



**Massachusetts Gaming Commission  
101 Federal Street, 23rd Floor  
Boston, MA 02110**

**INSTRUCTIONS FOR FILING FOR**

**2015 COMMUNITY MITIGATION FUND APPLICATION**

If a Community is filing for a mitigation reserve fund only, **please check the box on page 1** and fill out all the boxes in blue. **Skip grayed boxes 1-4. Detail regarding the use of the reserve fund can be provided to the Commission on a rolling basis upon consultation with the Commission (See Guidelines on page 6).**

If a Community or other Applicant has a specific impact, **please fill out entire application form.**

If a Community or other Applicant is requesting both a reserve fund and has a specific impact, **please fill out the entire application form.**

**Any questions contact: John S. Ziemba, Ombudsman  
101 Federal Street, 23<sup>rd</sup> Floor, Boston, MA 02110  
(617) 979-8423  
[john.s.ziemba@state.ma.us](mailto:john.s.ziemba@state.ma.us)**

...

Applications must be sent electronically **and** via regular mail. An application received by the Commission either electronically or via regular mail by February 2, 2015 will meet the application deadline.

**Applications should be sent to the:**

**Massachusetts Gaming Commission  
2015 Community Mitigation Fund  
Attn: Ombudsman John Ziemba  
101 Federal Street, 23<sup>rd</sup> Floor, Boston, MA 02110**

**And via e-mail to:**

**[john.s.ziemba@state.ma.us](mailto:john.s.ziemba@state.ma.us)**



**Massachusetts Gaming Commission  
101 Federal Street, 23rd Floor  
Boston, MA 02110**

**2015 COMMUNITY MITIGATION FUND APPLICATION**

**CHECK BOX IF REQUESTING THE CREATION OF A  
MITIGATION RESERVE FUND FOR A COMMUNITY**

**APPLICATIONS DUE NO LATER THAN FEBRUARY 2, 2015.**

*For anyone with specific impacts, please complete the gray boxes 1-4 beginning on page 2. If you are not applying for mitigation of specific impacts by February 2, 2015, you do not need to complete grayed boxes 1-4.*

Town of Saugus, MA

1. NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT

Town Manager's Office

2. DEPARTMENT RECEIVING FUNDS

Scott Crabtree, Town Manager

3. NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

Saugus Town Hall, 298 Central Street, Saugus, MA 01906

4. ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

781-231-4111      scrabtree@saugus-ma.gov

5. PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

Scott Crabtree, Saugus Town Manager

6. NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

Saugus Town Hall, 298 Central Street, Saugus, MA 01906

7. ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

781-231-4111      scrabtree@saugus-ma.gov

8. PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

Wynn Ma, LLC (Everett)

9. NAME OF GAMING LICENSEE

IMPACT DESCRIPTION

**Please describe in detail the impact that is attributed to the construction of a gaming facility. Please provide support for the determination that the construction of the gaming facility caused or is causing the impact.**

The Town of Saugus proposes to utilize the 2015 Mitigation Reserve Fund of \$100,000 to assess potential opportunities for Saugus businesses relative to operations of the Wynn Casino in Everett; to craft strategies for capitalization of identified opportunities; to promote such opportunities locally; and to implement measures that will facilitate business to business linkage from the Wynn Casino to Saugus companies. The Town will employ consultant service contracts to undertake this effort in phases that will include active participation of Town officials and committees as well as of local businesses and organizations, particularly those engaged in hospitality and the provision of related goods and services. Both the Town and its consultant will work closely with the MAPC and the North Shore Economic development Council and the Saugus Chamber of Commerce on this project.

PROPOSED MITIGATION

Please identify below the manner in which the funds are proposed to be used. Please provide documentation (e.g. - invoices, proposals, estimates, etc.) adequate for the Commission to ensure that the funds will be used for the cost of mitigating the impact from the construction of a proposed gaming establishment. Please describe how the mitigation request will address the specific impact indicated. Please attach additional sheets/supplemental materials if necessary.

The following represents the scope of services for the first phase of this effort for which the Town will issue a RFP once the MGC approves this request. The cost of this phase is estimated at \$35,000. The Town will request the balance of the Town's \$100,000. one-time reserve (\$65,000.) to be utilized for implementation of specific steps once they are identified and plotted in this first phase.

Phase one-consultant Scope of Services (\$35,000.)

Meet with Saugus officials and business as well as the MAPC and the North Shore Economic Development Council to collect all pertinent information available, refine work plan

Conduct a brief review of recent casino impact studies, including but not limited to those produced by Wynn consultants for the Everett project, to extract information most relevant to Saugus

Review all relevant materials from the Massachusetts Gaming Commission and filings of the Wynn Casino and consultants to assess obligations and potential opportunities that could affect Saugus businesses

Profoma a baseline economic analysis of Saugus businesses to determine sectors that might benefit from direct services to Wynn or related sin-offs and indirect effects

Assess potential impacts to Saugus businesses based on a range of potential sales related to direct and indirect effects of the Wynn Casino

Work with Saugus officials and their designees, recommend strategies and mechanisms that Saugus and private businesses might utilize to capture sales opportunities related to the Wynn Casino

**IMPACT CONTROLS/ADMINISTRATION OF IMPACT FUNDS**

**Please provide detail regarding the controls that will be used to ensure that funds will only be used to address the specific impact. If non-governmental entities will receive any funds, please describe what reporting will be required and how the applicant will remedy any misuse of funds.**

The Town Manager, working with the Town's Economic Development Consultant will oversee this project and be responsible for all reporting requirements to the MGC. Once a consultant is chosen a contract with a detailed scope of services and deliverables will be executed between the Town and consultant.

**RELEVANT EXCERPTS FROM HOST OR**

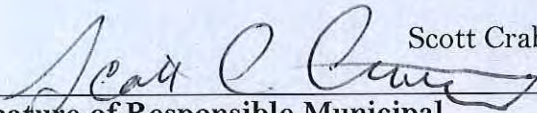
**SURROUNDING COMMUNITY AGREEMENTS**

**Please describe and include excerpts from any relevant sections of any Host or Surrounding Community Agreement. Please explain how this impact was either anticipated or not anticipated in that Agreement.**

Saugus was denied designation of a Surrounding Community and has no Surrounding Community Agreement with Wynn Casinos.

**CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY**

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.



Scott Crabtree, Town Manager

2/3/15

Signature of Responsible Municipal  
Official/Governmental Entity

Date

**APPROVAL OF THE MASSACHUSETTS GAMING COMMISSION**

On behalf of the Massachusetts Gaming Commission, the Commission hereby authorizes the payment from the Community Mitigation Fund in accordance with M.G.L. c. 23K as outlined in this Application.

**2015 COMMUNITY MITIGATION FUND APPLICATION**

Page 5 of 6

*Scott C. Curran*

Executive Director	Date
Ombudsman	Date



**Massachusetts Gaming Commission**  
**101 Federal Street, 12th Floor**  
**Boston, MA 02110**

**2016 COMMUNITY MITIGATION FUND  
 RESERVE / SPECIFIC IMPACT APPLICATION**

**CHECK BOX IF REQUESTING THE CREATION OF A  
 MITIGATION RESERVE FUND FOR A COMMUNITY**

**APPLICATIONS DUE NO LATER THAN FEBRUARY 1, 2016.**  
*For anyone with specific impacts, please complete the gray boxes 1-4 beginning on page 2. If you are not applying for mitigation of specific impacts by February 1, 2016, you do not need to complete grayed boxes 1-4.*

1.	NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT
	Springfield Redevelopment Authority
2.	DEPARTMENT RECEIVING FUNDS
	Springfield Redevelopment Authority
3.	NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
	Christopher J. Moskal, Executive Director
4.	ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
	70 Tapley St, Springfield MA 01104
5.	PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
	413-787-6020, cmoskal@springfieldcityhall.com
6.	NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
	Christopher J. Moskal, Executive Director
7.	ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
	70 Tapley St, Springfield MA 01104
8.	PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
	413-787-6020, cmoskal@springfieldcityhall.com
9.	NAME OF GAMING LICENSEE
	MGM Springfield/Blue Tarp reDevelopment

**1. IMPACT DESCRIPTION**

Please describe in detail the impact that is attributed to the construction of a gaming facility. Please provide support for the determination that the construction of the gaming facility caused or is causing the impact.

**2. PROPOSED MITIGATION**

Please identify below the manner in which the funds are proposed to be used. Please provide documentation (e.g. - invoices, proposals, estimates, etc.) adequate for the Commission to ensure that the funds will be used for the cost of mitigating the impact from the construction of a proposed gaming establishment. Please describe how the mitigation request will address the specific impact indicated. Please attach additional sheets/supplemental materials if necessary.

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**4. RELEVANT EXCERPTS FROM HOST OR SURROUNDING COMMUNITY AGREEMENTS**

Please describe and include excerpts from any relevant sections of any Host or Surrounding Community Agreement. Please explain how this impact was either anticipated or not anticipated in that Agreement.



**2016 RESERVE / SPECIFIC COMMUNITY MITIGATION IMPACT APPLICATION**

Page 3 of 4

**CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY**

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.

  
\_\_\_\_\_  
Signature of Responsible Municipal  
Official/Governmental Entity

*1-29-16*  
\_\_\_\_\_  
Date

**APPROVAL OF THE MASSACHUSETTS GAMING COMMISSION**

On behalf of the Massachusetts Gaming Commission, the Commission hereby authorizes the payment from the Community Mitigation Fund in accordance with M.G.L. c. 23K as outlined in this Application.

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ombudsman

\_\_\_\_\_  
Date



**Massachusetts Gaming Commission**  
**101 Federal Street, 12th Floor**  
**Boston, MA 02110**

**2016 COMMUNITY MITIGATION FUND  
 RESERVE / SPECIFIC IMPACT APPLICATION**

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1.	Springfield Parking Authority NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT
2.	Springfield Parking Authority DEPARTMENT RECEIVING FUNDS
3.	Mary McNally; Executive Director NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
4.	150 Bridge Street, Springfield, Massachusetts 01103 ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
5.	413-787-6118; mmcally@springfieldparkingauthority.com PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
6.	Mary McNally; Executive Director NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
7.	150 Bridge Street, Springfield, Massachusetts 01103 ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
8.	413-787-6118; mmcally@springfieldparkingauthority.com PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY
9.	MGM Springfield/Blue Tarp reDevelopment NAME OF GAMING LICENSEE

**1. IMPACT DESCRIPTION**

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**4. RELEVANT EXCERPTS FROM HOST OR SURROUNDING COMMUNITY AGREEMENTS**

Please describe and include excerpts from any relevant sections of any Host or Surrounding Community Agreement. Please explain how this impact was either anticipated or not anticipated in that Agreement.

**CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY**

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.

 (P2)

1-29-2016

Signature of Responsible Municipal  
Official/Governmental Entity

Date

**APPROVAL OF THE MASSACHUSETTS GAMING COMMISSION**

On behalf of the Massachusetts Gaming Commission, the Commission hereby authorizes the payment from the Community Mitigation Fund in accordance with M.G.L. c. 23K as outlined in this Application.

Executive Director

Date

Ombudsman

Date

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 149.00: RACE HORSE DEVELOPMENT FUND

Section

149.01: Definitions

149.02: Distributions from the Race Horse Development Fund

149.03: Notice to Commission of Intent to Discontinue Racing

149.04: Race Horse Development Fund Escrow Account

149.01: Definitions

As used in 205 CMR149.00, the following words and phrases shall have the following meaning, unless the context clearly requires otherwise:

Commission is defined in M.G.L. c. 23K § 2.

Meeting means a meeting as defined in 205 CMR 3.02 and 205 CMR 4.02, respectively.

Harness Race means a race involving standardbreds as defined in 205 CMR 3.02.

Harness Racing Association means an association as defined in 205 CMR 3.02.

Horse Race means a race involving thoroughbreds as defined in 205 CMR 4.02.

Horse Racing Association means an association as defined in 205 CMR 4.02.

Horse Racing Committee means the committee established pursuant to M.G.L. c. 23K, § 60(b).

Horsemen has the meaning ascribed to the term in M.G.L. c.23K §60 and refers to Harness Horsemen and Thoroughbred Horsemen respectively.

