



The Commonwealth of Massachusetts
Massachusetts Gaming Commission

NOTICE OF MEETING
and
AGENDA

April 10, 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, April 10, 2012
1:00 p.m.
University of Massachusetts Boston
Campus Center, Ballroom A, 3rd floor
Boston, Massachusetts

PUBLIC MEETING

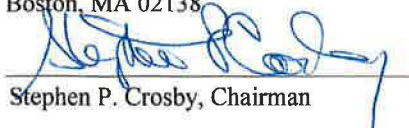
1. Call to order
2. Swearing in
3. Adoption of a Mission Statement and Robert's Rules of Order
4. Election of Secretary & Treasurer
5. Consider adoption of procurement rules
6. Approval of lease and prior expenditures
7. Discussion/selection of Gaming Consultant
8. Discussion/selection of Law Firm
9. Status of State Racing Commission
10. Discussion of requirement to write new ethics rules
11. Discussion of charitable gaming provision in MGC statute
12. Discussion of Acting Executive Director, Director of Communications, Chief of Staff and other staffing
13. New business - reserved for topics the Chair did not anticipate at the time of posting.
14. Adjourn

I certify that on this date, this Notice was posted as "Gaming Commission Meeting" at www.mass.gov/gaming/meetings, and emailed to: reg@sec.state.ma.us, melissa.andrade@state.ma.us, brian.gosselin@state.ma.us and copies were mailed, postage prepaid, to:

Secretary of State, Regulations Division
One Ashburton Place, Room 2A
Boston, MA 02108

4/6/12
(date)

Executive Office of Administration and Finance
The State House, Room 373
Boston, MA 02138


Stephen P. Crosby, Chairman

Date Posted to Website: April 6, 2012 at 12:00 p.m.

Item 5

Massachusetts Gaming Commission

MEMORANDUM

Date: April 6, 2012

To: Commissioners

Cc: Janice Reilly

From: Enrique Zuniga

Re: Procurement of Services

As we begin our initial phase of activities, and we recognize certain tight deadlines and limited resources, we are contemplating the procurement of certain services in the immediate future. As a public agency, we must either follow the public procurement regulations and procedures that we believe apply to the Commission, or adopt regulations and procedures prior to such procurements.

I recommend the Commission adopt and follow the regulations set forth by the Executive Office of Administration and Finance for the procurement of commodities or services (further described below).

I have summarized certain considerations regarding procurement procedures and the reasons for my recommendations for your consideration.

Applicability

I believe the pertinent regulations to the procurement of services are **"801 CMR 21.00: Procurement of Commodities and Services, Including Human and Social Services"** (herein **"Procurement Regulations"**) issued by the Executive Office of Administration and Finance, and further explained in the **Procurement Policies and Procedures of the Operational Services Division on "How to Conduct a Competitive Procurement"** (herein **"Procurement Procedures"**). The two documents are attached for your consideration.

Section 21.01(2) of the Procurement Regulations states that such regulations apply to “...all procurements of Commodities, or Services, or both, by any Executive Office, Department, Agency, Office, Division, Board, Commission or Institution within the Executive Branch. 801 CMR does not apply to the Legislative Branch, Judicial Branch, Constitutional Offices, Elected Offices, Public Institutions of Higher Education, the Military Division and Independent Public Authorities...”

I interpret the above section and therefore the regulations to apply to the Gaming Commission. While it could be argued that the Commission may technically not be a “Commission within the Executive Branch,” (though I doubt it could be seen as part of the Legislative Branch), we could certainly be considered an agency. Furthermore, the fact that the chair of the Commission is appointed by the Governor may have enough proximity and thus applicability. It is important to note that the State Treasurer’s Office (one of the other appointing authorities to the Commission), while exempt from the 801 CMR 21.00 Regulations by virtue of being an Elected Office, pro-actively chooses to follow the regulations and corresponding policies and procedures referenced above.

I have also researched the applicability of Chapter 30B, of the Massachusetts General Laws, also referred to as “the Uniform Procurement Act” that established uniform procedures for local governments to use when contracting for supplies, services, and real property. The Chapter 30B Manual issued by the Inspector General (IG) states that Chapter 30B applies to “...a governmental body...defined...as a city, town, district, regional school district, county, or agency, board, commission, authority, department or instrumentality of a city, town, district, regional school district or county...” Further the IG manual clearly states that “...Chapter 30B does not apply to State Agencies.” As such, and in the same venue as the interpretation above, I concluded that Chapter 30B does not apply to the Commission (however, Chapter 30B dictates many best practices that are worthy of consideration).

Finally, in the unlikely event that neither of the regulations above apply to the Commission (i.e., that the Commission could be considered a body exempt from any and all prior public bidding laws of the Commonwealth), the only alternative that I see (other than a specific State statute) would be that the Commission would then have to establish the regulations and procedures by which it will conduct procurements for goods and services **prior to conducting such procurements**. **Therefore, I am recommending that we adopt the 801 CMR 21.00 and follow associated procurement procedures, and conduct the procurement of commodities and services accordingly.**

Summary of the Procurement Regulations and Procedures

The 801CMR 21.00 Procurement Regulations establish minimum requirements for the Competitive Procurement Process, and are listed below:

1. Designate a Procurement Team Leader and Procurement Management Team
2. Create a Procurement File

3. Draft a Request for Response
4. Draft the evaluation criteria
5. Distribute the RFR to potential bidders
6. Designate an open solicitation phase (with optional inquiry period)
7. Evaluate the responses
8. Conduct contract negotiations
9. Notify all respondents of contract execution
10. Conduct debriefings as appropriate

There are very clear and detailed procedures for each of the steps above, including the documentation of such steps for the procurement file. As we contemplate engaging certain professional service providers, the sequential steps above will prove important and necessary.

Further, the Procurement Procedures (apparently last revised on August 13, 2007) stipulate two important thresholds defined as follows:

- a) Large Procurements (Total Procurement Value > \$50,000)
- b) Small Procurements (Total Procurement Value more than \$5,000, but less than \$50,000)
- c) Incidental Purchases (Total Value <\$5,000)

The minimum requirements above are slightly different for small vs. large procurements, but in any case, a procurement for services that could cost more than \$50,000 is clearly envisioned to be in the arena of having to be bid competitively and publicly. Even for small procurements (less than \$50,000), the requirement for State Agencies is to distribute to a minimum of three bidders (one of which must be a SOMWBA certified M/WBE). Providing notice by phone is not acceptable.

