

Diversity and Inclusion Educational Forum

sponsored by

The Massachusetts Gaming Commission

Wednesday, September 19, 2012

Boston Convention and Exhibition Center

Room 102

415 Summer Street

Boston, Massachusetts 01119

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PARTICIPANTS

Massachusetts Gaming Commission:

Stephen P. Crosby, Chairman

Gayle Cameron, Commissioner

James F. McHugh, Commissioner

Bruce W. Stebbins, Commissioner

Enrique Zuniga, Commissioner

Panelists:

Jodi Baier, Program Manager  
Women's Business Enterprise National Council

Lisa Berry-Barbosa, Ed.D., Director of Human Resources  
Saint Anne's Hospital

Megan Cleghorn, J.D., M.B.A,  
Skadden, Arps, Slate, Meagher & Flom, LLP

Mark Isenberg, Vice President  
Workforce Development, ABCD, Inc.

Andrea Laing, Director of Compliance  
Division of Capital Asset Management & Maintenance

Fred McKinney, Ph.D., President/CEO  
Greater New England Minority Supplier Development Council

Georgianna Melendez  
Commonwealth Compact

Reggie Nunnally, Executive Director  
Massachusetts Supplier Diversity Office

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9:10 a.m.

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MR. MARLOW: Good morning, everyone. If we could have people start to find a seat that's comfortable, we are going to get started. I'll just give folks a moment.

So, once again, good morning, everyone. I love you guys already. First of all, let me say thank you to the Massachusetts Convention Center Authority, Jim Rooney and his team for making this space available and for his team's professionalism in working with us to execute this morning.

Second, let me say thank you to the Mass. Gaming Commission, Mr. Steve Crosby, the Chairman, the members of the Commission, and just as importantly, Ms. Janice Riley, who I just told someone, absent her constant engagement, I'm not sure this morning could have happened.

Last but not least, let me say thank you to each and every one of you who have given up a portion of your day to be with us this morning.

Before I offer very brief remarks and introduce the Chairman, let me do one housekeeping matter.

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1 Last week, many of you may have heard, former City  
2 Councilor Bruce Bolling passed away. Yesterday or last  
3 night was the wake and today are the funeral services.

4 Steve and I had a conversation and we  
5 contemplated postponing today, but given the champion that  
6 Bruce was on issues of diversity and inclusion for all of  
7 his adult life but in particular the last dozen years or so  
8 as he headed the Mass. Alliance for Small Contractors, we  
9 recognize the best way to honor not only his life but his  
10 legacy was to continue on an issue that was so very  
11 important to him and that he would have asked that we move  
12 forward.

13 So, in deference and out of respect to  
14 former City Councilor Bruce Bolling, I ask that we take a  
15 moment of silence to remember him, his legacy, his  
16 contributions to the City of Boston and the Commonwealth of  
17 Massachusetts.

18 (A moment of silence was observed.)

19 Thank you. Today is a very exciting day.  
20 You know, to quote Pope John Paul, II, "Our future starts  
21 not tomorrow but today," and that is what today's  
22 educational forum focused on diversity and inclusion is all  
23 about.

24 It's how do you look forward to tomorrow,

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1 look forward to your own futures, and start planning today  
2 so that, if you are seeking opportunity, you might figure  
3 out the best way to position your business or you as an  
4 individual to seek and succeed in obtaining it.

5 As I mentioned, today's event could not  
6 happen without the Mass. Gaming Commission, but let me also  
7 thank my colleague in the state government, Reggie  
8 Nunnally, and members of his team, Michelle Morin and  
9 others in the Supplier Diversity Office, for working  
10 incredibly hard to make this day happen.

11 Let me say thank you to the folks from the  
12 state who are helping with the sign in, Tina Andrews,  
13 Nonnie, and Maria Gonzalez. Without their efforts, you  
14 might still be trying to figure out how do you get in here  
15 and may have drank all the coffee and ate all the muffins  
16 as you waited.

17 Today is a labor of love because when the  
18 legislation was drafted and had diversity and inclusion in  
19 it, we know that takes many things to move legislative  
20 language to reality. Today is the first day in which we  
21 start to make that real in partnership with the Mass.  
22 Gaming Commission but, more importantly, in partnership  
23 with each and every one of you.

24 The panels that will go on today will

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1 hopefully whet your appetite for further information and  
2 knowledge, and you will start to pay close attention to the  
3 work of the Gaming Commission, not through the media but  
4 through actually logging on to their web site and keeping  
5 track of what they are doing. They are probably the most  
6 transparent quasi-governmental agency in the Commonwealth.

7           Let me also say to you real quickly that  
8 there are index cards, I believe, at the end of each table.  
9 What we will do is this: If you have questions for any of  
10 the panels -- and there are two of them. You should fill  
11 out an index card and submit -- I believe there is a box  
12 somewhere up front here. If there are questions for any  
13 individual panel, we will take those before the panel  
14 concludes, or if you have questions for the Gaming  
15 Commission, because at 12:00 the Gaming Commission will go  
16 into a public meeting, they will then answer questions that  
17 are directed toward them.

18           I hope you find what you're looking for  
19 today. More importantly, even if you don't find fully what  
20 you're looking for, I hope, again, your appetite is whetted  
21 enough so that you start to pay attention, monitor, and  
22 again, figure out how to best position yourself. That's  
23 what today is really all about.

24           With that said, let me introduce my partner

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1 for today's event, a man who has shown incredible  
2 leadership not only at the Gaming Commission but on issues  
3 of diversity and inclusion, the Chairman of the Mass.  
4 Gaming Commission, Mr. Steve Crosby.

5 CHAIRMAN CROSBY: Thank you very much.  
6 Thank you for putting this together. You mentioned,  
7 because you were instrumental in it, that the legislation  
8 which enables the Mass. Gaming Commission does make a  
9 couple of very, very pointed and significant references to  
10 issues of diversity and inclusion. You had a lot to do  
11 with that, but as you said, it takes a village to make a  
12 piece of legislation.

13 So, there are others who are responsible,  
14 but the law goes on to talk very clearly about the  
15 criticality of a diverse workforce and the criticality of  
16 diverse supplier-vendor relationships. Those are two areas  
17 where absolutely for sure we will focus, and we have a  
18 mandate to do that.

19 We also have a mandate from the legislature  
20 to go beyond the particulars in the law to look for other  
21 values. The Commission has made a clear commitment to  
22 thinking as broadly and as creatively about issues of  
23 diversity and inclusion as we possibly can.

24 I've said in other contexts that



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1 Massachusetts, sometimes for the good and sometimes for  
2 ill, has been a leader in issues in diversity and  
3 inclusion. All the way to King Philip's War to the gay  
4 marriage decision, we have led the way. As I said  
5 sometimes for ill and sometimes for good, but we want to  
6 continue to lead the way and we have an opportunity, with  
7 this Gaming Commission and with the advent of this new  
8 industry, to really think creatively about how to leverage  
9 this opportunity to accomplish a whole host of goods, one  
10 of which is to incorporate, in really fundamental,  
11 transformative ways, the values of diversity and inclusion  
12 in what we are doing.

13           You can do these things well. You can do  
14 them with happy talk. You can do them with just symbols,  
15 or you can do them really seriously and fundamentally and  
16 with an impact.

17           We would like to, very hard, work with our  
18 partners at the community level and at the developer level  
19 to figure out how to incorporate these values in a really  
20 powerful and transformative way.

21           The timing is just right. The gaming  
22 process -- the application process is underway. We  
23 actually have three companies, a couple of which I think  
24 are probably here, who have already given us their \$400,000

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1 non-refundable deposit, which is real money. That means  
2 they are applicants. We don't think any pretenders are  
3 going to put down \$400,000.

4 Starting next month, we will release a very  
5 comprehensive request for application Phase 1, which is  
6 basically a suitability check, a background check for  
7 corporate, financial and personal stability, resources, and  
8 integrity.

9 We have included, by the way, issues of race  
10 and ethnicity and gender in some of the background  
11 information at all levels of the organization that we are  
12 interested in. Those are Phase 1. The background checks  
13 will be completed by potential applicants -- by potential  
14 bidders over probably 90 days from mid-October to  
15 mid-January.

16 We will then take those background-check  
17 forms and spend what will probably be something like six  
18 months, that's how serious a background check these things  
19 are, going through the background checks and making sure  
20 every principal involved in a particular proposal passes  
21 muster, is ultimately suitable.

22 While that six months is going on and, in  
23 fact, starting probably next month, we will be writing the  
24 specific rules and regs that will govern the actual

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1 site-specific application. If you pass our Phase 1, you  
2 become an applicant. You are suitable. You can then  
3 submit your formal proposal to us, which is when you'll see  
4 all the glitz and traffic plans and the number of slots  
5 tables and so on and so forth.

6 We will be writing the regs to oversee that  
7 over the course of the next three to six months. That's  
8 where we will need to incorporate the kind of best practice  
9 that we learned from you at this session and others like  
10 it. We can ask our bidders to do pretty much whatever we  
11 want to ask our bidders to do so as long as we believe it's  
12 in the best interests of the Commonwealth and consistent  
13 with and pursuant to the values that are in our  
14 legislation.

15 So, now is the time for us to learn the  
16 things that we can ask of our bidders that will maximize,  
17 in fundamental ways, those values of diversity and  
18 inclusion, which are in the law and which are in our policy  
19 commitment. I think that's it.