Horsemen's Organization means the horsemen's organization that represents the horse owners and trainers at a meeting and that has entered into a purse agreement with the harness racing association or horse racing association as applicable.

License means a license to conduct a harness race, horse race, or both issued pursuant to M.G.L. c. 128A.

Race Horse Development Fund means the fund established pursuant to M.G.L. c. 23K, § 60.

Race Horse Development Fund Escrow account means an escrow account established pursuant to 205 CMR 149.03 (2) (a) and 149.04.

Race Track is defined in M.G.L. c. 128A, § 1.

149.02: Distributions from the Race Horse Development Fund

(1) (a) The commission shall make distributions from the race horse development fund between harness racing associations and horse racing associations in accordance with the requirements of M.G.L. c. 23K, § 60, 205 CMR 149.02 and 205 CMR 149.04 and the recommendations of the horse racing committee.

(b) If there is more than one harness racing association or more than one horse racing association, the horse racing committee shall determine how the distributions from the race horse development fund are shared between each harness racing association or horse racing association.

(2) A harness racing association or horse racing association shall distribute funds received from the race horse development fund in accordance with M.G.L. c. 23K, § 60(c) and 205 CMR 149.04.

(3) In order for a harness racing association or horse racing association to be eligible to receive funds from the race horse development fund such harness racing association or horse racing association shall comply with all safety standards adopted by the Commission and applicable to such harness racing association or horse racing association.

149.03: Notice to Commission of Intent to Discontinue Racing

(1) A harness racing association or horse racing association shall provide the commission at least thirty(30) days prior written notice of its intent to take any of the following actions:

- (a) To discontinue harness races or horse races for the remainder of a harness meeting or horse meeting
- (b) To permanently discontinue harness races or horse races;
- (c) To close a race track used for harness races or horse races;
- (d) To abandon or relinquish a license;
- (e) To not apply for the renewal of a license; or
- (f) To transfer a race track to any other entity.

(2) Upon receipt of a written notice of intent pursuant to 205 CMR 149.03(1), or upon learning that the harness racing association or horse racing association has failed to timely notify the commission pursuant thereto or that any event described in 205 CMR 149.03(1) (a)-(f) has occurred or will occur, the commission may take one or more of the following actions:

- (a) Hold a public hearing to determine:
- (i) whether monies from the race horse development fund which the harness racing association or horse racing association would have received pursuant to M.G.L. c. 23K, § 60, should be placed in a racing escrow account for distribution pursuant to 205 CMR 149.04;
  - (ii) whether to transfer monies from the race horse development fund which the harness racing association or horse racing association would have received pursuant to M.G.L. c. 23K, § 60 to a different harness racing association or horse racing association;
  - (iii) whether to transfer the harness racing association's or horse racing association's license to a different harness racing association or horse racing association;
  - (iv) whether to take any other action within its authority to protect:
    - i. the interests of the commonwealth;
    - ii. employees or former employees of the harness racing association or horse racing association;
    - iii. harness racing horsemen and horse racing horsemen; and
    - iv. the intended beneficiaries of the race horse development fund, any other fund established pursuant to M.G.L. cc. 23K, 128A or 128C, and any other fund to which the harness racing association or horse racing association was required to contribute.
- (b) Require the harness racing association or horse racing association to pay to the commission any amounts required pursuant to the terms of its license, M.G.L. cc. 23K, 128A, and 128C, and 205 CMR 149.00 including, without limitation, all unclaimed winnings and breaks, assessments, taxes, and fees.

149.04: Race Horse Development Fund: Distributions; Escrow Accounts

(1) If the commission determines pursuant to 205 CMR 149.03 (2) (a) that monies due to a harness racing association or horse racing association from the race horse development fund should be placed in an escrow account, the commission shall establish a race horse development fund escrow account to hold such funds and any interest thereon for distribution in accordance with M.G.L. c. 23K, § 60(c), the recommendations of the horse racing committee, and 205 CMR 149.00.

(2) The commission shall establish a separate race horse development fund escrow account concerning each harness racing association or horse racing association for which it determines such an account is necessary pursuant to 205 CMR 149.03(2)(a)

(3) The commission shall hold funds in such race horse development fund escrow accounts subject to the following requirements:

(a) Monies held in a race horse development fund escrow account shall be held in escrow for no more than three years from the date of the Commission's determination to hold the funds in escrow. After three years, any monies remaining in such race horse development fund escrow accounts shall be transferred or distributed by the commission in accordance with the recommendations of the horse racing committee.

(4) (a) The commission shall make distributions from the race horse development fund or from a race horse development fund escrow account created under 205 CMR 149.03 because of a harness racing association as follows, in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00:

- i. Eighty per cent of the funds approved by the commission shall be paid weekly to a harness racing association, ~~as recommended by the horse racing committee, such funds shall be divided between the harness racing associations at the discretion of the commission. weekly by the Commission.~~ Such funds shall be paid into a separate, interest-bearing purse account to be established by the harness racing association by and for the benefit of the harness racing horsemen upon the commission's receipt of a copy of the purse agreement executed by the harness racing association and the horsemen's organization. The earned interest on this account shall be credited to the purse account and shall be combined with revenues from existing purse agreements to fund purses for live harness races consistent with those agreements, with the advice and consent of the harness racing horsemen.
- ii. Sixteen percent of the funds approved by the commission shall be deposited by the Commission into an account for the benefit of the Massachusetts Standardbred Breeding Program authorized by the commission.
- iii. Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the harness horse racing association's race track for the benefit of the organization's members, their families, employees and others under



the rules and eligibility requirements of the organization, as approved by the commission, provided, however, that if there is more than one horsemen's organization, the commission shall divide the amount available under this section evenly between the horsemen's organizations.

This amount shall be deposited by the Commission within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the standardbred drivers' organization at the harness racing association's race track for health insurance, life and/or accident insurance or other benefits to active and disabled standardbred drivers under the rules and eligibility requirements of that organization.