The 801CMR regulations recognize “**Incidental Purchases**” as those purchases having a total cost of \$5,000 or less. In these cases, the Operational Services Division has issued a policy statement allowing agencies to purchase one-time, non-recurring, unanticipated purchases totaling \$5,000 or less to be done by using Statewide Contracts. The policy further states that “...departments who do not use 801CMR 21.00 are encouraged to use statewide contracts if they meet their incidental purchase needs...”

It may be difficult to anticipate whether some of the Commission’s initial needs may be currently covered in statewide contracts. Further, the use of statewide contracts for incidental purchases is in a policy statement (rather than regulations). Therefore, I recommend the Commission adopt a policy for incidental purchases as follows:

For the non-recurring, incidental or occasional purchases of commodities and/or services (defined as having a total value of \$5,000 or less), the Purchasing Agent at the Commission may use his/her own discretion and either (a) investigate and determine whether the commodities or services are available in statewide contracts or (b) use sound business practices for such procurement. The Purchasing Agent is encouraged to first investigate the availability of such commodities and services in the statewide contracts”

For brevity, I will discontinue summarizing the rest of the regulations in this memorandum, but it is important to note that the procurement procedures are drafted to maximize the public benefit and have embedded a number of best practices that create a fair and competitive environment, but also provide for state agencies with enough flexibility to conduct the procurement in a manner that achieves their goals. Importantly, there are a number of procedures that recognize and address that a competitive procurement does not always mean having to go to the lowest bidder, but rather the best value, especially when it comes to the procurement of services (not necessarily the case in the procurement of commodities).

Procurement Team Leader and Procurement Management Team (“PMT”)

Given that we are currently short on staff, yet in need of certain critical service providers, I recommend we designate one Commissioner to be a “Procurement Team Leader” for the foreseeable procurements until we have an acting or permanent Executive Director. Given my familiarity with the procedures described above, I humbly submit to you my willingness and desire to act as such Procurement Team Leader.

For each procurement, the Commission should designate a Procurement Management Team (“PMT”). The PMT would ideally be comprised of three individuals, and may include the Procurement Management Leader. The PMT would meet periodically to complete steps 2 through 10 above, conduct the evaluations of responses and make recommendations to the Commission for approval and execution of contracts. I recommend that the PMT be comprised of two Commissioners (given current staffing realities) which may or may not include the Procurement Team Leader. Depending on the services being procured, those two Commissioners could (and should) be different Commissioners (i.e., the two Commissioners in the PMT need not be the same for all procurements). One person from the staff should complement a team of three, where all three members would have equal say in the recommendations that would eventually be submitted to the Commission. For meetings where the Procurement Team Leader is not part of the PMT, I recommend that the Procurement Team Leader attend as an observer to comment on or guide and assist in the documentation of the proceedings.

Outside Counsel and Gaming Consultant

It is important to note that in the case of the procurement of **Outside Counsel** and **Gaming Consultant**, the office of the Governor (GOV) conducted the first phase of the procurement and solicitation in accordance with the Procurement Regulations. In those two Requests for Responses (RFR’s), it was clearly stipulated that the GOV would complete the evaluation of the administrative response, and after that would select an “Evaluation Committee.” As such, and for proper documentation, the Commission should affirm from the GOV that (1) the evaluation of the administrative section was completed successfully for the responses forwarded to this office and (2) that the Commission has been given the responsibility to act as the Evaluation Committee for the selection of respondents to these solicitations.

As described in this memo, the Evaluation Committee (or PMT) should, after its deliberations, make recommendations to the Commission for approval.

Solicitation of Proposals from Gaming Operations

It could go without saying that most (if not all) of the above considerations **would not** apply for the eventual solicitation that the Commission will conduct for proposals from Casino Developers and Gaming Operators in order to grant licenses. Indeed, our enabling statute Chapter 194 of the Acts of 2011 does dictate a number of procedures and considerations in the licensing of casinos, and grants the Commission the authority to issue pertinent regulations. Having said that, I again point to the best practices embedded in the public procurement regulations for worthy consideration.

Item 6

SUMMARY

DATE: 04/06/12
RE: New Lease for the Massachusetts Gaming Commission, Boston

This summarizes the key points of the new lease for the central office of the newly established Massachusetts Gaming Commission (MGC):

Address: 84 State Street, Boston
Suites 700 and 720

Term: 12 months (April 1, 2012 to March 31, 2013)

Amount of Space: 7,564 rentable square feet

Rent: Annual Rent of \$255,740.04 exclusive of the cost of electricity for lights, plugs and HVAC, the annual cost of which is estimated at \$28,000.

Additional Rent: Lump-sum payment of up to \$45,000 forty-five days following the Date of Occupancy for improvements to the Premises not included in the Annual Rent. The actual cost is expected to be \$40,000. These improvements include installation of new low-voltage cabling for voice and data in the two office suites, installation of a security system in the two suites, installation of additional power outlets in Suite 720, installation of an exhaust fan with thermostat in Suite 720, and re-carpeting of Suite 700.

The premises can accommodate up to 30 staff for a period of 12 months. MGC anticipates needing more space one year from now.