20 We expect -- just so you know the process.  
21 We expect, say, by the middle of -- by next spring to  
22 early, early summer, we will have the proposals out. We  
23 will give the people -- people will be detailing their  
24 final applications. They will be working with host

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1 communities to have host-community agreements. They will  
2 be working with surrounding communities to mitigate the  
3 impacts of their proposals on the surrounding communities,  
4 and sometime starting as soon as next fall or more likely  
5 the following spring, we will be making licensing  
6 decisions. So, we are full at it right now. This is the  
7 perfect time. This is, I think, our sixth educational  
8 forum. They are designed principally to be educational for  
9 the Commissioners, which you see here.

10                   Actually, let me introduce Commissioner  
11 Enrique Zuniga, Commissioner Bruce Stebbins, Commissioner  
12 Gayle Cameron, and Commissioner Jim McHugh. Great group of  
13 folks that I've had the pleasure to get to know and to work  
14 with.

15                   We also thought -- this is being streamed on  
16 the web. It will be archived on our web site. Through us,  
17 we can educate the public about issues like compulsive  
18 gambling, community mitigation, and diversity. This is our  
19 sixth educational forum. It's our best attended by a long  
20 shot even though we ended up inadvertently competing with  
21 Bruce's funeral.

22                   So, I'm tremendously pleased that you all  
23 vote with your feet and, by your presence here, demonstrate  
24 to us the importance of these issues to you and, therefore,

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1 to us. Thank you all for your help. Thank you, Ron, for  
2 putting this together, and we look forward to all this  
3 info.

4 MR. MARLOW: I would like to ask the  
5 moderator, Ms. Georgianna Melendez, and the panel members  
6 for the Workforce Diversity Panel to make their way up.

7 As they are doing so, let me just give you a  
8 quick overview of the purposes of this panel. The purposes  
9 are really twofold. One, they are designed to educate  
10 individuals who are interested in employment in this thing  
11 we call gaming, whether during the construction phase or  
12 during the operations phase.

13 It's designed to start to impart information  
14 to get you thinking about what do you need to do between  
15 now and the moment the go button is pushed, to be ready  
16 participate.

17 Secondly, it is also designed to help the  
18 Commission, in its educational purposes, to understand how  
19 they might, from a regulatory policy framework, craft a  
20 regulation that facilitates maximization of access and  
21 opportunity.

22 With that said, I'm going to turn the floor  
23 over to Ms. Georgianna Melendez. She is a capable  
24 moderator. She is the Executive Director of the

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1 Commonwealth Compact, a good friend of mine, has shown a  
2 tremendous commitment to issues of diversity in the work  
3 space. You will have a great panel. Thank you.

4 MS. MELENDEZ: Good morning. We do have a  
5 great panel planned, and it was pulled together by the  
6 Office of Access and Opportunity. I promise it's quality.  
7 We have done some prepping so that we have some pretty  
8 tight time lines.

9 So, I'm going to play the role of the  
10 timekeeper so we do keep it to an hour and it does allow  
11 for questions and audience participation at the end. So,  
12 the way I'm going to do that is I have, like, a little red  
13 flag. So, when I wave the red flag, that means you have  
14 two minutes left in your presentation.

15 We did not hand out bios. We figured the  
16 best way for us to handle this would be to have everyone on  
17 the panel introduce themselves.

18 I will start. Georgianna Melendez. I'm the  
19 Executive Director of the Commonwealth Compact, which is a  
20 workforce-diversity initiative. Its goal is to ensure that  
21 both the pipeline in the workforce and the leadership  
22 positions represent people of color in the ranks.

23 We have not done a great job at that as a  
24 Commonwealth. So, we have an initiative that tries to pull

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1 together all of the different forces that are working  
2 toward that goal so that you may have access to everyone  
3 that's available in the state. So, that's all I'm going to  
4 say about that.

5 MS. LAING: Good morning. My name is Andrea  
6 Laing. I am the Director of Compliance at DCAM. At DCAM  
7 and being a Director of Compliance, what we are attempting  
8 to do and what we are doing is insuring that minority  
9 businesses and women businesses are being exposed to  
10 opportunities within construction from the very beginning,  
11 and it has opened my eyes a great deal to the  
12 representation that we can help bridge various gaps, and  
13 our hope today, with this panel, is to help you to identify  
14 how you can address some of those various gaps, and we have  
15 become quite successful in doing so through various  
16 partnerships with agencies in the state.

17 DR. BERRY-BARBOSA: Good morning. Lisa  
18 Berry-Barbosa. I currently live in the State of Rhode  
19 Island but was born and raised and work now in  
20 Massachusetts as Director of Human Resources for  
21 St. Anne's Hospital. It's part of the Steward Health Care  
22 Family. I also worked as an adjunct at UMass Dartmouth  
23 working in their MBA program, teaching an HR and leadership  
24 program.

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1 I've worked 19 years in human-resources  
2 management. Prior to working for Steward, I worked as the  
3 Director of Organizational Development and Diversity  
4 Programs at Foxwoods Resort Casino.

5 I was recently married in Las Vegas, which I  
6 doubt is the reason why I was asked to serve on this panel.

7 I think it is more to the fact that I did  
8 work with the team to complete opening the MGM Grand at  
9 Foxwoods, and coupled with my education and my HR  
10 experience, I hope to be a valuable contributor to this  
11 forum.

12 MR. ISENBURG: Good morning. My name is  
13 Mark Isenburg. I am the Vice President for Workforce  
14 Development and Technology Services for Action for Boston  
15 Community Development, Boston's community-action  
16 organization, anti-poverty organization.

17 I have spent half my life working in that  
18 organization. So, I won't tell you how many years that is  
19 but it's a lot.

20 In doing so, have worked with various  
21 industries in creating employment, workforce-development  
22 opportunities for low- and moderate-income populations in  
23 the City of Boston and are always -- am always looking for  
24 innovation in the kind of program services we are able to



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1 offer. Thank you.

2 MS. MELENDEZ: Thank you. So, we have  
3 diversity on the panel in terms of the perspective they  
4 bring. This is not meant to be the entire conversation.  
5 It's meant to be the beginning to get you thinking about  
6 what you're going to do, how you're going to approach it,  
7 and make sure that this is partnered in every stage of  
8 planning and implementation.

9 So, what we have asked the panelists to do  
10 is each speak for about 10 minutes on the particular  
11 perspective that they bring. Then we will ask each of them  
12 a question. At the end, we'll ask the audience to ask a  
13 question or two, depending on how much time we have left.  
14 If you have burning questions that they don't answer, I  
15 will defer back to the Commission in terms of how -- if  
16 there are any excepts. I would always say go to their web  
17 site to look for any future forums. The first person to  
18 present is Dr. Lisa Berry-Barbosa.

19 DR. BERRY-BARBOSA: Thank you. I'd like to  
20 start off with a definition of diversity that I'm  
21 particularly fond of and that is that it is the variety of  
22 ethnic, racial, gender, cultural and other perspectives  
23 available to reach organization goals. This was from the  
24 New Haven consulting group in Connecticut that we worked

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1 closely with on some diversity initiatives that we had in  
2 Foxwoods.

3                   There are some interesting statistics. They  
4 are a little dated, but I think they are still very  
5 compelling and put perspective as to where we are today.  
6 Did you know African Americans comprise 11 percent of the  
7 workforce? How about there's over 13 percent of the US  
8 population that speaks a language other than English? 62  
9 percent of new entrants in the workforce will be women or  
10 minorities. It is projected that the Asian American  
11 population will increase fourfold by the year 2020.

12                   America is truly a mosaic of various  
13 cultures and points of view, and sometimes they come  
14 together to serve a specific purpose. Organizations cannot  
15 afford to discriminate as a method of exclusion and limit  
16 its talent pool.

17                   In order to create an acceptable work  
18 environment that is welcoming to all, we need to provide  
19 some advisement to organizations, to the Commission, and to  
20 the viable and prospective candidates.

21                   For an organization looking to attract this  
22 talent, you need to publicly communicate the values,  
23 mission, and objectives of the institution, particularly  
24 those that support diversity initiatives and inclusion.

1                   In keeping job requirements objective, focus  
2 rather on the selection criteria that are related to job  
3 knowledge, skills, and abilities needed for prospective  
4 employees to do the job successfully. This will help to  
5 promote fairness.

6                   Once on the job, orientate all new team  
7 members and acquaint them to the informal support networks  
8 and the development structure within that organization.

9                   Through open forums and policies, empower  
10 all the employees to influence the work product. Encourage  
11 frank and open discussions of concerns, issues, and  
12 problems, and consider diverse points of view regarding  
13 resolution and concerns and resolutions to those problems.

14                   It's not just about creating the illusion of  
15 inclusion. The organizations need to align the values and  
16 objectives of that corporation with the education programs,  
17 the hiring practices, career development, and promotional  
18 policies.

19                   Diversity and inclusion programs should be  
20 promoted and progress in implementing aspects of those  
21 programs into everyday practice must be celebrated and  
22 rewarded publicly.

23                   Through these efforts, the organization  
24 should begin to create a common language of success despite

1 the differences in the workforce.

2           Viable candidates need to do their research,  
3 understand job requirements and conditions of employment.  
4 The Connecticut Gaming Commission, for instance, go through  
5 a very serious background check, very thorough. They will  
6 look at your credit history, your criminal background, your  
7 driving record. They will verify your education, past and  
8 current employment.

9           The casino environment is a very adult  
10 environment. There is smoking and drinking and swearing,  
11 and obviously, gambling is alive and well. People need to  
12 consider this seriously before applying to the casino. To  
13 work in, for instance, a tables game as a dealer can be  
14 very lucrative, but one needs to consider the time and the  
15 rigor that goes in to preparing for that position  
16 successfully, and they may go without regular pay for  
17 several weeks while in training.