(b) The commission shall make distributions from the race horse development fund or a race horse development fund escrow account created under 205 CMR 149.03 because of a horse racing association as follows, in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00:

i. Eighty per cent of the funds approved by the commission shall be paid weekly to a horse racing association, ~~or if~~ If there is more than one horse racing association, as recommended by the horse racing committee, association such funds shall be divided between the horse racing associations at the discretion of the commission. weekly by the Commission. Such funds shall be into deposited weekly paid into a separate, interest-bearing purse account to be established by the horse racing association by and for the benefit of the horse racing horsemen upon the commission's receipt of a copy of the purse agreement executed by the horse racing association and the horsemen's organization. The earned interest on this account shall be credited to the purse account and shall be combined with revenues from existing purse agreements to fund purses for live horse races consistent with those agreements, with the advice and consent of the horse racing horsemen.

ii. Sixteen percent of the funds approved by the commission shall be deposited by the Commission into an account for the benefit of the Massachusetts Thoroughbred Breeding Program authorized by the commission.

iii. Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the horse racing association's race track for the benefit of the

organization's members, their families, employees and others under the rules and eligibility requirements of the organization, as approved by the commission provided, however, that if there is more than one horsemen's organization, the commission shall divide the amount available under this section evenly between the horsemen's organizations. . This amount shall be deposited by the Commission within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the thoroughbred jockeys' organization at the horse racing association's race track for health insurance, life and/or accident insurance or other benefits to active and disabled thoroughbred jockeys under the rules and eligibility requirements of that organization.

(c) The commission may distribute less than the entire amount of the funds in 149.04 (4) (a) (i) and 149.04 (4) (b) (i) if the commission determines in its sole discretion that such distribution shall be beneficial or if a lesser amount is requested by the harness racing association or the horse racing association. Funds under 149.04 (4) (a) (i) or 149.04 (4) (b) (i) that remain after payment by the commission under this section shall remain in the race horse development fund and shall be available for payment in future years in the commission's discretion, after applying the determination of race horse committee regarding allocation between harness racing and horse racing.

(4) If the commission awards a license to a harness racing association, after placing the funds in escrow pursuant to 205 CMR 149.03 the commission may transfer funds to that harness racing association, for use in accordance with M.G.L. c. 23K § 60 and 205 CMR 149.00, from any race horse development fund escrow account then in existence that was created under 205 CMR 149.03

(5) If the commission awards a license to a horse racing association after placing the funds in escrow pursuant to 205 CMR 149.03 the commission may transfer funds to that horse racing association, for use in accordance with M.G.L. c. 23K § 60 and 205 CMR 149.00, from any race horse development fund escrow account then in existence that was created under 205 CMR 149.03.

(6) The commission may, upon the recommendation of the horse racing committee, transfer all or a portion of the funds held in a race horse development fund escrow account to any one or more harness racing associations or horse racing associations for distribution in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00.

~~(6) In the event that there is more than one horsemen's organization representing owners and trainers at horse racing associations, the commission's appointee to the horse racing committee shall take into consideration the comments and concerns raised by the horsemen's organization that does not have a representative appointed to the horse racing committee under G.L. c.23K section 60.~~

#### REGULATORY AUTHORITY

205 CMR 149.00: M.G.L. c. 23K, §§ 2, 4(37), 4(38), 5, 7, 60; c. 128A, §§ 1, 2, 3, 9, 9B.



Legal Division

## **SMALL BUSINESS IMPACT STATEMENT**

The Massachusetts Gaming Commission (“Commission”) hereby files this small business impact statement in accordance with G.L. c.30A, §2 relative to the proposed amendments in 205 CMR 149.00: Race Horse Development Fund; notice of which was filed this day with the Secretary of the Commonwealth. These amendments were developed as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth and the distribution of funds established in G.L. c. 23K. The amendments to this regulation defines the term *Horseman’s Organization* and provides for the following: funds shall be divided between the racing associations at the discretion of the Commission if there are more than one racing association; funds shall be paid upon receipt of an executed purse agreement by the racing association and the horseman’s organization; the Commission shall divide the health and pension benefits evenly between the horseman’s organizations if there are more than one horseman’s organization; and the Commission may distribute less than the entire amount of the funds and any remaining funds shall be available for payment in future years. These regulations are largely governed by G.L. c. 23K. § 60.

These regulations apply to the licensed racing meetings within the Commonwealth and to horseman’s organizations. The beneficiaries of this fund may be small businesses. The Commission has identified the following groups of small businesses that may be impacted: licensed racehorse trainers and thoroughbred and standardbred racehorse owners. In accordance with G.L. c.30A, §2, the Commission offers the following responses:

1. Estimate of the number of small businesses subject to the proposed regulation:

There are approximately 1200 licenses issued annually for the identified groups listed above. To the extent that they are a small business, they may be impacted by these amendments.

2. State the projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation:

There are no projected additional reporting, recordkeeping or administrative costs created by these regulations that would affect small businesses.

3. State the appropriateness of performance standards versus design standards:

These regulations do not implicate a design or performance standard.



Massachusetts Gaming Commission

4. Identify regulations of the promulgating agency, or of another agency or department of the commonwealth, which may duplicate or conflict with the proposed regulation:

There are no conflicting regulations in 205 CMR, and the Commission is unaware of any conflicting or duplicating regulations of any other agency or department of the Commonwealth.

5. State whether the proposed regulation is likely to deter or encourage the formation of new businesses in the commonwealth:

G.L. c.23K was enacted to create a new industry in the Commonwealth and to promote and grow local small businesses and the tourism industry, including the development of small businesses such as lodging, dining, retail, cultural and social facilities. The proposed regulations, as part of the overall process, are designed to effectuate those intentions and growth.

Massachusetts Gaming Commission  
By:

---

Cecelia M. Porché  
Paralegal  
Legal Division

Dated: \_\_\_\_\_



Massachusetts Gaming Commission



## **MGC Comprehensive Communications Plan For the Launch of the 'FAIR DEAL' Tip Program February 2016**

**FAIR DEAL**

**IT'S WHAT CUSTOMERS EXPECT AND WHAT THE MASSACHUSETTS GAMING COMMISSION REQUIRES.**

REGULATORY COMPLIANCE IS CRITICAL TO THE PUBLIC'S CONFIDENCE IN THE MASSACHUSETTS GAMING INDUSTRY. ENSURING THAT ALL GAMING ACTIVITY IS FAIR AND ETHICAL REQUIRES YOUR ASSISTANCE.