Project Name: Gaming Commission
 Project Location: 84 State Street Suite 720
 Date 4/5/2012

Contract Vendor Name	Furniture & Equipment	Quantity	Unit Cost	Extended Cost	PO amount	PO#
New England Office Supply	HON Commissioner's Offices 36" x 72" Desk, 24" x 48" Return, 2 Pedestals	9	\$ 1,194.60	\$ 10,751.40		
	HON Office 30" x 66" Desk, 24" x 42" Return, 2 Pedestals	1	\$ 1,154.30	\$ 1,154.30		
	HON Wood Bookshelf	5	\$ 348.20	\$ 1,741.00		
	HON Side Table for Lobby	1	\$ 180.19	\$ 180.19	\$13,826.89	12GAMINGFURN-1
Creative Office Pavilion	Sit On It Focus Task Seating	10	\$357.56	\$ 3,575.60		
	Sit On It Focus Office Side Seating	20	\$214.24	\$4,284.80		
	Sit On It Focus Conference Seating	12	\$413.21	\$4,958.52		
	Sit On It Focus Conference Side Seating	3	\$214.24	\$642.72		
	Sit On It Focus Reception Seating	4	\$214.24	\$856.96		
	36" Eames Office Table	1	\$279.05	\$279.05		
	42" Eames Office Table	4	\$421.79	\$1,687.16		
	30" x 60" Table - For Printer Room/Eating Area	2	\$457.76	\$915.52		
	Herman Miller Caper Chair - Printer Room/Eating Area	4	\$175.75	\$703.00		
	Table Installation Cost	1	\$420.00	\$420.00		
	Conference Table Rental & Install	1	\$566.00	\$566.00		
	OFS 48" x 144" Boat Shaped Conference Table	1	\$2,837.93	\$2,837.93		
	OFS 72" x 22" Credenza	1	\$1,106.56	\$1,106.56	\$22,833.82	12GAMINGFURN-2
	Creative Office Pavilion	Workstations	1	\$18,738.82	\$18,738.82	\$18,738.82
Creative Office Pavilion	Workstation Seating	6	\$366.63	\$2,199.78	\$2,199.78	12GAMINGFURN-7
Harbour Foods	GE Refrigerator - 16.5 Cu. Ft. 28" W Freezer Top	1	\$650.00	\$650.00	\$650.00	12GAMINGFURN-3
Office Resources	Great Openings 36" 3 Drawer Metal Lateral File	9	\$493.50	\$4,441.50		
	Great Openings 36" 5 High Metal Bookcase	3	\$326.90	\$980.70		
	Installation Cost	1	\$360.00	\$360.00	\$5,782.20	12GAMINGFURN-4
WB Mason	Humanscale Keyboard Trays	10	\$186.00	\$1,860.00		
	Recycling Bins	12	\$5.94	\$71.28		
	Trash Bins	12	\$5.38	\$64.56		
	Installation Cost	1	\$446.00	\$669.00	\$2,664.84	12GAMINGFURN-5
				\$ 66,696.35		



OFF32 Photocopiers, Facsimile/Multifunctional Equipment and Digital Duplicators Confirmation Form

This form must be used for Category 1 Photocopiers and Category 3 Digital Duplicators and attached to each purchase, lease or rental encumbrance document to confirm the selection of equipment covered under the Statewide Contract number OFF32 on file at OSD. All of the terms and conditions of the Statewide Contract, OFF32 are incorporated herein and made a part hereof. Conflicting or additional terms, conditions or agreements included in or attached to this form, which conflict with the terms of the Statewide Contract shall be considered to be superseded and void. *This form is strongly recommended for Category 2 Facsimile Leases, Purchases or Rentals.*

P.O. or Encumbrance Document Number: 12 GAMING COPIER Fiscal Year: 2012

ELIGIBLE ENTITY: Massachusetts Gaming Commission		CONTRACTOR: Canon U.S.A., Inc.	
Contact Person: Janice Reilly		Contact Person: Jerry Flynn	
Phone: 617-957-8583	Fax:	Phone: 978.771.8830	Fax:
E-mail: Janice.reilly@state.ma.us		E-mail: jeflynn@cusa.canon.com	
Billing Address: Mass Gaming Commission 84 State St. Suite 720 Boston, MA 02109		Contractor Address: Lease Purchase Orders: Canon Financial Services 158 Gaither Drive Suite 200 Mt. Laurel, NJ 08054 Phone: 800-220-9510	
Contact: Janice Reilly	Phone: 617-979-8400	Lease Remit to: Canon Financial Services 14904 Collections Center Drive Chicago, IL 60693	
Delivery Address: (if different from Billing Address Above)		<input checked="" type="checkbox"/> Term Lease # Months: <u>36</u> <input type="checkbox"/> Rental (Not to exceed 6 months) <input type="checkbox"/> Purchase	
Contact: Janice Reilly		Phone: 617-957-8583	
Check off the applicable box(es) for equipment sub-category:			
Photocopiers:		Digital Duplicators:	
<input type="checkbox"/> 1B	<input checked="" type="checkbox"/> 1C	<input type="checkbox"/> 1BP	<input type="checkbox"/> 1CP
<input type="checkbox"/> 2F		<input type="checkbox"/> 3D1	<input type="checkbox"/> 3D2
		<input type="checkbox"/> 3D3	

EQUIPMENT MODEL NUMBER	EQUIPMENT DESCRIPTION (e.g. Digital Black & White 35cpm)	QUANTITY	MONTHLY LEASE, PURCHASE OR RENTAL EQUIPMENT COST	TRADE-IN ALLOWANCE	MONTHLY NET TOTAL LEASE, PURCHASE OR RENTAL EQUIPMENT COSTS	MAINTENANCE PLAN SELECTED A, B OR C Non-Network or Networked (e.g. Networked)
3615B023AB	45PPM Color IRC5045	1	\$ 264.00	\$	\$	B
3655B001AA	Staple Finisher	1	\$ Incl	\$	\$	

4364B001AA	Cabinet	1	\$ Incd	\$	\$	
2789B003AB	Black Toner	3	\$ Incd	\$	\$	
2793B003AB	Cyan Toner	1	\$ Incd	\$	\$	
2797B003AB	Magenta Toner	1	\$ Incd	\$	\$	
2801B003AB	Yellow Toner	1	\$ Incd	\$	\$	
Special Instructions/Additional Information (e.g. equipment model traded, supplies exchanged):						
6707A001AC	Staple Cartridge J1	1	Incd			

NOTE: Contractors are required to provide the following start-up supplies for all equipment. Paper items necessary to operate the equipment are excluded.

Categories 1 and 2

- must include 3 each black toners (Categories 1-B, 1-BP & 2)
- must include 1 each black, magenta, cyan and yellow toners (Categories 1-C & 1-CP)
- must include 1 developer, if applicable
- must include 5000 staples for photocopiers and production equipment (Category 1 only)
- ESP Power Protection Unit (if required)

Category 3

- Five (5) Master Rolls (all equipment models)
 - Five (5) Black Ink (all equipment models)
 - One (1) Standard Spot Color *(if applicable for equipment model)
- *Standard Spot color will be determined by the Eligible Entity when order is placed
- ESP Power Protection Unit (if required)

Eligible Entity and Contractor signatures below acknowledge **ONLY** that the equipment order has been placed **pending** delivery, installation, start-up supplies and training.