18           The Commission needs to consider working  
19 with transportation authorities to make arrangements for  
20 public transportation to make ease and availability to  
21 provide employees with the means to get to and from work.

22           Work with the local media, marketing, and PR  
23 firms. Collaborate efforts to attract diverse workforce  
24 while promoting to attract a diverse consumer base.

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1           The Commission also needs to partner with  
2 the community in learning organizations who can help foster  
3 the pipeline of diverse and local talent. For example, we  
4 worked very closely with the adult education committee in  
5 Norwich, Connecticut.

6           There was a very strong Commission to be  
7 able to bring some of the different socioeconomic  
8 populations into the workforce. Many of them didn't have  
9 English as their first language, creating a tie and bridge  
10 between creating a value in a system for them to learn the  
11 language of the workforce and make them viable candidates  
12 of the casino. Thank you.

13           MS. MELENDEZ: So, Lisa, how did MGM address  
14 the communities of the unemployed the  
15 under-employed, the limited English speakers, and the other  
16 limitations and skill sets?

17           DR. BERRY-BARBOSA: We took the program, the  
18 ESOL program, English as a second or other language, and we  
19 worked with -- the adult education that was one of the  
20 committees we worked with, and we created a curriculum so  
21 that people within the casino at Foxwoods who were applying  
22 for positions at the MGM Grand or those who were looking to  
23 get into the MGM Grand would know, first of all, how to  
24 apply for these positions.

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1                   Many of these individuals didn't even know  
2 how to get into the casino. Understood the type of jobs.  
3 The language of being an ambassador in the casino. Because  
4 the casino is an intangible business. You don't walk away.  
5 People drop their money there. They keep coming back.  
6 There's a reason for that. They want that experience.

7                   If the individuals don't have the confidence  
8 to be able to speak the language of customer service and be  
9 true ambassadors of the casino, then they will fail. It  
10 didn't matter how many numbers we had, our diverse numbers  
11 were strong, but the failure rate was just as high. So,  
12 this is absolutely necessary to retain that talent -- that  
13 diverse talent within the organization. Thank you. Mark.

14                   MR. ISENBURG: Thank you. Boston's  
15 low-income diverse workforce has an unprecedented  
16 unemployment rate. According to the 2010 American  
17 Community Survey, the unemployment rate in Massachusetts  
18 for African Americans is 19 percent. Twice the rate for  
19 whites in the labor force. The unemployment rate for  
20 Hispanic/Latinos is 17 percent.

21                   Too often, these adults disengaged from the  
22 labor market, struggle with isolation from the community  
23 with a severely constricted outlook on career success.

24                   The challenges facing low-income and

1 moderate-income diverse workforce in Boston is often  
2 characterized by a high level of economic stress, need for  
3 social service assistance, and multiple work barriers.  
4 Basic needs include the rising cost of basic necessities.  
5 Many low-income people struggle to meet the basic needs,  
6 such as food, heat, and housing to live in Massachusetts.  
7 Housing instability -- serious housing instability is  
8 perhaps the most successful factor for low-income  
9 populations wanting to work.

10                   Transportation that Lisa mentioned. Many  
11 low-income people are dependent on public transportation to  
12 get to work. Given their low incomes, most need help with  
13 the simple things, like bus and subway fares and child  
14 care. Low-income people with young children almost are  
15 always in need to help with -- with help in arranging child  
16 care.

17                   Despite the presence of strong community  
18 colleges and non-profit organizations in Massachusetts,  
19 Massachusetts residents appear to be cut off from the  
20 skill-building and support services which can change their  
21 life trajectories.

22                   For over 50 years, community-action  
23 organizations, like Action for Boston Community  
24 Development, have been providing skill-building training

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1 for low-income, low-skilled, and diverse populations. Many  
2 of them are called New Bostonians.

3 While they struggle to make their ends meet  
4 in Boston, many of them are eager to get jobs that will  
5 move them out of poverty. According to a survey conducted  
6 by ABCD, over half of the respondents of that survey stated  
7 that they needed more education and job-related training to  
8 find a job with a living wage.

9 Community-action organizations work with  
10 low-income individuals living at or about 125 percent of  
11 the federal poverty level. In 2012, that means an annual  
12 income of 28,000 for a family of four.

13 Low-income families often face a series of  
14 interconnected challengers such as low educational  
15 attainment, unemployment, homelessness, and food insecurity  
16 that resonates across generations of families.

17 Community-action organizations actively work to meet these  
18 multifaceted challenges by connecting families through a  
19 spectrum of support services from food pantries to non-cash  
20 benefits to child care and financial literacy.

21 Additionally, many community organizations  
22 -- their clients possess low educational attainment levels  
23 and lack training in specialized skills that allow them to  
24 gain gainful employment. So, community-action



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1 organizations work to connect families to the educational  
2 services and training programs that provide them with the  
3 necessary skills and credentials to allow those clients to  
4 obtain self-sufficiency and successfully overcome poverty.

5 Community-action organizations serve a  
6 diverse client base. In Boston, ABCD alone served 85,000  
7 individuals in 2012, 36 percent of those who identified  
8 themselves as black, 25 percent as white, 15 percent as  
9 Asian, and 21 percent as other. Additionally, 17 percent  
10 of the clients listed themselves as Latino.

11 ABCD's workforce-development programs  
12 connect low-income individuals to income support, case  
13 management, and retention services to help them achieve  
14 long-term economic security.

15 All services offered by the organization are  
16 offered in an integrated approach where individuals can  
17 take advantage of multiple bundled services to help them  
18 become economically secure.

19 As a result, ABCD alone has a track record  
20 of job placement exceeding 75 percent. ABCD delivers the  
21 following services in a unified, integrated approach with  
22 the core services of job readiness, career development,  
23 financial literacy, and public-benefits access, and those  
24 services reinforce each other and provide a multi-faceted

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1 approach to increasing economic income for the household.

2           Those services include job readiness skills  
3 with an emphasis on computer literacy; life skills to help  
4 the clients become job ready; wrap-around support services  
5 where clients can access a wide variety of programs and  
6 services to help themselves and their families toward  
7 economic security; programs such as women in  
8 non-traditional occupations which prepares low-income women  
9 to enroll and prepare themselves for registered  
10 apprenticeship programs in a building trades field;  
11 retention services where case managers and clients keep in  
12 touch on a regular basis to check in and support clients  
13 where needed; financial literacy classes and financial  
14 coaching, which is a program to help low-income clients  
15 increase their assets; and college degree and certificate  
16 programs and preparation programs as many of the clients  
17 matriculate on to community colleges or further education.

18           As Lisa had mentioned, the need for adult  
19 basic education, including adult basic ed., GED  
20 preparation, and English for a speaker of other language  
21 programs. Finally, public benefits enrollment including  
22 access to everything from food stamps, low-income fuel  
23 assistance, Mass. Health among some others.

24           So, the role of community-action

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1 organizations is the pivotal point in moving low- and  
2 moderate-income populations to greater degrees of success,  
3 but it doesn't do that alone.

4           What I would suggest, food for thought for  
5 the Commission, and the Commission is to really be  
6 complimented in undertaking these forums at this early  
7 juncture, is that depending upon the location of the  
8 casinos that we are going to be seeing, community-action  
9 organizations, in particular, are recommending the creation  
10 of local advisory boards, which can include the local  
11 workforce-investment board, can include the  
12 community-action organization, the labor-exchange  
13 organizations of the one-stop career center system,  
14 community colleges, the adult basic education network.

15           Therefore, the local advisory board is in a  
16 position to advise the Gaming Commission on how to best  
17 serve and provide jobs to the local, low- and moderate-  
18 income, under-employed, and unemployed people in the casino  
19 industry.

20           The local advisory board will also  
21 facilitate the partnerships and collaborations amongst the  
22 local community organizations, and I would also include, in  
23 every region throughout Massachusetts, there are coalitions  
24 of community-based organizations, like the Job Training

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1 Alliance in Boston; statewide, there is the Mass. Workforce  
2 Alliance, including the Massachusetts Department of Labor  
3 Workforce Development, who is in a fine position to make  
4 additional state resources available, will all be helpful  
5 in creating a very, very diverse workforce. Thank you.

6 MS. MELENDEZ: Thanks, Mark. This is the  
7 essence of his message. You're not alone in doing this.  
8 There are organizations that dedicate themselves to  
9 supporting this community, and they are access points for  
10 you.

11 Also, part of our phone calls included a  
12 discussion about reminding you that there is a spectrum of  
13 talent. So, we are focused particularly on this group that  
14 Mark was mentioning, but we also have, as present in this  
15 room, professionals, folks who are seasoned that you should  
16 be thinking about all along the way, architects, engineers,  
17 consultants -- folks who are seasoned, talented individuals  
18 of color and women who haven't been traditionally picked  
19 for senior roles. So, that's just a reminder as you're  
20 thinking about this.

21 Actually, Mark, I have a follow-up question  
22 for you, if that's okay. Can you give us a specific  
23 example in the stuff that you mentioned of a partnership  
24 between industry and your organization that helped with

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1 prepping the workforce?

2 MR. ISENBURG: A number of years ago when  
3 the financial-services sector was doing particularly well  
4 in Boston, there was a recognized need in the  
5 financial-services industry to diversify its workforce.  
6 With some of the leadership through the State Street Bank  
7 Corporation and the community-action organization and a few  
8 other non-profit organizations, we created the Financial  
9 Services Academy that included the adult ed. network, that  
10 included the community colleges, that included  
11 community-based organizations, and essentially what we did  
12 -- and the financial institutions actually stepped up and  
13 funded the training of individuals for a series of  
14 entry-level jobs in the financial-services sector.