DO YOU HAVE CONCERNS OR PERSONAL KNOWLEDGE ABOUT UNETHICAL BEHAVIOR OR SUSPECTED VIOLATIONS OF THE MASSACHUSETTS GAMING LAW OR REGULATIONS?

TIPS ARE CONFIDENTIAL AND YOU MAY REMAIN ANONYMOUS.

**INTEGRITY TIP LINE**  
**1-844-303-TIPS (8477)**

REPORT ONLINE  
[MASSGAMING.COM/FAIRDEAL](http://MASSGAMING.COM/FAIRDEAL)

SEND AN EMAIL  
[FAIRDEAL@STATE.MA.US](mailto:FAIRDEAL@STATE.MA.US)



*Investigations and Enforcement Bureau*

**SUPPORT HONESTY AND HELP MGC TO ENSURE A FAIR DEAL.**

Last Updated: February 26, 2016

## **I. BACKGROUND**

Regulatory compliance is critical to the public's confidence in the Massachusetts gaming industry. The Massachusetts Gaming Commission (MGC) demands that the integrity of the state's gaming industry is of paramount importance and has taken numerous regulatory measures to ensure compliance and adherence to the Massachusetts gaming law.

As part of a comprehensive effort to ensure the integrity of the state's gaming industry, the Investigations and Enforcement Bureau (IEB) is launching a tip program that will offer several convenient ways for patrons, gaming employees and/or members of the public to provide helpful information directly to the IEB. In keeping with MGC's overarching approach to gaming regulation, public participation in MGC's efforts is vital. A tip program provides the public with an organized and specific method to directly contact the IEB with any potential concerns or personal knowledge of unethical or noncompliant gaming activity.

In coordination with MGC's Communications Department, the IEB developed the "FAIR DEAL" tip program designed to allow tipsters to provide information via telephone, online report and/or an email. All of these modes of communication will be routed directly to a member of the IEB who will then follow up on the information provided. This coordinated effort provides tipsters with the opportunity to select a chosen method of outreach (phone, online, email). The variety in outreach addresses varying levels of technical capabilities and simply provides for overall personal preference. The tip program will also offer tipsters with the option of confidentiality and anonymity. The branding of the effort, which includes branded outreach (1-844-303-TIPS, [massgaming.com/FAIRDEAL](http://massgaming.com/FAIRDEAL), [FAIRDEAL@state.ma.us](mailto:FAIRDEAL@state.ma.us)), was purposefully designed and secured to offer info providers with "easy-to-remember" contact information - a key element of any successful tip program.

To educate the public and generate increased awareness of this program, MGC will aggressively execute the following comprehensive communications plan through a combination of marketing and advertising, traditional media outreach, and by maximizing the use of the newest technologies available including social media platforms and other innovative methods of new media.

## II. OBJECTIVES

- Introduce the IEB's new tip program "FAIR DEAL"
- Proactively solicit helpful information pertaining to any potential unethical or noncompliant gaming activity
- Educate the public about the tip program and highlight the various methods of outreach for information submission
- Increase awareness of MGC's commitment to ensuring the integrity of the Commonwealth's gaming industry

## III. TARGET AUDIENCE

All communication initiatives will be developed and executed with the intention of reaching the following constituents, stakeholders and key decision-makers:

- Gaming patrons
- Plainridge Park Casino employees
- Local and trade media
- Members of the public
- Gaming vendors
- MGC licensees
- Horse racing community
- MGC employees

## IV. KEY MESSAGES

The following messages should be applied uniformly throughout all communication activities:

- **FAIR DEAL:** It's what customers expect and what MGC requires
- Regulatory compliance is critical to the public's confidence in the Massachusetts gaming industry. Ensuring that all gaming activity is fair and ethical requires your assistance.
- Do you have concerns or personal knowledge about unethical behavior or suspected violations of the Massachusetts gaming law or regulations? Tips are confidential and you may remain anonymous.
  - **Integrity Tip Line:** 1-844-303-TIPS (8477)
  - **Report Online:** [MassGaming.com/FairDeal](http://MassGaming.com/FairDeal)



- **Send an Email:** [FairDeal@state.ma.us](mailto:FairDeal@state.ma.us)
- Support honesty and help MGC to ensure a FAIR DEAL.
- MGC's IEB has a comprehensive approach to ensuring compliance with the state's gaming law and regulations.
- MGC is committed to maintaining the public's confidence and ensuring the integrity of the state's gaming industry.

## V. STRATEGY

- A. Announce the launch and availability of the new "FAIR DEAL" tip program
- B. Educate the target audience about the purpose of the program and increase awareness of the various ways individuals may submit confidential and anonymous information to the IEB
- C. Maintain visibility of the program through well-placed signage and online information

## VI. TACTICS

### A. Strategy: Announce the launch and availability of the new "FAIR DEAL" tip program

#### Action Steps:

1. **Press Release:** MGC Communications Department will draft and distribute a press release detailing the launch and logistics of the "FAIR DEAL" tip program.
  - a. **Digital campaign/social media:** MGC Communications Department will develop digital components to support the contents of the press release for distribution across MGC social media platforms and direct email capabilities.
2. **Blog post:** IEB will author a blog post for MassGaming.com highlighting the importance of this proactive effort and explaining the program's goals.

B. Strategy: Educate the target audience about the purpose of the program and increase awareness of the various ways individuals may submit confidential and anonymous information to the IEB

Action Steps:

1. **Marketing materials/signage:** MGC developed FAIR DEAL signage for posting at Plainridge Park Casino (PPC). FAIR DEAL signage will be placed both in the gaming area of PPC and in the “back of the house” area for PPC employees.
2. **Business cards:** MGC will develop business cards for IEB employees including Gaming Agents that will feature tip line information to provide MGC staff with another convenient way to promote the program.

C. Strategy: Maintain visibility of the program through well-placed signage and online information

Action Steps:

1. **Signage:** MGC will continue working with PPC management and its marketing office to identify available locations for program signage throughout the facility.
2. **Website Content Updates:** MGC Communications Department will re-organize sections of MassGaming.com to prominently display the FAIR DEAL tip program. The new FAIR DEAL section and online reporting form will be established in a way that is easy to find, easy to navigate and easy to fill-out.

## VII. TRACK COVERAGE

MGC communications staff will track all related opening media coverage through Meltwater News Service and Results TVeyes. Search options will be updated to reflect this plan and maximize capture of media mentions.