ELIGIBLE ENTITY:

X: Chris Williams
 (Signature)
 NAME: Chris Williams
 (Print)
 TITLE: Dep Dir Administration
 DATE: 3/16/2012

CONTRACTOR:

X _____
 (Signature)
 NAME: _____
 (Print)
 TITLE: _____
 DATE: _____

Eligible Entity and Contractor signatures below acknowledge completion of the four (4) items below to the Eligible Entity's satisfaction in addition to the payment start and termination dates.

Eligible Entity must initial all four (4) items below acknowledging completion prior to final approval.

Initial

- _____ 1) Equipment delivered undamaged from the Contractor.
- _____ 2) Received start-up supplies (as shown above) and the ESP Power Protection (if required).
- _____ 3) Equipment is installed and operational.
- _____ 4) Received satisfactory training from the Contractor.

Lease, Rental or Purchase payment terms do not begin until the appropriate items above have been approved by the Eligible Entity.

Start Date of this Lease, Purchase or Rental Agreement: Month _____ Day _____ Year _____ Payment Start Date:	Termination Date of this Lease or Rental Agreement Month _____ Day _____ Year _____ Payment End Date: Month _____ Day _____ Year _____
---	--

Month	Day	Year	
-------	-----	------	--

ELIGIBLE ENTITY:

X: _____

(Signature)

NAME: _____

(Print)

TITLE: _____

DATE: _____

CONTRACTOR:

X: _____

(Signature)

NAME: _____

(Print)

TITLE: _____

DATE: _____

The above signatures are authorized by their respective organizations to bind the said organization to the terms and conditions of the above agreement.

Form Revision Date: April 25, 2011

MGC Monthly Chargeback	
T-1 circuit+port security	\$1,270.00
Mass.Gov(bw+storage+site)	\$72.51
MassMail- 7 boxes	\$31.99
Blackberry-1	\$5.06
Central Financial/Payroll-7	\$17.92
New MMARS Transactions	?
total	\$1,397.48

Item 7

From: DVande1323@aol.com [mailto:DVande1323@aol.com]

Sent: Monday, April 09, 2012 12:28 PM

To: Crosby, Steve (MGC)

Subject: Michael & Carroll Supplemental Submission

Please find below a message and three attached files from Guy Michael:

Dear Mr. Chairman:

Thank you for your e-mail today. We greatly appreciate the opportunity to appear before you tomorrow. We are attaching here certain materials that we hope will assist the Commission during our presentation. These documents are just short summaries of some points we intend to make. They are preliminary ideas that certainly would be expanded and clarified if we are fortunate enough to be selected.

Thank you again and we look forward to tomorrow.

Guy Michael and the Michael & Carroll Team.

Diane Vandewalle

Assistant to Guy S. Michael, Esq.

Michael & Carroll, P.C.