15 ABCD alone just completed what became a  
16 five-year project in the community-health-worker field of  
17 training community-health workers who work as public  
18 educators in hospitals and in health centers throughout  
19 Massachusetts.

20 On the policy side, we were able to work  
21 with the Massachusetts Department of Public Health and  
22 other local public-health organizations to establish a  
23 licensing bureau for community-health workers in the  
24 Commonwealth of Massachusetts.

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1                   For those of us who know the inside  
2 baseball, we were actually able and successful at getting  
3 the federal Department of Labor to recognize  
4 community-health workers as a bona fide field and actually  
5 include a description of what community-health workers do  
6 within a particular industry.

7                   I mentioned women in the building trades.  
8 So, what we are currently involved in is working with any  
9 number of organizations and a number of the local unions to  
10 prepare women into an industry-sponsored preparation  
11 program so that they can get on a registered apprenticeship  
12 track. Finally -- you can flag me if you want.

13                   MS. MELENDEZ: That's okay.

14                   MR. ISENBURG: A graduate -- one of the  
15 things I have not talked about are young people. Young  
16 people go through programs of career exploration and career  
17 preparedness in organizations like ABCD. We work with a  
18 number of gang bangers, say, in Boston in the building  
19 trades, preparing them.

20                   One of the proudest moments that I have as a  
21 person who put this program together and one of the  
22 proudest moments of a young man, Jose, who became my  
23 greatest recruitment vehicle for young people, is to see  
24 his name upstairs in the convention center as one of the

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1 young persons who came out of a gang, got a job as a  
2 carpenter, and was successful, and his claim to fame was  
3 being able to show his parents that his name was up there  
4 on the pedestal in the lobby as you walk into the  
5 convention center here.

6                   Eventually, he got married, had children,  
7 and continues to be engaged with us at recruiting and  
8 telling his story to other young people that we continue to  
9 work with. Those are milestones.

10                   MS. MELENDEZ: Thank you. Andrea.

11                   MS. LAING: Once again, good morning. We  
12 have heard from Lisa about the definition of diversity.  
13 Mark was kind enough to share with us how ABCD has helped  
14 to address some gaps to get the pool to see the  
15 opportunities that are out there.

16                   So, last night I thought, Okay. What  
17 message do I really want to get out there? What message  
18 can we share that DCAM has been able to achieve through  
19 partnerships and assistance from many because we don't do  
20 it alone? That's a message that would need to be out  
21 there; that state our partners within each other, and  
22 helping to address and identify all various roadblocks that  
23 can help expand the diversity in achieving what we all wish  
24 to achieve.

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1                   That's why we are sitting here this morning.  
2                   How do we do it? How do we do it on our standpoint? Our  
3                   standpoint is education. Education both internally and  
4                   externally. So, I'm here today this morning to say, on a  
5                   construction perspective, as you're reviewing those  
6                   applications and knowing that you have people that are  
7                   really honestly wanting to pursue this based on the checks  
8                   that you've received, right, and the extensive credit  
9                   checks we have heard about -- once we do that, then what?

10                   How do we get people to know that there are  
11                   opportunities that will be offered to them throughout  
12                   Massachusetts?

13                   So, one, I would say we need to know our  
14                   demographics. We need to know within the communities that  
15                   surround wherever the casinos may be built, who is living  
16                   in them? Do they have jobs, or do they have careers? We  
17                   also would want to make sure that people aren't just being  
18                   funneled through an apprenticeship program because we heard  
19                   there's a solid way to make decent money but actually  
20                   really want these jobs as careers, because as a career,  
21                   then the word is positive, and the word gets out to  
22                   everyone.

23                   Construction companies and firms are more  
24                   apt to want to partner with minority businesses. Minority



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1 businesses begin seeing, You know what? I can get these  
2 jobs through the state. I can be successful. I can grow.  
3 I can pay forward.

4 I believe that that's really the goal,  
5 paying forward. Someone gave a firm an opportunity, a  
6 person an opportunity, and it is for us to help you to  
7 acknowledge. You, too, can give someone else an  
8 opportunity, whether it's a woman -- I understand in  
9 construction that was not the world for us, but it is  
10 today.

11 All right. We've heard different  
12 statistics. We know that goals happen and they work. So,  
13 for those of you in the audience who are minority  
14 businesses, who are women businesses, what you may want to  
15 ask yourself is: How am I marketing myself? How am I  
16 getting that word out about my company, my firm? Who am I  
17 connecting with? Who are my partners in the state that  
18 maybe can be a vehicle to help me identify some of the  
19 opportunities?

20 There are many. We have SDO. They are  
21 wonderful in making sure that there are networking  
22 opportunities both on a construction side with the firms  
23 and also with smaller MBE or WBE firms.

24 How else do I find them? Read the

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1 newspaper, right. Go on web sites. Learn what the rules  
2 are, what the guidelines are, and how can I strengthen  
3 myself.

4           We have now other businesses and companies  
5 that are MBE and WBE that are helping each other in doing  
6 that, in addressing what is my next step. So, the  
7 importance to me is definitely making sure that everyone  
8 feels as though they are getting a piece of the pie and not  
9 giving up the piece of the pie.

10           We have seen that that has been successful  
11 on the procurement side through 149 because we now have  
12 data. We have data to show, Okay, when you have goals,  
13 when you know who your demographics are, who are within the  
14 trades that fall within construction, that we can make it  
15 achievable, and it's with that data, we can then say, Okay,  
16 and what were some of the roadblocks and how do we address  
17 those roadblocks so that for the next line of  
18 opportunities, such as the Gaming Commission at present,  
19 how do we expand that, and how do we make it better?

20           I ask the Commission to also think about:  
21 When I'm looking at policies and creating policies, what's  
22 the con to that, and then try to put in place some  
23 mechanisms so that those cons aren't there any longer so  
24 that you can have more minority businesses and women

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1 businesses applying for these various construction jobs.

2           Arming yourself and understanding what that  
3 pool is, knowing that there are apprenticeship programs,  
4 pre-apprenticeship programs, and understanding the process,  
5 there's another roadblock that we have. Getting people to  
6 understand what the true process is. That's both in the  
7 industry and out of the industry for minority businesses  
8 and women businesses, but we have them out there. They are  
9 there.

10           So, how do we also maybe let 10,000 people  
11 know of opportunities? It's called partnerships. It's  
12 called speaking to each other and creating those  
13 partnerships to make sure that the word gets out. I guess  
14 I'm trying to make sure that we all walk away with the  
15 understanding you're not taking from anyone. You're  
16 actually adding.

17           As long as that pool gets improved and as  
18 long as you add, then, of course, you're making more  
19 opportunities versus but what about me? Okay. It's  
20 changing that idea. It's changing that thought. It's no  
21 longer what about me, but how about me and how can I do it?

22           I've gone through ABCD for their  
23 pre-apprenticeship program but now what? What are my next  
24 steps? So, also making sure that we are bridging in that

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1 area.

2 At DCAM we have began, once again -- we have  
3 tremendous support. We have tremendous support with Access  
4 and Opportunity in opening doors.

5 This is what I thought of last night. This  
6 is in someone's office that really made me sit back and  
7 say, How do we do that? How do we open the doors to the  
8 access and the opportunities that are available, and no  
9 better way than knowing your audience and seeing where the  
10 disconnect is.

11 The disconnect, in most cases, is taking  
12 away fear. The disconnect, in most cases, is getting  
13 people to understand this isn't a job. It's a career. If  
14 you put something in, yourself, then there will be  
15 something at the other end.

16 So, when I'm going through my  
17 pre-apprenticeship program, when I'm going through my  
18 apprenticeship program, maybe I'm going to various unions.  
19 It's not a job for me. It's a career. I need to put my  
20 best foot forward both on an employee standpoint and the  
21 employer.

22 So, that is -- am I flashed?

23 MS. MELENDEZ: Yes.

24 MS. LAING: With that being said, hopefully,

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1 I've helped you to identify some areas that would be useful  
2 tools for you ahead of time to be able to avail these  
3 various opportunities. Thank you.

4 MS. MELENDEZ: I really hated to put up the  
5 red flag. I wanted to actually repeat a point you made so  
6 I can underscore it, bold it, whatever I can do. I'm going  
7 to tweet it later.

8 These are jobs that don't yet exist.  
9 Therefore, they are no one's job. There's no entitlement  
10 program. Everyone should have equal access to the  
11 opportunities that are becoming available as they become  
12 available. That's the point of the panel. That's the  
13 point of the policies and regulations. This is about  
14 equity. I will also say that a successful business is one  
15 that is both diverse and inclusive.

16 I have a question for you. What policy  
17 tools will be available for casino operators in this area  
18 that provides clarity of purpose and clarity of  
19 implementation?

20 MS. LAING: As I -- once again this morning,  
21 just as a brief conversation with someone, I said, What --  
22 first, I guess you have to think about procurement. What  
23 method are you going? What we have, once again, is the  
24 data for 149 at DCAM, but more importantly for this to be

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1 successful and what policies should be put in place, for us  
2 at this present moment, what has really helped us are  
3 executive ordinance. Having legislation on the books.  
4 Something that we can refer to. Something that we can hold  
5 everyone pretty much to a reminder. Oh, oh, this is here.  
6 You asked to get this work; and by saying, I would like  
7 this work. This is what I'll do -- and we are there to  
8 remind you, You got the work. So, we have to make sure  
9 you're doing what you said you would do.