## VIII. IMPLEMENTATION

FOCUS/STRATEGY	ACTION STEPS	TIMING	PARTICIPANTS	STATUS
Develop FAIR DEAL program, logistics and tip submission components	<ol style="list-style-type: none"> <li>1. Working group established 'FAIR DEAL' brand and program logistics.</li> <li>2. Secure Phone tip line</li> <li>3. Develop Online Report Form</li> <li>4. Secure Email address</li> </ol>	January/February	Karen W. Brian C. Bruce B. Burke C. Elaine D. Dan M.	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Pending</li> <li>4. Complete</li> </ol>
A. Announce the launch and availability of the new "FAIR DEAL" tip program	<ol style="list-style-type: none"> <li>1. Draft and Distribute Press Release - Develop support digital components for social media</li> <li>2. Draft and post Blog Post</li> </ol>	February/March	Elaine D. Karen W. Mike S.	<ol style="list-style-type: none"> <li>1. Pending</li> <li>2. Pending</li> </ol>
B. Educate the target audience about the purpose of the program and increase awareness of the various ways individuals may submit confidential and anonymous information to the IEB	<ol style="list-style-type: none"> <li>1. Marketing materials/signage- develop 12x18 posters to be on display at Plainridge Park Casino, both on the gaming floor and in the employee area</li> <li>2. Business cards for IEB and gaming agents</li> </ol>	February/March	Elaine D. Mike S.	<ol style="list-style-type: none"> <li>1.Complete</li> <li>2.Pending</li> </ol>
C. Maintain visibility of the program through well-placed signage and online information	<ol style="list-style-type: none"> <li>1. Signage – Continue to identify new locations for tip line signage throughout Plainridge Park Casino</li> <li>2. Website updates – Finalize dedicated Fair Deal section on MassGaming.com featuring online report form</li> </ol>	February/March	Bruce B. Brian C. Elaine D. Mike S. Burke C.	<ol style="list-style-type: none"> <li>1.Ongoing</li> <li>2.Pending</li> </ol>

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 134.00: LICENSING AND REGISTRATION OF EMPLOYEES, VENDORS, JUNKET ENTERPRISES AND REPRESENTATIVES, AND LABOR ORGANIZATIONS

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134.04: Vendors

(7) Qualification of New Qualifiers for Gaming Vendors – Primary.

(a) No person requiring qualification pursuant to 205 CMR 134.04(4)(a) may perform any duties or exercise any powers relating to the position that said qualifier is seeking to assume for a Gaming Vendor – Primary licensee unless the person notifies the Bureau in writing within 30 days of appointment to the position. Such notification shall be accompanied by a completed Key Gaming Employee - Standard Application Form. Following such notification and submission of the completed Form, the person may continue to perform duties and exercise powers relating to the position pending qualification.

(b) A person with reason to believe that his or her new position with a Gaming Vendor – Primary may require qualification pursuant to 205 CMR 134.04(4)(a) shall notify the Bureau in writing within 30 days of appointment to the position. Such notification shall be accompanied by a summary of the responsibilities and/or features of the position. The Bureau shall determine whether the person shall be designated a qualifier pursuant to 205 CMR 134.04(4) and shall notify the person of such designation in writing. Within 30 days of designation as a qualifier, the person shall submit a completed Key Gaming Employee – Standard Application Form. Following submission of the completed Form, the person may continue to perform duties and exercise powers relating to the position pending qualification.

(c) The Bureau shall review the Forms submitted by the new qualifier, as well as such other information that the Bureau may request, and, upon completion of its investigation, shall make a determination or recommendation to the Commission in accordance with 205 CMR 134.09(1)(c) whether the new qualifier meets the standards for suitability.

(d) Upon notification by the Bureau of a determination that reasonable cause exists to believe the qualifier may not ultimately be found suitable, a gaming vendor licensee shall promptly remove the qualifier from his or her position until such time as the commission makes its final determination on suitability.

## 134.12: Temporary Licenses

### (1) Temporary Licenses for Employees

(a) Upon petition to the Commission by a gaming licensee, the Commission may issue a temporary license to an applicant for a key gaming employee license ~~or; a gaming employee license, or a gaming vendor license~~ if:

1. the applicant for a key gaming employee license; ~~or a gaming employee license, or a gaming vendor license~~ has filed a completed application with the commission **and has submitted all of the disclosure forms as required by the Division of Licensing;** and
2. the gaming licensee certifies, and the Commission finds, that the issuance of a temporary license is necessary for the operation of the gaming establishment and is not designed to circumvent the normal licensing procedures.

(b) A temporary license shall ~~issue unless:~~

1. A preliminary review of the Applicant shows that the Applicant is disqualified under one or more of the criteria listed in 205 CMR 134.10(3); or
2. A preliminary review of the Applicant shows that the Applicant will be unable to establish his or her qualifications for licensure under the standards set forth in 205 CMR 134.10(1) and 134.10(2).

(c) Unless otherwise stated by the Commission, a temporary license issued in accordance with 205 CMR 134.12 shall expire six months from the date of its issuance and may be renewed, at the discretion of the Commission, for an additional six-month period.

~~(2) Standard of Review. A Temporary license may be issued upon a finding that the license is reasonably likely to be issued upon completion of the investigation.~~

### (2) Temporary Licenses for Gaming Vendors

(a) Upon petition to the commission by a gaming licensee, the commission may issue a temporary license to an applicant for a gaming vendor license if:

1. the applicant for a gaming vendor license has filed a completed application with the commission and has submitted all of the disclosure forms as required by the Division of Licensing; and

2. the gaming licensee certifies, and the Commission finds, that the issuance of a temporary license is necessary for the operation of the gaming establishment and is not designed to circumvent the normal licensing procedures.

(b) A temporary license shall issue unless:

1. A preliminary review of the Applicant shows that the Applicant is disqualified under one or more of the criteria listed in 205 CMR 134.10(3); or

2. A preliminary review of the Applicant shows that the Applicant will be unable to establish his or her qualifications for licensure under the standards set forth in 205 CMR 134.10(1) and 134.10(2).