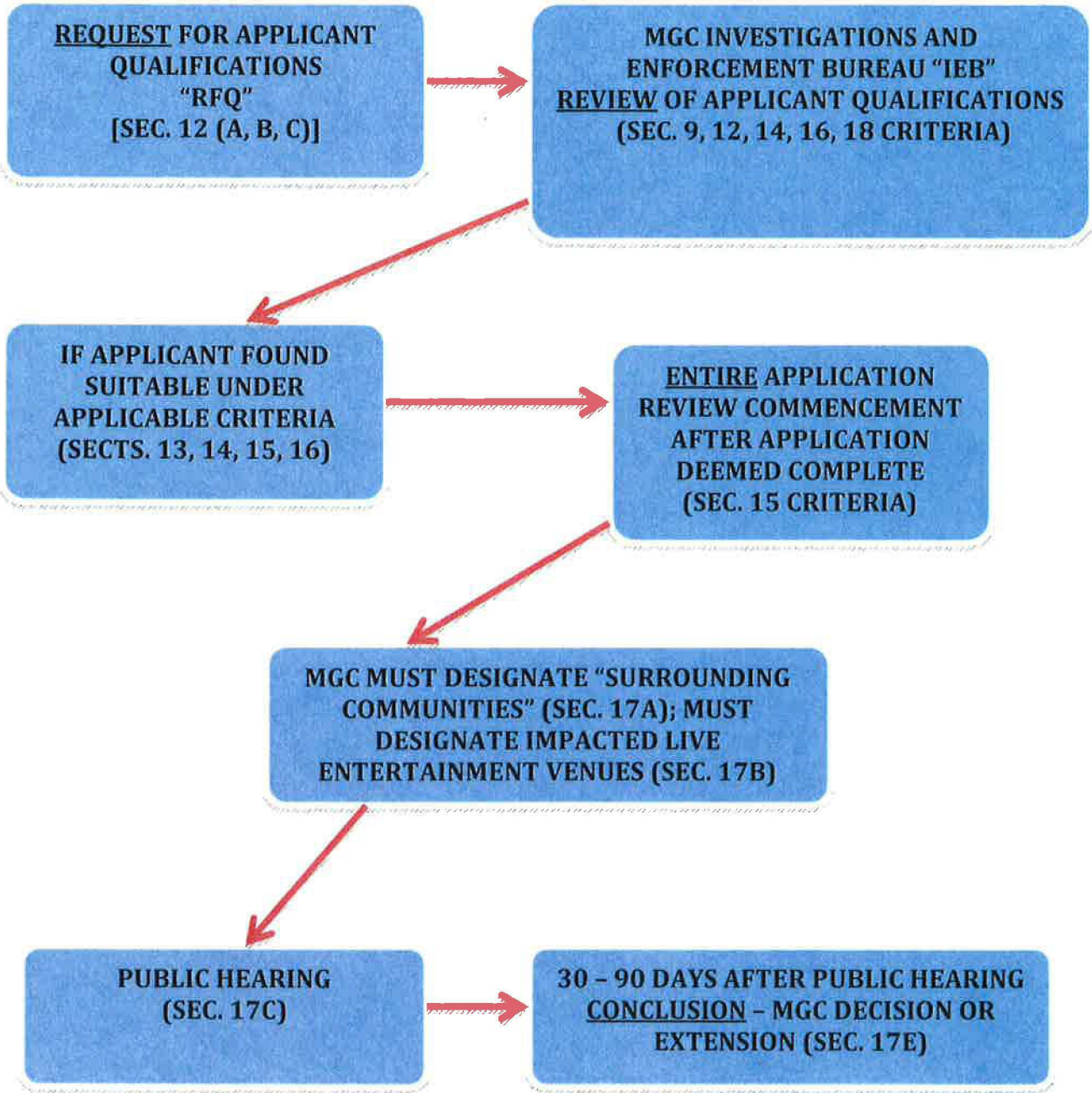
1125 Atlantic Avenue, Suite 619

Atlantic City, NJ 08401

phone 609-441-9292

fax 609-441-9110

REVIEW PROTOCOL



EXAMPLES OF CERTAIN DETAILED POINTS OF IMMEDIATE CONCERN

- The variety of agencies that have portions of jurisdiction over gaming requires attention at the earliest possible time to assure that lines of authority are clearly defined. As illustrated in the charts offered as a part of this submission, Memoranda of Understanding should be worked out with:
 - Attorney General's Office Division of Gaming Enforcement
 - Alcoholic Beverage Control Commission Gaming Liquor Enforcement Unit
 - State Police Gaming Enforcement Unit

- Beside the Investigations and Enforcement Bureau, the Commission needs to establish other working Units to handle the agency's various functions. For example:
 - *Licensing Unit and Commission Intake Clerk* to handle all applications;
 - *Hearings Unit* to handle appeals from Bureau recommendations;
 - *Audit Unit* to handle required oversight of casino financial operations;
 - *Inspectors Unit* to handle on the floor on-site observation of operations;
 - *Fund Administration Unit* to handle the administration of the many funds required to be maintained by the Commission;
 - *Research Unit* to keep up to date on the development of casino regulation in other jurisdictions in aid of preparation of the various reports required to be submitted to other branches of government by the Commission;
 - *Legal Unit* to handle the legal representation of the Commission;
 - *Administration Unit* to handle the operations of the agency;
 - *Racing Unit* to handle the racing authority granted to the Commission.

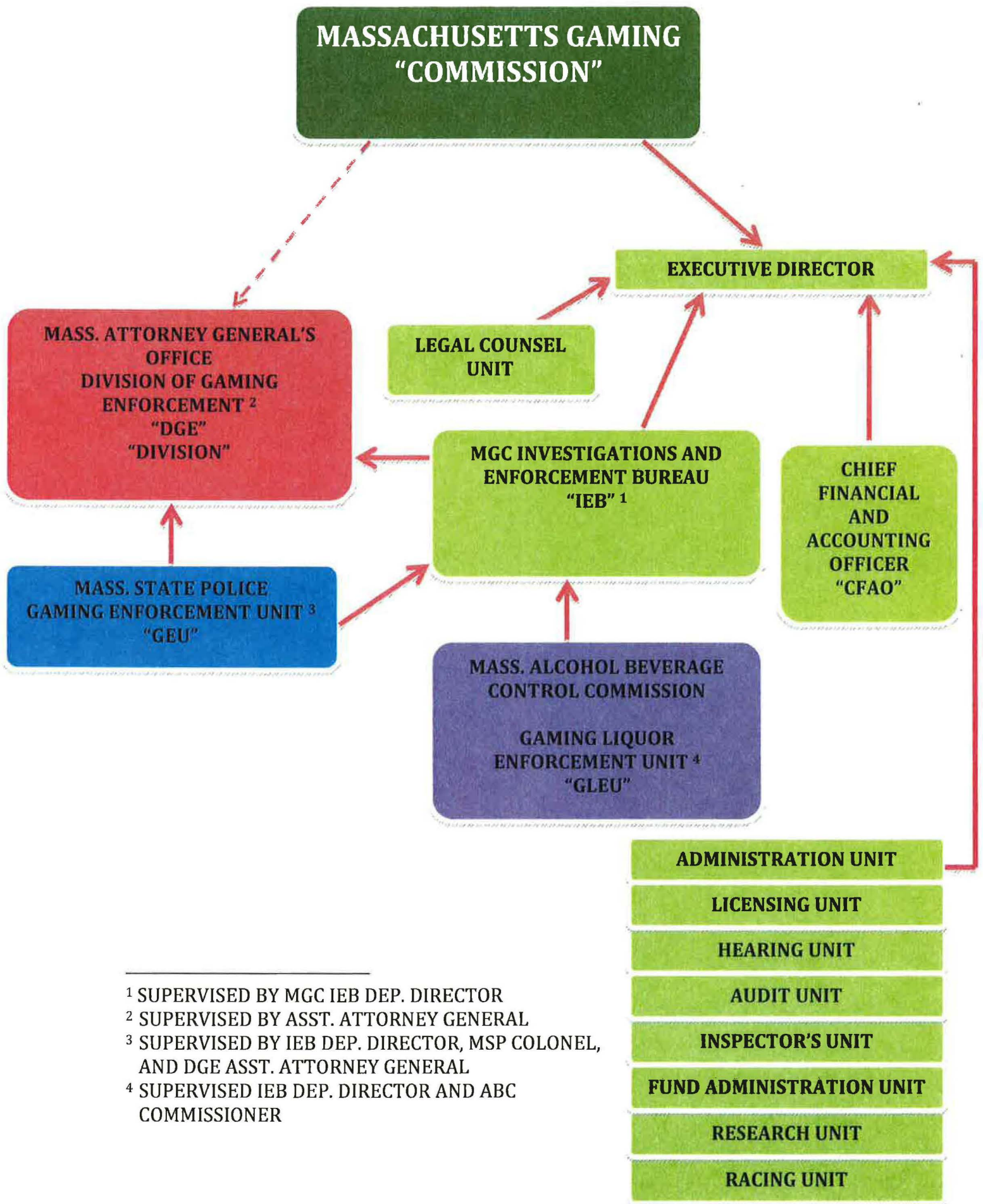
- We have suggested the possibility of a process in which applicants for casino licenses first clear a preliminary hurdle by having the Bureau conduct a background investigation and pass upon that applicant. This would commence by the issuance of a Request for Qualifications ("RGQ") that prospective applicants would have to submit to be deemed eligible to participate in the process. We see the advantages of this two-step process as both: (i) avoiding having unqualified applicants go through the election process thus engendering the consequent delay of having to begin the election process all over again; and (ii) avoiding having unsavory persons involved in the election process with the corresponding possibility of a tainted election. Experienced and

bona fide applicants are familiar with such qualification processes and its utilization will also enable critical time for the Commission's initial organizational efforts.