10           That would be the most important -- one  
11 of -- I shouldn't say -- but one of the most important  
12 aspects is to make sure that you have something for your  
13 compliance unit or for others to be able to refer back to  
14 when you have to remind people.

15           This is what you said you would do. This is  
16 what we are wanting you to do to make sure that you're able  
17 to then get business, again, with the state because we are  
18 all partners in achieving construction.

19           MS. MELENDEZ: Thank you. I also want to go  
20 back on the definition of diversity and make sure that,  
21 even though we've been emphasizing people of color and  
22 women, this is about all under-represented groups. I  
23 apologize for not including that as part of my definition  
24 up front.

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1                   Let's just thank the panel for their  
2 individual contributions, and I didn't see anyone walking  
3 up to the box to put in a card, but if you have a card,  
4 please bring it up, and I'll read the question. Feel free  
5 to just bring them up, and if you want to leave them right  
6 here, as we go through, we can start asking.

7                   CHAIRMAN CROSBY: Georgianna -- is this  
8 working? I just wanted to ask Mark: Is ABCD -- are there  
9 regional organizations like ABCD, that serve all of the  
10 state? You're talking about community-action  
11 organizations?

12                   MR. ISENBURG: Yes. In Massachusetts, there  
13 are 25 community-action organizations covering from the tip  
14 of the Cape all the way up to Pittsfield. They are  
15 coordinated through the Massachusetts Community Action  
16 Program Organization.

17                   Initial funding and some of the seed funding  
18 from that comes through the Massachusetts Department of  
19 Housing and Community Development. So, they are heavily  
20 involved in this as well.

21                   CHAIRMAN CROSBY: Before you switch, we are  
22 doing some things that I think we need to interface and  
23 want you all to know about. Commissioner Stebbins wanted  
24 to talk about that a little bit.

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1                   COMMISSIONER STEBBINS: Thank you. I think,  
2 Mark, to some of the points you raised about trying to find  
3 a way to get collaboration between career centers,  
4 workforce-investment boards, regional employment boards, we  
5 have had several discussions with the coalition of the  
6 community colleges, who are formalizing a job-training  
7 program. They are basing it off a curriculum used by a  
8 community college near Atlantic City, which has done casino  
9 trading for, obviously, a number of years.

10                   It's nice, first of all, to see the  
11 community colleges come together. That's not traditionally  
12 been their track record in Massachusetts. We are happy  
13 they are working together on this, and their hope is that  
14 the time the casino license is awarded, the nearest  
15 community college then becomes kind of the lead driver in  
16 creating that job opportunity and that job-training piece.

17                   So, I'd love to follow up with you. As  
18 they've created these regional partnerships in the three  
19 defined casino regions, I think, you know, connecting them  
20 with the action -- community-action councils in that  
21 neighborhood, I think, again, will be able to drive people  
22 -- begin to funnel them into these programs.

23                   MR. ISENBURG: Can I comment?

24                   COMMISSIONER STEBBINS: Absolutely.



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1 MR. ISENBURG: One of the things -- this is  
2 not to throw rocks at community colleges, although I could,  
3 is that generally what we find, if you really analyze the  
4 data of community-college success both for certificate  
5 programs as well as associate-degree programs, is that it  
6 generally takes a lot longer for individuals to be  
7 successful in their community-college experience because  
8 they're positioned as educators and are not positioned to  
9 provide the wrap-around services necessary that will help  
10 the populations that we are talking about be successful.

11 So, that's why the partnerships between  
12 organizations like community-action organizations as well  
13 as the community-college system and other organizations in  
14 the workforce-development field become critically important  
15 to ensure the successful completion of that  
16 community-college experience in a derived part and time.

17 College experiences generally end up  
18 resulting in almost double the time and high failure rates  
19 when the wrap-around-type services are not provided, but  
20 when they are provided, you have unbelievable success.

21 CHAIRMAN CROSBY: That's a great point.

22 COMMISSIONER ZUNIGA: Mr. Isenburg, can you  
23 be more specific as to what the wrap-around services may  
24 be?

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1 MR. ISENBURG: Those wrap-around services  
2 run the gamut of temporary-employment assistance,  
3 job-readiness assistance, readiness to learn. So, as  
4 Andrea has talked about in terms of it's not enough just to  
5 educate individuals about the job prospects and the  
6 expectations, but it becomes critically important to ready  
7 the populations that we serve to learn, to prepare them to  
8 learn, to understand what does it really take to fill out a  
9 FAFSA to get money to be able to continue their education.

10 So, that full gamut as well as the basic  
11 needs, child care, transportation, all the things that I  
12 enumerated earlier, become critically important. Those are  
13 not within the community-college mandate. They are in our  
14 mandate.

15 MS. MELENDEZ: Mark. I have a follow-up  
16 question to that. One of my former hats was I was a  
17 Director of a transitional work program at a CAP agency.  
18 In my experience, there were way more individuals needing  
19 access to the program than there were slots. I'm going to  
20 assume that's still true.

21 MR. ISENBURG: That's certainly true.

22 MS. MELENDEZ: So, do you have any thoughts  
23 about how partnerships may evolve or relationships could  
24 evolve to make sure that there's adequate programming for

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1 the needs that will come about with the establishment of  
2 the casinos?

3 MR. ISENBURG: Casino work -- it's a new  
4 industry in Massachusetts.

5 MS. MELENDEZ: I can't hear you.

6 MR. ISENBURG: The casinos represent an  
7 entirely new industry in Massachusetts. So, we are at the  
8 stage where we are going to begin to prepare people for  
9 entrance, but then you have the ongoing development. It  
10 will become in the best interests of the casino operators  
11 to continue to work with us on incumbent worker training.

12 Not everybody wants to go into the hotel,  
13 start off as a housekeeping assistant, and change beds for  
14 the rest of their lives. They are looking for something  
15 more.

16 How do you then transform so that,  
17 essentially, you're creating the career ladders within the  
18 particular industry so that there will always be job  
19 opportunities from entry level to incumbent worker  
20 improvement?

21 MS. MELENDEZ: Thank you.

22 CHAIRMAN CROSBY: I just want to reinforce.  
23 It's a really interesting insight. We -- for you all, we  
24 will follow through on the CAPS, community-action

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1 organizations, but anybody else in the room that's  
2 interested in being a part of this process -- we are trying  
3 to pull together this workforce training -- this whole  
4 program. We are interested in having people who bring  
5 other perspectives. If anyone is interested, let us know.

6 COMMISSIONER MCHUGH: I had a question for  
7 Ms. Berry-Barbosa. That is, from a gaming operator's  
8 standpoint, where did the workers come from and did they do  
9 their own training, or did they rely on the kinds of  
10 programs we have been just talking about now?

11 DR. BERRY-BARBOSA: To answer the first part  
12 of your question, they really came from the greater part of  
13 Connecticut, and as you know, we were in great competition  
14 with the casino across the river, but most of the  
15 individuals were from some of the suburban areas  
16 surrounding the casino, and then, because it is a Native  
17 American casino, the preference was Native American hire.

18 So, it was a very, very different dynamic.  
19 Most of the training came from within. That's why our  
20 department was so essential. That's why I talked about  
21 that structure of development being accessed to everyone  
22 and being communicated and promoted as such within.

23 So, for instance, part of our performance  
24 evaluation as leaders, was, at one point, as to how many

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1 connections, how many networks do you have in your own  
2 community.

3                   Pequot Academy, which was what I had been  
4 directed to manage, was actually in Norwich. So, we prided  
5 ourselves in making those strong relationships with places  
6 like the Norwich Adult Learning Center and the Community  
7 College of Connecticut and some of the many, many ethnic  
8 organizations in the surrounding community to foster a  
9 pipeline of information to those individuals so that they  
10 would know how to enter the casino and then be successful.

11                   That was part of our plight. Not only  
12 working within the casino and community, but also in the  
13 area of businesses. Women-owned business. If we were  
14 using consultants for printing or anything that we did as  
15 far as the academy was concerned, it was all community  
16 based because we were rewarded based on that initiative.  
17 Did that answer your question?

18                   COMMISSIONER MCHUGH: It did. Thank you.

19                   MS. MELENDEZ: I'm going to go out of order  
20 only because one of the questions follows that one.  
21 Someone asked regarding retaining talent in casinos in  
22 Foxwoods or Mohegan. Are they utilizing employee resource  
23 groups and I and Ds? What does that stand for? What does  
24 I and D stand for?

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1                   AUDIENCE MEMBER: Inclusion and Diversity  
2 councils.

3                   MS. MELENDEZ: Okay.

4                   DR. BERRY-BARBOSA: I headed up the  
5 diversity program at Foxwoods, not MGM Grand. The  
6 diversity programs really looked at providing  
7 representation for the very diverse groups that worked in  
8 Foxwoods.

9                   So, it wasn't just about different types of  
10 food in the cafeteria. It was really about understanding  
11 the history and being able to tell each other's story.  
12 Because that helped, we made the tie to marketing.

13                   For instance, we didn't have a great  
14 Hispanic population of people coming to the casino and that  
15 was recognized. So, we wanted to make sure that we started  
16 the promotion and celebration of our Latino workers so that  
17 we could help spread the word that this is a comfortable  
18 place for you to come.

19                   It's not only a comfortable place for you to  
20 come and enjoy yourself but it is a comfortable place for  
21 you to come and work and for your family to come and work,  
22 too. That was very successful.