3. Unless otherwise stated by the commission, a temporary gaming vendor license issued under this section shall expire upon issuance of the full license or upon suspension or revocation of the temporary license, and in any event no later than the term of the license as set forth in 205 CMR 134.16(1).

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#### 134.16: Term of Licenses

(1) Licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for the following terms:

(a) Key Gaming Employees. Key Gaming employee licenses shall be for an initial term of ~~three~~ **five** years. The initial term of a key gaming employee license shall expire and be renewable on the last day of the month on the ~~third~~ **fifth** anniversary of the issuance date. Key gaming employee license renewals shall be for a term of three years.

(b) Gaming Employees. Gaming employee licenses shall be for an initial term of ~~three~~ **five** years. The initial term of a gaming employee license shall expire and be renewable on the last day of the month on the ~~third~~ **fifth** anniversary of the issuance date. Gaming employee license renewals shall be for a term of three years.

(c) Gaming Service Employees. Gaming service employee registrations shall be for an initial term of five years. The initial term of a Gaming service employee registration shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date. Gaming service employee registration renewals shall be for a term of five years.

(d) Gaming Vendors and Gaming Vendor Qualifiers. Gaming vendor licenses and gaming vendor qualifier licenses shall be for an initial term of three years. The initial term of a Gaming vendor license and gaming vendor qualifier license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Gaming vendor license and gaming vendor qualifier license renewals shall be for a term of three years.

(e) Non-gaming Vendors. Non-gaming vendor registration shall be for an initial term of five years. The initial term of a Non-gaming vendor license shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date. Non-gaming vendor registration renewals shall be for a term of five years.

(f) Labor Organizations. Labor organization registrations shall be for an initial term of one year. The initial term of a Labor organization registration shall expire and be renewable on the last day of the month on the first anniversary of the issuance date.

(2) Notwithstanding 205 CMR 134.16(1), licenses and registrations issued in accordance with 205 CMR 134.00 may be issued with a conditional expiration date to coincide with any employment authorization issued by the United States which is less than the term of the license or registration. A license or registration that is issued with such a conditional expiration date may be extended upon the presentation of proof of United States citizenship or authorization to work in the United States beyond the previous expiration date. Provided, however, no expiration date shall be extended beyond the term for which such a license would have been issued in accordance with 205 CMR 134.16(1).

(3) If a licensee or registrant has, in accordance with 205 CMR 134.17, made timely and sufficient application for a renewal, their license or registration shall not expire and the applicant shall remain in good standing until the Bureau has issued a decision on the application. If a renewal application is received after the renewal date and the license expires before the Commission issues a new license, the person shall not be employable nor conduct business with the gaming establishment until a new license is issued.

(4) A license for a person for whom a positive determination of suitability was issued in accordance with 205 CMR 115.05(3) as part of the RFA-1 process and who filed an application in accordance with 205 CMR 134.08(23) in ~~lieu~~ lieu of the complete application for the position for which they seek licensure shall be issued nunc pro tunc to the date of the suitability finding.

(5) All licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for employment with any Massachusetts gaming licensee.

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## REGULATORY AUTHORITY

205 CMR 134: M.G.L. c. 23K, §§ 3, 12, 14, 16, 30 and 31

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 116.00: PERSONS REQUIRED TO BE LICENSED OR QUALIFIED

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116.07: Qualification of New Qualifiers for Gaming Licensees

~~No new qualifiers may perform duties or exercise any powers relating to the position that said qualifier is seeking to assume until qualified by the commission.~~

(1) No person requiring qualification pursuant to 205 CMR 116.02(1) may perform any duties or exercise any powers relating to the position that said qualifier is seeking to assume unless the individual notifies the Bureau in writing within 30 days of appointment to the position. Such notification shall be accompanied by a completed Multi Jurisdictional Personal History Disclosure Form and Massachusetts Supplement Form. Following such notification and submission of the completed Forms, the person may continue to perform duties and exercise powers relating to the position pending qualification.

(2) A person with reason to believe that his or her new position may require qualification pursuant to 205 CMR 116.02(1) shall notify the Bureau in writing within 30 days of appointment to the position. Such notification shall be accompanied by a summary of the responsibilities and/or features of the position. The Bureau shall determine whether the person shall be designated a qualifier pursuant to 205 CMR 116.02(1) and shall notify the person of such designation in writing. Within 30 days of designation as a qualifier, the person shall submit a completed Multi Jurisdictional Personal History Disclosure Form and Massachusetts Supplement Form. Following submission of the completed Forms, the person may continue to perform duties and exercise powers relating to the position pending qualification.

(3) The Bureau shall review the Forms submitted by the new qualifier, as well as such other information that the Bureau may request, and, upon completion of its investigation, shall make a recommendation to the Commission in accordance with 205 CMR 116.01 whether the new qualifier meets the standards for suitability under 205 CMR 115.

(4) Upon notification by the Bureau that reasonable cause exists to believe the qualifier may not ultimately be found suitable, a gaming licensee shall promptly remove the qualifier from his or her position until such time as the commission makes its determination on suitability.

REGULATORY AUTHORITY

205 CMR 116: M.G.L. c. 23K, §§ 4(37), 5, 12, 14, and 16





*Investigations and  
Enforcement Bureau*

February 29, 2016

Stephen P. Crosby, Chairman  
Gayle Cameron, Commissioner  
Lloyd Macdonald, Commissioner  
Bruce Stebbins, Commissioner  
Enrique Zuniga, Commissioner

Massachusetts Gaming Commission  
101 Federal Street  
Boston, MA 02110

RE: SUITABILITY INVESTIGATION OF KONAMI GAMING, INC., APPLICANT  
FOR LICENSURE AS A GAMING VENDOR - PRIMARY

Dear Chairman Crosby and Commissioners:

Konami Gaming, Inc. ("KGI" or "Applicant") has applied to the Massachusetts Gaming Commission for licensure as a Gaming Vendor – Primary. The Investigations and Enforcement Bureau ("IEB") has conducted a suitability background investigation of KGI in accordance with G.L. c. 23K, §§ 12, 16, 31, and 205 CMR 134.10. As an initial step in this process, the IEB, after a scoping process, designated seven Konami-affiliated entities and 14 individuals as qualifiers for Konami Gaming, Inc.'s application. See 205 CMR 134.134.04(4). The qualifiers are as follows:

Entity Qualifiers

1. Konami Holdings Corporation
2. Konami Corporation of America
3. The Kozuki Trust
4. Stichting Administratiekantoor Kozuki Foundation
5. Kozuki Foundation
6. Kozuki Holding B.V.
7. Kozuki Capital Corporation

Individual Qualifiers

1. Kagemasa Kozuki
2. Takuya Kozuki
3. Kagetsugi Kozuki
4. Yoko Kozuki
5. Tomokazu Godai



Massachusetts Gaming Commission

6. Kimihiko Higashio
7. Satoshi Sakamoto
8. Stephen Sutherland
9. Thomas Jingoli
10. Ryoichi Kimura
11. Ross O' Hanley
12. Scott Richards
13. Adriane McGrath
14. Kazuya Kozuki

We evaluated Konami Gaming, Inc. based upon the standards set forth in the M.G.L. c. 23K, §§ 12, 16, and 31, and 205 CMR 134.10, which encompass an evaluation of the Applicant's overall reputation, including without limitation the following criteria:

- Integrity, honesty, good character and reputation;
- Financial stability, integrity and background;
- History of compliance with gaming licensing requirements in other jurisdictions;
- Whether the Applicant is a defendant in litigation at the time of application;
- Applicant's criminal history, if any;
- Whether the applicant submitted an application that intentionally contains false or misleading information;
- Whether the applicant committed prior acts that have not been prosecuted but form a pattern of misconduct;
- Whether and to what extent the Applicant has associations with members of organized crime or other persons of disreputable character;
- The Applicant's cooperation with the IEB in connection with the background investigation; and
- Integrity, honesty, and good character of any subcontractor.<sup>1</sup>

Under Massachusetts law, an applicant for a Gaming Vendor – Primary license is required to establish its qualifications for licensure by clear and convincing evidence, including the statutory criteria of integrity, honesty, good character and reputation, and financial stability, integrity and background. Taking into consideration the entirety of the IEB's investigation, we recommend that the Commission approve Konami Gaming, Inc. for licensure. This letter summarizes the key aspects of the IEB's investigation.

Konami Gaming, Inc. is a Nevada-based company that produces, manufactures, and distributes video slot machines to the casino industry. Konami Gaming, Inc. also designs and develops the SYNKROS product, an integrated casino management system for the gaming

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<sup>1</sup> Konami Gaming, Inc. has not utilized subcontractor services in Massachusetts.

market. KGI is currently licensed in over 300 North American and international gaming jurisdictions.

KGI is a 100 percent subsidiary of Konami Corporation of America, which in turn is owned by Konami Holdings Corporation. Konami Holdings Corporation is a public company that is based in Japan and is traded on the Tokyo and London stock exchanges. The stock in Konami Holdings, Inc. is held almost entirely by four members of the Kozuki family, all of whom are individual qualifiers here. The structure involving the other entity qualifiers (Kozuki Trust, Stichting Administratiekantoor Kozuki Foundation, Kozuki Foundation, Kozuki Holding B.V., and Kozuki Capital Corporation) serves as a wealth and estate planning vehicle for the Kozuki family owners and also serves to channel funds for charitable purposes in Japan.

To date, KGI has conducted business in Massachusetts with the Plainridge Park Casino pursuant to a temporary license that initially issued on March 5, 2015 pursuant to 205 CMR 134.12.

As part of our investigation, the IEB, among other things, reviewed the materials submitted as part of KGI's application; requested and reviewed supplemental information as deemed necessary; gathered information from a variety of governmental and non-governmental sources and databases; conducted criminal records checks; verified the accuracy of information provided as part of Konami's application; reviewed investigative files of gaming regulators from other jurisdictions relative to their background investigations of KGI; and communicated by telephone throughout the course of the investigation with Mr. Thomas Jingoli, KGI's Chief Compliance Officer; Ms. Lori Olk, Director of Regulatory Compliance; Attorney Nicholas Casiello, from Fox Rothschild LLP; and Attorney Anthony Cabot, from Lewis Roca Rothgerber LLP. Investigators also conducted interviews of qualifiers and other Konami employees and conducted site visits to the home office of Konami Gaming, Inc. in Las Vegas, Nevada. The Applicant was fully cooperative and forthcoming in all respects.

Konami Gaming, Inc. has no criminal record. The investigation discovered no civil litigation that threatens the economic viability of the business or would negatively impact licensure. Research of available online and print media surfaced substantial media coverage of KGI, but no material that would negatively impact suitability.

The IEB also evaluated Konami Gaming, Inc. for financial suitability, integrity and background by performing financial analysis and verification of its financial information. To further assess financial stability, we performed several ratio analyses of operating results for a number of years. These ratio analyses consisted of an evaluation of liquidity, solvency, and profitability for the years under review. Our financial evaluation did not uncover any derogatory information that indicates that KGI does not possess the requisite financial stability, integrity and background to be licensed as a Gaming Vendor – Primary.

The IEB also performed the requisite background suitability investigation of the 14 individuals who are qualifiers for the Applicant by virtue of their ownership interests, their ability to exercise control or provide direction to the Applicant, and/or their responsibility for the Applicant's business in Massachusetts. See 205 CMR 134.04(4)(a), 134.04(5)(b). After performing all of the requisite inquiries and database checks on the individual qualifiers, no facts were discovered that would disqualify any of them. Nor did the investigation reveal any information that would preclude a finding that each of the individual qualifiers possesses the requisite integrity, honesty and good character to be deemed suitable under Massachusetts law.

In conclusion, taking into consideration the entirety of the investigation, the IEB recommends that the Commission approve the application of Konami Gaming, Inc. for licensure as a Gaming Vendor – Primary.

Respectfully submitted,

*Karen Wells (LWB)*

Karen Wells  
Director – IEB

*Loretta M. Lillio*

Loretta M. Lillios  
Chief Enforcement Counsel/Deputy Director, IEB

cc: Attorney Nicholas Casiello  
Mr. Thomas Jingoli  
Mass. State. Police Det. Lt. Brian Connors  
Mass. State Police Sergeant Gina Joyce  
Marlon Polite, Supervisor of Financial Investigations, MGC  
Edward Jay, Financial Investigator, MGC