- If the two-step process is adopted, an expedited procedure should also be established for potential appeal of any Bureau determination of disqualification.
- Section 23(c) addresses interim authorization for new applicants. We suggest consideration of the implementation of protections in case an interim licensee is later found unqualified. Other jurisdictions utilize a trusteeship process. Under these circumstances, the interim licensee maintains operational control, but a Trustee is appointed to hold the licensee's interest until final approval is awarded. If final approval is not awarded, the Trustee is empowered to sell the interest to a qualified and approved buyer.
- Although the Act deems a license to be a "revocable privilege" (Section 1(9)), it also indicates at Section 19(c) that licenses are transferable. Although they may only be transferred to qualified parties, the legal implications of transferability and the potential conflict between Sections 1(9) and 19(c) need to be addressed. Typically, licenses are not transferable, only the licensed asset may be sold. If the license itself is deemed transferable, this may change the nature of the privilege from a due process standpoint. More process could be required to either deny or revoke such a transferable piece of property than would otherwise be required to take action against a pure privilege.
- A Commission Code of Ethics needs to be prepared. Some basic requirements are contained in the Act, but implementation will require expansion of those fundamental concepts. For example:
 - Section 3(q) of the Act imposes a two year restriction on any employee of the Commission who holds "a major policymaking position". This term needs to be carefully defined. For example, if it omits line investigators assigned to particular license inquiries, the purpose of the rule will not be achieved.
 - Section 3(v) addresses stock ownership prohibitions. As drafted, it does not contemplate ownership through mutual funds and the like over which the employee has no control. This should be addressed.
- The issues surrounding Tribal Gaming and the Compact process require immediate attention. We understand that separate counsel has been retained to negotiate the Compact, but the Commission should be fully advised and informed about the difficult issues inherent in that process. For example, the Commission needs to be prepared should a Compact not be achieved, either by reason of a failure of negotiation, or because of the impact of either the

United States Supreme Court decision in Carcieri v. Salazar or in the Salazar v. Patchak case (both involving land into trust issues) now pending before that Court.

The existence or lack of a Compact carries significant implications for the timing of the Commission's work. If the Compact process meets the July 31 deadline, then the Commission need not be concerned about other applicants for that Region. If, however, the Compact process fails, the Commission must release an RFP for a commercially operated casino license in that Region by October 31.



1 SUPERVISED BY MGC IEB DEP. DIRECTOR
 2 SUPERVISED BY ASST. ATTORNEY GENERAL
 3 SUPERVISED BY IEB DEP. DIRECTOR, MSP COLONEL,
 AND DGE ASST. ATTORNEY GENERAL
 4 SUPERVISED IEB DEP. DIRECTOR AND ABC
 COMMISSIONER



cc all
Comm.

MICHAEL & CARROLL

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

501 BROADWAY, SUITE 201
POINT PLEASANT, NEW JERSEY 08742
TELEPHONE: (732) 714-8500
TELEFAX: (732) 714-8404

1125 ATLANTIC AVENUE, SUITE 619
ATLANTIC CITY, NEW JERSEY 08401
TELEPHONE: 609-441-9292
TELEFAX: 609-441-9110

REPLY TO: POINT PLEASANT OFFICE
ATLANTIC CITY OFFICE

April 2, 2012

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street
Boston, Massachusetts 02109-2202

Dear Chairman Crosby:

Thank you again for the opportunity to discuss with you, Judge McHugh and Adam Forkner our proposal to assist the Massachusetts Gaming Commission in the implementation of the Commonwealth's newly enacted gaming legislation. We understand the challenges you face considering the breadth and scope of your statutory responsibilities and your time constraints. As we noted, while the task is daunting, it is not impossible. We truly believe that, if allowed to assist you, our experience in this field and familiarity with the many disciplines required, will enable you not only to meet, but to surpass public expectations.

We covered many topics in a short period of time and, therefore, would like to re-emphasize a few points we discussed during our meeting:

1. In responding to questions about perceived conflicts, we would cite the following points:

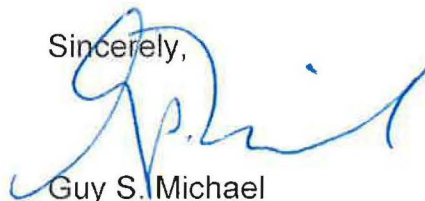
- The Commission requires the services of a group whose experience is robust and can best guide the Commission to its goal of honest and productive gaming operations;
- We are unaware of any group with our level of experience that is completely free of any prior casino connections;
- A clear understanding of the industry's perspective on compliance, regulation and enforcement is actually of value to the Commission and should be considered an advantage and not a disadvantage;

- Our previous and current involvement in the industry has been fully disclosed, including Mr. Darcy's role on the Caesar's Compliance Committee, a role that requires him to guarantee the regulatory compliance of the company;
- Although some minimal non-operational relationships may exist, you have obtained from each member of our group, a commitment to recuse himself/herself from any matter, as may be determined by the Commission, that would give even the appearance of impropriety.

2. We regret that we also did not have an opportunity to describe to a greater extent assistance we can provide regarding the Tribal Compact issues. We understand that separate counsel has been retained to negotiate a Compact, but we feel that the Commission should also have access to its own source of advice on the unique and nuanced questions that arise in that context. For instance, can land be taken into Trust in light of the Supreme Court's Carcieri decision? If land is taken into Trust, will the pending Patchak case before the Supreme Court allow private parties to challenge that determination for years through lengthy litigation? These questions and others are matters about which you should be fully informed.