23                   AUDIENCE MEMBER: Can I -- so, are there  
24 employee-resource groups that are specifically for women or

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1 people of color that help to retain, provide professional  
2 development, feedback, all of those things within the  
3 casino, and will we be seeing something like this here?

4 DR. BERRY-BARBOSA: The diversity task force  
5 was home grown, and it was from the ground up. So, it was  
6 more like an affinity group. The task force rotated. So,  
7 any member at any level employee could be part of that task  
8 force and it rotated. So, there was all types of  
9 diversity, gender differences. You name it. The casino  
10 really was quite a salad bowl of differences.

11 MS. MELENDEZ: I also want to address the  
12 latter part of your question, which is the panelists are  
13 not the deciders on sort of what is going to happen in  
14 Massachusetts. So, they may not be able -- not just your  
15 question but there are some questions here that are  
16 directed maybe at the Commission. So, I'll read them, and  
17 if you want to table them or respond to them, let me know.  
18 This is one of them.

19 "What do you feel is the best way to work  
20 with the advertising and marketing departments in the  
21 casinos and their ad agencies?"

22 That was one of the questions. As I read  
23 that question, I probably should acknowledge, and I think  
24 you know, that in this room we have both folks who are

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1 looking for opportunities and folks who are going to  
2 provide opportunities. The questions are reflecting that.

3 CHAIRMAN CROSBY: I'm not sure what the  
4 question means about working -- I'm not quite --

5 MS. MELENDEZ: I think most of the panel has  
6 been focused on the under-employed and folks with limited  
7 skill sets.

8 There are folks here who aren't in that  
9 category but who are looking for opportunities. There is  
10 another question in here actually -- if I can skip to it.  
11 Well, the essence of the question was, you know, it feels,  
12 to the person who wrote the question, that some of the  
13 individuals who are being hired have already been selected,  
14 the engineers and architects and things like that.

15 So, what opportunity is there for folks who  
16 have skill sets who are not -- haven't been at the table,  
17 haven't presented it, or been able to put their foot  
18 forward? When will those opportunities be presented and  
19 how?

20 CHAIRMAN CROSBY: Well, with the individual,  
21 what we are looking to do is figure out how we can set the  
22 table, you know, establish requirements, establish  
23 principles, establish standards, which our proposers will  
24 have to comply with. What we are looking for is guidance



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1 from folks like you in what we can write into our regs and  
2 write into our decision-making criteria.

3 For example, the development of having the  
4 operators have such a group as you were talking about.  
5 Maybe that's something we ought to require. So, we are  
6 sitting here looking to learn about what we -- how --  
7 because we are going to write the rules of the road.

8 We need advice on how we can write those  
9 road rules to induce the kinds of behavior that we are  
10 looking for. You know, the jobs -- I mean -- you should be  
11 talking to proposers now if you're interested in looking  
12 for things now.

13 Who the developers are is a matter of public  
14 record. The specific jobs, the construction jobs, which  
15 could be as many as 10,000, and the full-time employment  
16 jobs, which could be as many as 10,000, are yet to come.  
17 Those are where we are looking for help and how we can make  
18 those happen.

19 MS. MELENDEZ: Commissioner Zuniga.

20 COMMISSIONER ZUNIGA: Maybe I can speak a  
21 little bit to something Ms. Laing alluded to which  
22 dovetails into what Chairman Crosby is also talking about.

23 I've thought personally about whether the  
24 legislation provided for needs to be a public bid.

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1 Essentially, we are giving out a permit with a lot of  
2 requirements, but it is not public money that is driving  
3 the construction. So, it may not necessarily be or have to  
4 comply with Chapter 149, for example.

5                   However, I believe also that we have all the  
6 authority to require the goals that Chapter 149  
7 construction reform required and were very successful.  
8 That's areas where we can clearly impose regulations.

9                   MS. MELENDEZ: I found the card, and I'm  
10 just going to read it because I think it's more articulate  
11 than how I just tried to ask the question.

12                   The individual said, "I'm a principal in a  
13 WBE/DBE civil engineering firm. Our feeling is that, prior  
14 to submission to the Mass. Gaming Commission, all the  
15 design teams, architects, and engineers have been  
16 established by casino proponents. Will there be an  
17 opportunity to present our credentials to the casino  
18 proponents? It feels like our door is closed."

19                   So, that's the essence of the question that  
20 was asked.

21                   CHAIRMAN CROSBY: Just for the record, I  
22 doubt that the teams are fully formed, first of all. If  
23 anybody has fully formed their teams without knowing what  
24 our requirements are going to be, they probably made a

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1 mistake.

2                   We will have an opportunity -- it's not just  
3 on this issue but a whole host of issues. This is a  
4 problem we are wrestling with throughout all of our  
5 activities. A number of communities, a number of  
6 developers, are way down the road, and we are trying to  
7 say, Wait a second. The rules of the road aren't written  
8 yet. So, make sure how far you go down.

9                   There should be opportunities for folks over  
10 the coming months to get into the game.

11                   COMMISSIONER MCHUGH: Could I just add to  
12 that because the statute is very clear that the application  
13 has to list the plans and programs that the applicant for a  
14 license has for including minorities -- minority-business  
15 enterprises, women-business enterprises, and  
16 veteran-business enterprises in participation in a whole  
17 range of things we are going to do.

18                   The statute also says that no license can be  
19 issued unless the Commission is satisfied that those  
20 commitments are substantial enough to warrant granting a  
21 license. So, that has to be an integral part of the plan.

22                   MS. MELENDEZ: If I may, Commissioner  
23 McHugh, there's room for interpretation only in that it  
24 doesn't say it has to be Massachusetts based. So, the idea

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1 of imported talent versus local talent is, I think, part of  
2 the concern.

3 CHAIRMAN CROSBY: That is something we have  
4 thought a lot about. Within reason, we will be trying to  
5 make sure that the people who are hired are local. The  
6 people who are vendors that are signed up, the unions that  
7 are used -- we will be trying -- that would be part of our  
8 criteria, too. As I said, we have the ability to modify  
9 what's in the legislation.

10 MS. MELENDEZ: Great.

11 MS. LAING: At DCAM with our advertisement,  
12 and I think maybe that may be part of the question, for  
13 design, it's 17.9 as a goal, and for construction, it's  
14 10.4. On the design side, we have found that -- those are  
15 combined goals. Those are for minority and women  
16 businesses going for bids, going for projects.

17 What I have seen is getting people to  
18 understand that this is a new opportunity. So, although  
19 there may be a goal set, you may not want to jump ahead and  
20 think that I'm putting a team together and you don't know  
21 what type of team you really need to put together to win  
22 the bid.

23 So, you may want to definitely begin  
24 assembling, within the diversity of your company, various

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1 people who can be able to address various parts of the job  
2 that may be offered to you through the bid.

3           So, let's not get it too confused with,  
4 well, I've done -- gone for state jobs before, and I know  
5 this is what they want. Because the world is changing.  
6 So, you might want to understand better what the Gaming  
7 Commission is looking for and what opportunities they're  
8 going to have so that you can begin opening yourself up to  
9 firms that maybe you didn't open yourself up to before, to  
10 people that maybe you did not think about including before.

11           There are many women engineers now. There  
12 are many -- people are shaking their heads, but there have  
13 been disparity studies that have shown that. So, it's  
14 really trying to make sure we begin connecting those  
15 bridges for you so that later down the road you are better  
16 prepared when you see those advertisements with goals  
17 associated with them.

18           MS. MELENDEZ: We have about six minutes  
19 left. So, we are definitely not going to get to all the  
20 questions. There are some that are supplier-diversity  
21 based that I'm going to pass on to Dr. McKinney. So, I'm  
22 going to go to Commissioner Stebbins first.

23           COMMISSIONER STEBBINS: I have a lot of  
24 questions, but I'll throw one quick question to Lisa. As

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1 things were ramping up in Connecticut, we heard anecdotal  
2 information of local businesses being cannibalized for  
3 their employees. We heard stories about people wanting to  
4 leave a bank to go to the glamorous world of working in,  
5 you know, a cage in a casino.

6 Did you experience that or come across any  
7 anecdotal information about that in the Norwich area?

8 DR. BERRY-BARBOSA: Foxwoods is one of the  
9 largest employers in the area in Connecticut and certainly  
10 there were -- because of some of the lay-offs and  
11 reorganizations, Pfizer, Princetons, and you're right in  
12 some of the investment and banking areas, there were people  
13 that were jumping ship.

14 The good news is that, because the casino is  
15 as diverse as the communities around them, there are jobs  
16 in finance. There are jobs that require a certain amount  
17 of education in education. There are jobs in collections.

18 So, yes. The financial industry probably  
19 did take a little bit of a hit, particularly when MGM Grand  
20 was opening their doors, but certainly I think providing an  
21 organization -- having an organization that provides  
22 opportunities for people is not a bad thing. There wasn't  
23 any targeted recruitment efforts, or you know,  
24 cut-throat -- that I saw anyway -- cut-throat approaches to

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1 taking people from one organization to another.

2 COMMISSIONER STEBBINS: I don't necessarily  
3 look at the cannibalization as a bad thing because I think  
4 that creates opportunity.

5 DR. BERRY-BARBOSA: That's right.

6 COMMISSIONER STEBBINS: We, as the  
7 Commission or Commonwealth, need to be aware of the new job  
8 opportunities that are going to open up for the people  
9 outside of the casino.

10 DR. BERRY-BARBOSA: The learning I took away  
11 from the casino industry is that it is not recession proof.  
12 A lot of people think, because of Hollywood, that the  
13 whaler that come in -- they fly in on their Learjet and  
14 drop a million bucks, that's what keeps the casino going.

