties would have access to the online market while those who don't would compete at a disadvantage. Thousands of jobs and millions of dollars in licensing and tax revenues expected from casino gaming would be potentially undercut as a result.

While the MSLC has made no decision to go forward with online products and Treasurer Grossman has vowed to protect the interests of the 7,400 businesses that sell Lottery products, it is studying the potential of the Internet marketplace for the future. The Lottery achieved record revenues (\$4.7 billion) and profits last year (\$982 million), helping provide significant unrestricted aid to the Commonwealth's cities and towns. The Lottery maintains a broad portfolio of draw games (such as MegaMillions, MassCash, and Lucky for Life), instant (scratch) tickets, and Keno. The latter two are responsible for more than 85% of the Lottery's sales – yet those are precisely the products that would be banned from being offered online by the Act.

We are particularly puzzled by the Act's choice of Internet poker as the sole form of online gaming to be allowed other than Lottery games with no more than one drawing per day. It is well understood in the gaming industry that the profit margins on Internet poker are minimal. It is equally well understood in the Internet commerce world that attempts to wish the online gaming genie back into the bottle are doomed to fail.

There is no business case for such a limitation. Accordingly, we can only assume that that the Act is a blatant, unwarranted, and inappropriate attempt to secure first-mover advantage in the online gaming space for Nevada interests.

We regard this as a grievous misuse of federal legislative authority, and we call upon you to withdraw the Act protect the interests of the people of Massachusetts and dozens of the states that would be adversely effected by your legislation.

Sincerely,

Steven Grossman
Treasurer and Receiver General
Commonwealth of Massachusetts
Chairman
Massachusetts State Lottery Commission

Stephen Crosby
Chairman
Massachusetts Gaming Commission

Draft Internet poker bill favors Reid's home state

By Steve Friess

10/18/12 7:48 PM EDT

The Internet gambling bill ready for introduction in the Senate gives Nevada a clear field for regulating the Web poker industry and to profit handsomely from that plumb job, according to draft legislation leaked to POLITICO.

The measure — expected to drop during the lame-duck session — favors the home state of Senate Majority Leader Harry Reid. It says that to qualify to be a licensing body for federally sanctioned online poker, a state must have “demonstrated capabilities relevant to the online poker environment.”

Only one state fits that description because only one has yet issued any Web poker licenses: Nevada.

In addition, the legislation as written requires a cut of the 16 percent “poker activity fee” collected by the federal government to go to the state in which the poker site is licensed.

“I don’t know how Reid thinks he’s going to attract votes with a bill this self-serving,” said a House staffer whose boss represents a state with both land-based casinos and lotteries.

Reid’s office did not respond to requests for comment.

The broad strokes of the bill — a ban on all other forms of Internet gambling with a poker carve-out and a very limited exception for state lotteries — are in line with a summary of expected legislation that surfaced last month. As that document outlined, the Internet Gambling Prohibition, Poker Consumer Protection, and Strengthening UIGEA Act of 2012 would create an Office of Online Poker Oversight within the Department of Commerce with an appointed executive director with sweeping powers over who gets licensed.

The legislation is a compromise between Reid and retiring Sen. Jon Kyl (R-Ariz.), which is why its chances diminish dramatically if it doesn’t pass before the next Congress. Kyl, like most socially conservative Republicans in the Senate, has long been a staunch opponent of Internet gambling in any form but is working with Reid to head off an explosion of Web gambling across the nation that wouldn’t be limited to poker.

Reid, too, shares that fear now that the Department of Justice reinterpreted the Interstate Wire Act, concluding it only prohibits betting online on sports. Prior to that, the 1961 law had been seen as prohibiting all forms of betting online except horse-racing.

In the wake of that, more than a dozen state legislatures began mulling their own versions of legalized Web gambling. Delaware, for instance, will allow the sale of lottery tickets and video versions of various casino table games for residents early in 2013, and others such as Illinois, New Jersey, Nevada, Minnesota and California are looking at variations.

The bill as written would prohibit Delaware’s plans, which passed in June. The cut-off date for grandfathering in any state-level online gaming law would be May 1, 2012. The Delaware Legislature approved their bill in June.

Most of the large casino companies, represented by the American Gaming Association, want Congress to ban betting on games of chance online but leave a carve-out for online poker which, they argue, is a game of skill.

In addition to gaming regulators in other jurisdictions who will want to issue licenses, opposition to the measure will be fierce from operators of state lotteries. The Reid-Kyl measure would only allow the sale of lottery tickets for games with one daily draw, eliminating several games that occur more frequently across the nation. It also would require any winners who buy their tickets online to print their tickets and bring them to a retail location for their prizes.

“The lotteries find themselves today at a point where they need to attract younger players because their player base is aging,” said attorney Mark Hichar, outside counsel for lottery technology firm GTech. “By not allowing them to use the interactivity to which the Internet is uniquely suited, you make that extremely difficult.”

Many observers have noted that the chances that the bill will pass both houses of Congress are slim. Reid has declared it “the most important issue facing Nevada since Yucca Mountain” because the brick-and-mortar gaming industry fears that the vast spread of online gambling for the whole range of casino games could harm its businesses.

Yet one significant opponent is Las Vegas Sands CEO Sheldon Adelson, who has spent millions on behalf of Republican candidates this year and fears any form of online gaming would lead to abuse by underage players. Adelson is close with House Majority Leader Eric Cantor (R-Va.), so it is seen as unlikely Cantor will move the bill forward even if Reid and Kyl vote it out of the Senate.