Again, on behalf of our entire group, our sincere thanks for your time and consideration. We are available at your convenience to address other questions or concerns you may have. We look forward to hearing from you.

Sincerely,



Guy S. Michael

GSM:dv

cc: Robert J. Carroll
Kathleen O'Toole
Bernie Murphy
James Darcy



SPECTRUM
GAMING GROUP®

Independent Research and Professional Services

**Strategic Advisory and Gaming
Regulatory Services
Massachusetts Gaming Commission**

April 10, 2012

Topics Covered Today

- Spectrum Gaming Group
- Our Key Team Members
- Strategic Plan
- Gaming Regulatory Services

Spectrum Gaming Group

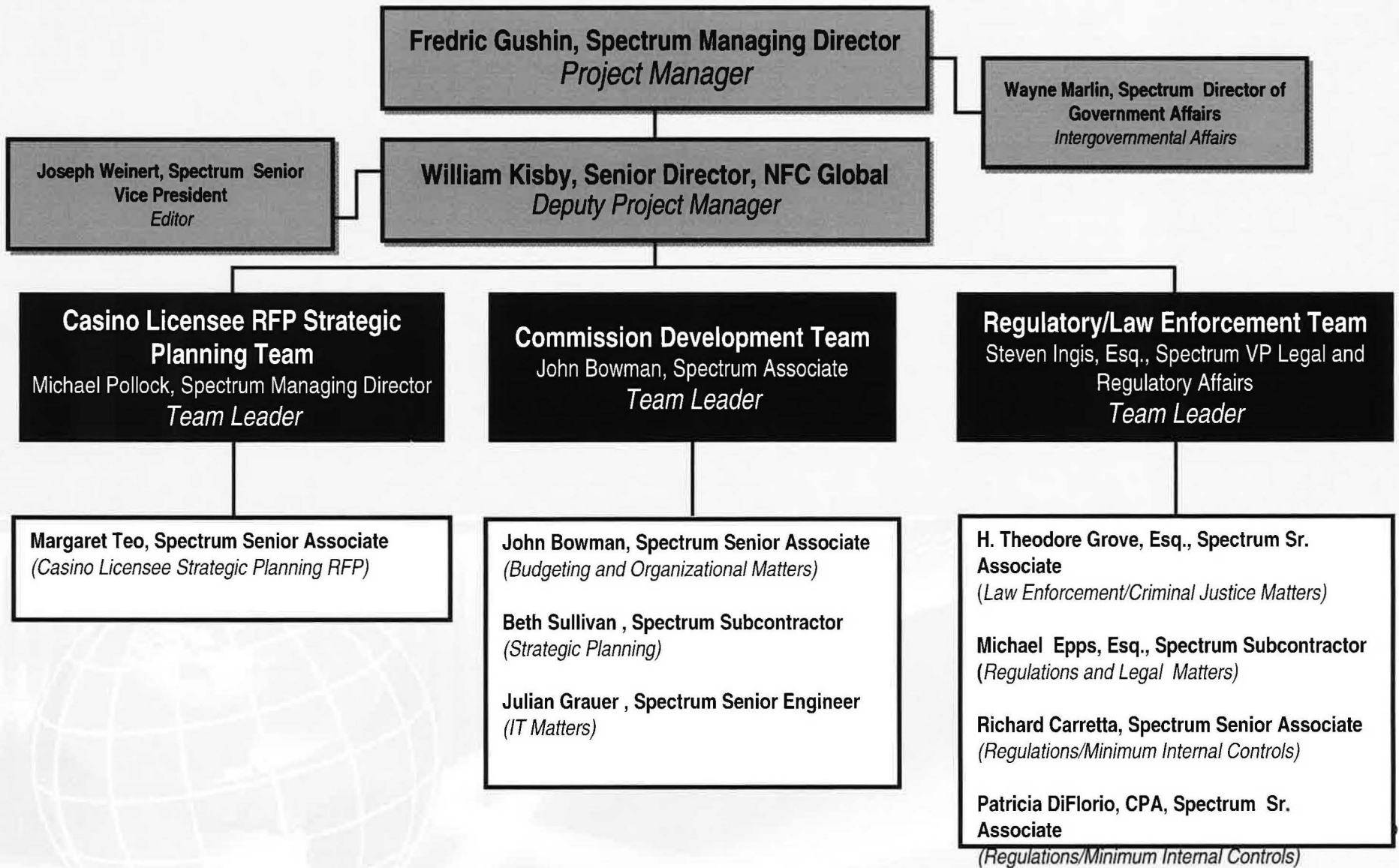
- Decades of regulatory, licensing and public-sector experience
- Conducted numerous complex, sensitive gaming-related investigations
 - Withstood scrutiny
- Specialists in the gaming industry
 - Understanding its nuances, unique challenges
 - Understanding relationship between public, private sectors

KEY TEAM MEMBERS

Bios in Proposal

- Fredric Gushin – Project Manager
- Bill Kisby – Deputy Project Manager
- Michael Pollock – Casino Licensee /RFP Team
- Steve Ingis – Regulatory/Law Enforcement Team
- John Bowman – Commission Organization-Administration Team
- Michael Epps, Regulatory/Legal Matters

Massachusetts Expanded Gaming Project Team



Recent Governmental Clients: United States

- Delaware (2009 – present)
 - Implementation of Table Games
- Maryland (2009 – present)
 - Entity, Vendor Licensing
- Massachusetts (2009 and 2010)
 - Public Policy-Legislation
- Maine (2008 – present)
 - Entity, Vendor Licensing

Recent Governmental Clients: United States

- West Virginia (2007 – 2009)
 - Implementation of table gaming
- Pokagon Tribal Government (2007 – 2008)
 - Overall regulatory issues
 - Highly successful Four Winds Casino
- Ohio (May, 2011-present)
 - Strategic Planning
 - Casino and Vendor Investigations
 - Scope of Licensing

Recent Governmental Clients: Other

- Puerto Rico
 - Entity Investigations and Special Projects
 - Smoking
 - Impact of gaming expansion
 - Saturation
- Singapore
 - Entity Investigations
 - Special Projects
 - Strategic Guidance
 - Junket Investigations
- United States Virgin Islands
 - Investigations and Compliance Auditing