15 It's actually the little gray-haired ladies who  
16 are at the slot machines feeding it with their pension  
17 checks that keep it going, and when the cost of gasoline  
18 went up, you know, it hiked up the prices to get there.  
19 The casinos took a hit just like any other business in the  
20 recession. They are still struggling to recover.

21 MS. MELENDEZ: I have what I think is a  
22 quick technical question. "Will the purchasing be posted  
23 through Comm-PASS? Is there a separately set up purchasing  
24 department for this?"

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1                   Do you know the answer to that? The RFP?  
2 The purchasing. That's the question, right?

3                   AUDIENCE MEMBER: Procurement.

4                   MS. MELENDEZ: Procurement. Am I using the  
5 wrong language? So, the question on the card says, "Will  
6 purchasing be through Comm-PASS? Will it be through  
7 Comm-PASS statewide to contract? Will it be separately set  
8 up through the purchasing department?"

9                   COMMISSIONER ZUNIGA: I doubt it. I'll make  
10 the point again perhaps -- I doubt this will be a public  
11 procurement. The companies, the operators, are a private  
12 entity that will hire or will procure their advisors first,  
13 the way private operators do.

14                   Now, there are ways in which we can try to  
15 emulate the goals of Chapter 149 and things like that and  
16 be open, and I think we will do that. Take steps toward a  
17 lot of that.

18                   MS. MELENDEZ: Okay. I have one last  
19 question. I would like just one of the panelists to  
20 respond to because we have been talking a lot about  
21 identifying the agencies that we think provide the backbone  
22 for training in the workforce.

23                   So, the comment is: "Why do we always go to  
24 traditional CAP agencies, community colleges? How would



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1 you respond to the question: What about people who dropped  
2 out of the system and are not in community colleges or in  
3 these programs?"

4 MR. ISENBURG: The notion of coalitions, in  
5 my experience, is that they represent probably the most  
6 non-traditional grouping of people who specialize not only  
7 in terms of the outreach within the communities and within  
8 the organizations but also then the re-attachment and the  
9 re-engagement. So, I am not a fan of one size fits all.

10 It generally means that, depending upon what  
11 is necessary, that the organizations who do come together  
12 are able to moderate what it is they do to achieve the  
13 common goal of properly training people for the kinds of  
14 job opportunities that are going to be available.

15 CHAIRMAN CROSBY: There's an interesting  
16 conundrum that we've experienced that whoever asked this  
17 question will appreciate. You heard, I think, earlier on  
18 that anybody who works for the Commission and, for the most  
19 part, anybody who works for one of the developers or any of  
20 the companies that work for the developers will be  
21 licensed, and certainly for our employees and many of the  
22 others, to get licensed, you will have to go through a very  
23 comprehensive background check.

24 Background check includes CORI and credit,

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1 which creates a real problem for a lot of under-skilled,  
2 under-served audiences that we would like to target for  
3 employment. It's a serious conundrum. I don't know what  
4 we are going to do try figure it out how to address it. We  
5 have already experienced the consequences of that.

6 MR. ISENBURG: In fact, people will now  
7 start throwing rocks at me. For many of the program  
8 service areas where we provide employment training for  
9 course development services, we, in fact, CORI all those  
10 individuals and we credit check where -- for those programs  
11 that we need to credit check on.

12 The question is: Why do we do that?  
13 Because we are in a much better position of advising the  
14 individual how to, in fact, correct their situation way in  
15 advance of them showing up at the door of a casino operator  
16 saying, I want a job.

17 And so can counsel the individuals to say,  
18 This may not be a job for you. We have the same experience  
19 in the financial-services sector when we did that, the  
20 credit checks and the CORIs that were necessary.

21 MS. MELENDEZ: I'm sorry, Mark. You're  
22 going to make me a failure as a moderator.

23 MR. ISENBURG: Okay. We had to counsel  
24 people, You need to enter a different career area.

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1 COMMISSIONER CROSBY: Thank you.

2 MS. MELENDEZ: Any last points you want  
3 people in the audience to hear? Mark?

4 MR. ISENBURG: The Commission, employers,  
5 educators need to know that there are people that are  
6 ready, but people need to step forward and identify  
7 themselves and do that now because it's not going to happen  
8 overnight.

9 CHAIRMAN CROSBY: Right.

10 MR. ISENBURG: This is going to be a  
11 process.

12 MS. MELENDEZ: Thank you, Mark.

13 DR. BERRY-BARBOSA: We heard that diversity  
14 is more than gender, racial, or even disability  
15 differences. Organizations that really and truly want to  
16 benefit from having a diverse workforce need to provide the  
17 resources, the tools, the access to being a successful  
18 employee in a casino. That is truly the foundation of  
19 support for diversity.

20 MS. MELENDEZ: Thank you, Lisa.

21 MS. LAING: Let us not be the glass ceiling.  
22 Let us not create the glass ceiling. Let us make sure THAT  
23 we are keeping the doors open to everyone.

24 MS. MELENDEZ: I just want to thank you for

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1 listening to the panel. To also let you know if you want  
2 to learn more about Commonwealth Compact as a workforce  
3 initiative on diversity, please see me before you leave.  
4 We have over 260 employers in Massachusetts who participate  
5 in what we do. We are not the answer to everything, but  
6 we'd like to give you access to other folks who may be the  
7 answer to things you're looking for. Thank you to this  
8 awesome panel.

9 MR. MARLOW: Thank you to Georgianna,  
10 Andrea, Lisa, and Mark for a wonderful panel.

11 A couple of housekeeping matters real quick.  
12 We are going to take a break for about 10 minutes because I  
13 want to keep us on schedule. So, we will take a 10-minute  
14 break. Let me just reinforce one thing. Each panel member  
15 that presented here and each panel member that will present  
16 on the next panel -- they are not offering the answers or  
17 the solutions to ensuring the access and opportunity.

18 What they are talking about are some of the  
19 answers, some of the solutions that may yet emerge to help  
20 individuals find their opportunities, to help the  
21 Commission help define the best way to find those  
22 opportunities, but there may be other solutions that you  
23 will think of beyond today and that you'll give input to  
24 the Commission and helping define a playing field that's

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1 designed to create real access to opportunity.

2                   So, don't anyone think that, from what you  
3 heard about community colleges or community-action  
4 agencies, those will be the only two silos which you must  
5 parachute into. They won't be. Again, this is meant to  
6 spur conversation and imagination and creativity to  
7 ensuring access and opportunity. You've been great so far.  
8 A ten-minute break. We will get started exactly at 10:45.  
9 Thank you.

10                   (A recess was taken.)

11                   MR. MARLOW: Before I introduce the  
12 moderator for the Supplier Diversity Panel, the one thing I  
13 do want to make clear and I think it came up in one of the  
14 questions earlier, please keep in mind that this is not  
15 public-procurement activity.

16                   While there are things that the Gaming  
17 Commission can borrow from our public procurement regime,  
18 whether it's our Chapter 149 process, whether it's our  
19 administrative policy processes, or whether it's creating a  
20 vehicle through which those who get licensed to be casino  
21 operators bring greater transparency to their procurement  
22 efforts, I should point out and stress that this is not a  
23 public procurement process and that what the Gaming  
24 Commission will be doing is licensing the operators and

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1 then working to make sure that whatever diversity plans  
2 were submitted pursuant to the application, that those  
3 operators meet and/or exceed those commitments that were  
4 made by way of the diversity plan.

5           So, I just want to just make sure I make  
6 that up front so that anyone who has questions focused on  
7 process, we are not at that point yet. We really aren't.  
8 We are at the point where, as I said earlier today, you  
9 know, the future starts not tomorrow. It starts today and  
10 starting to understand the process the Commission will use  
11 to get to licensing operators, what are those requirements  
12 that are part of that license and how those requirements  
13 create real opportunities for individuals or business  
14 owners.

15           So, to the extent you have questions  
16 regarding procurement process, it is probably too early for  
17 anyone to answer those questions. To the extent that those  
18 of you who are very familiar with the public process, you  
19 should understand that, again, these private operators will  
20 not have to use the same tools we use in the public sector,  
21 but there are some tools that may bring great clarity to  
22 the work of the Commission.

23           I'm going to stop there because I don't want  
24 to belabor the point, and I want to get right into the

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1 Supplier Diversity Panel because I get the sense that many  
2 of you are business owners who are very interested in how  
3 the legislative language will make its way to greater  
4 reality for you and others.

5 This panel will be moderated by my good  
6 friend and colleague in state government, Reggie Nunnally,  
7 who is the Executive Director of the Supplier Diversity  
8 Office. I will not mention the panel members because they  
9 will introduce themselves to you. Let's just say we have a  
10 wonderful panel that can speak specifically to  
11 opportunities in the supplier-diversity space as well as  
12 why supplier diversity is incredibly important both as a  
13 policy mechanism and as a reality check.

14 With that said, I will turn the floor over  
15 to my good friend Reggie Nunnally, who will lead us through  
16 this panel. Reggie.

17 MR. NUNNALLY: Thank you. Good morning and  
18 welcome to the Massachusetts Gaming Commission Education  
19 Forum on Diversity and Inclusion. As Ron said, my name is  
20 Reggie Nunnally. I am the Executive Director for the  
21 Massachusetts Supplier Diversity Office, the office that is  
22 responsible for certifying MBEs and WBEs within the  
23 Commonwealth as well as disadvantaged business enterprises  
24 for the federal government.

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1           Along with that, we are also responsible for  
2     overseeing construction reform. We monitor 351  
3     municipalities within the Commonwealth of Massachusetts,  
4     and that is the end of my commercial as it relates to the  
5     Supplier Diversity Office.