Other Governmental Clients include

- Atlantic City Convention & Visitors Authority
- Broward County, Florida
- Commissioner of Financial Institutions – Puerto Rico
- Connecticut Division of Special Revenue
- Georgia Lottery Corp.
- Kansas Racing & Gaming Commission
- Maine State Gambling Control Board
- Massachusetts Office of Housing and Economic Development
- Massachusetts, Speaker of House of Representatives
- Massachusetts State Lottery Commission
- The Netherlands Gaming Control Agency
- Ohio State Lottery
- New Jersey Casino Reinvestment Development Authority
- Pennsylvania Department of Revenue
- Philippine Amusement and Gaming Control Corp.
- Puerto Rico Tourism Company, Gaming Division
- Republic of Croatia
- Rostov Oblast, Russia
- San Jose, CA, Office of City Manager
- Singapore Ministry of Home Affairs
- South Jersey Transportation Authority
- St. Lucia Gaming Authority
- U.S. Virgin Islands Casino Control Commission

Governments Trust Spectrum

Governments understand:

- Spectrum can be trusted with the most complex, confidential issues.
- Spectrum's professionals have worked in government.
- Spectrum's track record on behalf of government is compelling.

Spectrum understands:

- Governments need to balance various interests.
- Governments need advisors who can work in a comprehensive, timely and professional manner.
- Our focus on integrity reflects well on them.

STRATEGIC PLAN

First Task: Preparation of Strategic Plan

- Review any prior reports
- RFP Process
 - Transparent
 - Legally supportable
- Goals of the plan
 - Assure that only suitable individuals, companies participate in gaming
 - Assure that the games are fairly played
 - Assure that all monies are accounted for
 - Implement state public policies

Matters to be Addressed

- Implementation of Act
 - Avoid Duplication
 - Staffing Issues
 - Budgetary Issues
- RFP Process
- Timelines
- Licensing
 - Entity
 - Vendors
 - Key employees

Matters to be Addressed

- Commission Organization
- Executive Director
 - Effective Use of Inspectors
 - Audits and Investigations
 - Other Staffing Considerations
 - Phasing in of Staff
 - Training of Staff
- Initial Commission Budgeting
 - 2-year budget

Matters to be Addressed

- Law Enforcement Issues
- Criminal Prosecutions
- Outline for Commission Regulations
- Timeline
 - Phased Opening of the Casinos
 - Hard Milestones
 - Soft Milestones

Methodology

- Site visits
- Field Research
- Interviews
 - Commission
 - Relevant other State Agencies
 - Law Enforcement
 - Casino Licensees
 - Other interested parties

Strategic Plan Timeline: First Seven Weeks

ID Priorities, Key Stakeholder meetings: two weeks

RFP, Commission Organization, Gaming Enforcement Unit discussions: till week three

Draft emergency regulations: by week seven

Strategic Plan Completion: Through Week Sixteen

Review of finance, legal, IT, HR needs: by
week eight

Draft of Strategic Plan: by week twelve

Review of policy, budget/staffing, RFP
Issues: by week fourteen

Finale Strategic Plan: by week sixteen

Strategic Plan Deliverable

- Actionable plan that includes:
 - RFP Process for Casino licenses
 - Commission organizational Structure
 - Discussion of advantages/disadvantages of key options
 - Discussion with Commission
 - Recommendations

Inc. 5000 Fastest Growing Companies in US: 2008, 2009

“A focus on integrity has
allowed Spectrum to
thrive.”

-- Inc. Magazine

Questions

Item 9

Reilly, Janice (MGC)

From: Egan, Jason (SCA)
Sent: Monday, April 09, 2012 1:41 PM
To: Cameron, Gayle (MGC); Zuniga, Enrique (MGC)
Cc: Reilly, Janice (MGC); Lawton, Diane (SCA); Kmetz, Mark (DPL); Atkins, Casey (DPL); Holmes, Gray (SCA)
Subject: Draft Resolution
Attachments: Draft RESOLUTION - RSF ISA.docx

Hi Gayle and Enrique:

As a follow up to our meeting on Friday, attached please find a draft resolution relative to the Racing Stabilization Fund. If you have any questions or need anything further, please do not hesitate to let me know.

Thanks,
Jason

Jason Egan
Deputy General Counsel
Office of Consumer Affairs and Business Regulation
10 Park Plaza
Boston, MA 02116
(617) 973-8708
Jason.Egan@state.ma.us

RESOLUTION authorizing the execution of all necessary contractual arrangements, including interagency agreements, to satisfy certain obligations related to the Racing Stabilization Fund established by Chapter 194 of the Acts of 2011.

WHEREAS, Chapter 194 of the Acts of 2011 established the Racing Stabilization Fund for the distribution of funds to certain entities for the humane care, maintenance, and adoption of greyhound dogs that raced in the Commonwealth in calendar year 2009; and

WHEREAS, the Massachusetts Gaming Commission is directed to administer the Racing Stabilization Fund; and

WHEREAS, the Massachusetts Gaming Commission is required to develop a method and criteria by which to distribute funds from the Racing Stabilization Fund in an equitable manner; and

WHEREAS, the continuity of previously established distribution methods and criteria will provide certainty to fund recipients; and

WHEREAS, Massachusetts General Laws chapter 23K, section 4 granted to the Massachusetts Gaming Commission broad authority to execute all instruments necessary or convenient, and enter into agreements in connection with its powers and duties, including those duties related to the Racing Stabilization Fund; therefore be it

RESOLVED, that the Massachusetts Gaming Commission does hereby adopt the method and criteria for distributing funds from the Racing Stabilization Fund previously developed by the Office of Consumer Affairs and Business Regulation, in consultation with the State Racing Commission, pursuant to Chapter 167 of the Acts of 2009; and be it further

RESOLVED, that the Massachusetts Gaming Commission does hereby authorize and direct _____ to negotiate, finalize, execute and enter into, on behalf of the Massachusetts Gaming Commission, all necessary contractual arrangements, including but not limited to interagency agreements, and any amendments thereto, in connection with fulfilling the Massachusetts Gaming Commission's obligations related to the administration of the Racing Stabilization Fund.