6           First and foremost, I want to thank Chairman  
7     Crosby as well as his colleagues for having the foresight  
8     to have this forum. It is never too early to begin  
9     educating the business as well as the workforce community  
10    on the impact on the Massachusetts economy that the casinos  
11    are going to have. I want to thank my good friend,  
12    Assistant Secretary Ron Marlow, for stepping forward and  
13    coordinating today's event and attracting such a  
14    distinguished panel of experts to provide advice relative  
15    to the industry and its impact in Massachusetts.

16           We had no shortage of experts. Some that  
17    were considered are sitting in the audience today, folks  
18    like Flash Wiley, James Cofield, Celia Blue, all experts in  
19    their own right, but as you can see, we only had four  
20    chairs, and one of them was for me.

21           Today's panelists consist of Ms. Jodi Baier,  
22    representing WBENC; Dr. Fred McKinney, the President and  
23    CEO of the Greater New England Minority Supplier  
24    Development Council; and Ms. Megan Cleghorn, a corporate



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1 lawyer for restructuring with a full-service global firm.

2           Each panelist will give a brief introduction  
3 of themselves and begin the panel discussion with the  
4 following question: What is your advice and  
5 recommendations as to the things you think the Gaming  
6 Commission should be working toward in designing and  
7 implementing a regulatory framework that supports the  
8 legislative intent regarding supplier diversity?

9           Each panelist will have approximately 10 to  
10 15 minutes inclusive of a self-introduction to make their  
11 points. Finally, there may be a limited question and  
12 answer post members' presentations to stay within the time  
13 frame of the overall educational forum.

14           Up first is Jodi Baier representing WBENC.

15           MS. BAIER: Thank you, Reggie. Thank you  
16 very much for having me here today. I want to thank the  
17 Commissioners and Chairman for offering this session. I  
18 really appreciate it.

19           My name is Jodi Baier. I'm actually with  
20 the Center for Women in Enterprise in Boston, and I manage  
21 the WBENC program, the certification process, and the  
22 delivery. So, relationships with WBEs that are certified  
23 through WBENC in all six New England states as well as our  
24 corporate members who look to source WBENC-certified

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1 businesses.

2 I am relatively new to supplier diversity.  
3 I've been with CWE really just since the beginning of the  
4 year. So, I am just catching up on all of the important  
5 aspects of supplier diversity. I come from many years in  
6 marketing and sales and Fortune 100s, high tech, low tech,  
7 and I have an MBA from Dartmouth Tuck.

8 So, this has been a great opportunity and  
9 the last -- first half of this year has just been great in  
10 getting up to speed on the importance of supplier  
11 diversity, and I'm just delighted to be here to represent  
12 WBENC.

13 I want to address my first comments to  
14 Reggie's question and also to the Commissioners as well as  
15 any operators that are here and talk about the benefits of  
16 working with a diverse supply base, especially with  
17 women-owned businesses.

18 We strongly encourage our companies -- so  
19 the operators -- casino operators to engage in sourcing  
20 women-owned businesses and figuring out what kind of  
21 metrics that are going to be put in place for goals --  
22 internal goals for women-owned businesses as far as their  
23 bidding process.

24 Women-owned businesses -- about 8 million

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1 women-owned businesses in the United States. That's about  
2 30 percent of businesses in the US, 20 percent of those are  
3 in the northeast. These businesses generate \$1 trillion in  
4 revenue. So, that's 4 percent of the US revenue and 7 --  
5 over 8 -- I'm sorry -- 8 million employees, which is six  
6 percent.

7                   Now, while these numbers are quite good, the  
8 sales numbers for women-owned businesses still lags the  
9 national average. So, our goal is to help women-owned  
10 businesses grow, secure more contracts, and contribute more  
11 to the economy.

12                   The benefit of diversifying the supply base  
13 of women-owned businesses -- and this is something that I  
14 talk to my corporate prospects about that are coming in  
15 with supplier-diversity programs.

16                   Well, first and foremost -- and they believe  
17 this. This is part of a survey that was conducted by  
18 Supplier Diversity Professionals -- Supplier Procurement  
19 Professionals. Excuse me. It's really the right thing to  
20 do. I mean from a PR and a social media -- I'm sorry --  
21 social responsibility standpoint, it's the right thing to  
22 do to have a diverse supply base.

23                   Also, our clients recommend -- recognize  
24 that there are potential cost savings when they are hiring

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1 WBEs. They recognize that WBEs and small businesses can  
2 provide some innovation. They can be nimble. They can  
3 have a quick around. They can provide niche products and  
4 services.

5                   Importantly, for the operators and for  
6 corporations, working with women-owned businesses can  
7 provide them access to the female customer base so -- not  
8 only through the women-owned businesses' customer base but  
9 also through the market intelligence that the women-owned  
10 businesses brings.

11                   I know that a large part of it -- casinos'  
12 consumers are females. So, it would be beneficial to them  
13 from a marketing intelligence standpoint to work with  
14 women-owned businesses.

15                   Importantly, working with small businesses  
16 and women-owned businesses contributes to the economy. I  
17 mean I think that goes without saying. You're spending  
18 money with small businesses. You're supporting the  
19 economy. About 60 to 80 percent of new job creation is  
20 through small businesses. So, it's important for our  
21 companies and our operators to do business with small  
22 businesses.

23                   Let's see. Working with small businesses  
24 enables -- I understand that companies and operators will

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1 have their preferred and prime suppliers, and we recognize  
2 that. We understand that. These might be larger  
3 organizations that are working with the companies.  
4 However, we strongly encourage companies and casinos to  
5 work with smaller suppliers and -- if not as a tier one or  
6 prime supplier, as a tier two and further down the supply  
7 chain especially to develop those suppliers.

8 I mean there's so much potential with  
9 women-owned businesses and small businesses to basically  
10 kind of have a farm team of suppliers, develop them so that  
11 they can potentially, down the line, become prime and tier  
12 one suppliers and bigger suppliers. It's important to help  
13 these businesses grow and become better.

14 We understand that the challenges that  
15 companies may face is that they're concerned that WBEs  
16 might be untested or vulnerable. This is a valid concern.  
17 However, the national survival rate of women-owned  
18 businesses is 78 percent. So, this is something to take  
19 into consideration.

20 Also, a lot of companies and, I assume,  
21 operators are looking into cost cutting when it comes to  
22 vendor selection and vendor streamlining. So, this is a  
23 challenge to overcome because what we are trying to do is  
24 bring our women-owned businesses in and say, Add some more

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1 WBEs to your roster of suppliers.

2                   And we understand that that's a challenge  
3 and also we understand that an additional challenge is to  
4 have the resources to do the due diligence for women-owned  
5 businesses and their certification and also to manage the  
6 risk when they are in the supply chain.

7                   One great mitigator of that risk, as far as  
8 due diligence for certification, is the WBENC  
9 certifications. When it comes to WBENC -- WBENC is the  
10 national certification. It's an organization that -- it's  
11 a third-party certifier out of Washington, DC, and the  
12 Center for Women and Enterprise is the regional partner of  
13 WBENC. So, we certify all the New England businesses.

14                   For the WBEs that are out in the audience,  
15 you know that this process is not a simple process. When  
16 it comes to certification of businesses, these business  
17 owners go through a very rigorous process to prove that  
18 their companies are 51 percent owned, controlled, and  
19 operated. They submit a ton of paperwork. They go through  
20 a certification committee meeting. They go through site  
21 visits. It's a three- to six-month process before they can  
22 even become certified.

23                   For the women-owned businesses out there, we  
24 just want to encourage you to go after this business. Not

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1 only can it provide -- build your company as far as  
2 stability and credibility and growth, but you can also -- I  
3 mean, obviously, it would be very beneficial for your  
4 company. So, we encourage you to strongly market  
5 yourselves to the casinos, to the operators, to the  
6 Commissioner.

7           However, in order to play, we do encourage  
8 you to be prepared to deliver on contracts. So, don't have  
9 unreasonable expectations about your ability to deliver on  
10 this business. Also, we want to be sure that you're  
11 financially strong to be able to support the business and  
12 also that you have access to credit or resources because  
13 when you're playing at this level, you know, when it comes  
14 to accounts receivable, there can be a lag of 30 to 60  
15 days. You want to make sure that you have the cash to  
16 float for the business.

17           You can also pitch your business to the tier  
18 one suppliers or even tier two suppliers of the operators  
19 and become subcontractors, and also, to get in, you can  
20 offer your services on an as-needed basis. Not necessarily  
21 becoming a full-time supplier, but you can become an  
22 as-needed supplier.

23           So, to the Commission, our bottom-line  
24 recommendations are: Provide access, please, to our

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1 certified women-owned businesses in order to gain business  
2 from the operators. We encourage a goal setting for the  
3 women-owned businesses. Typically, a lot of my companies  
4 will set 5 to 10% spend goals or big goals for WBEs in  
5 their supply-procurement process.

6 We encourage -- we would encourage you to  
7 encourage the operators to develop WBE suppliers, to attend  
8 matchmaking sessions where they can come -- Dr. Fred had an  
9 event the other day. We're having one on Friday where the  
10 operators could sit down and have sessions -- short  
11 sessions with certified businesses to find out if they  
12 wanted to add those to their roster.

13 We encourage you to encourage operators to  
14 streamline their registration process for WBEs. Make it  
15 simpler and also to encourage your operators to make their  
16 marketing materials and their web sites friendly to  
17 women-owned businesses so that it's easy for them to  
18 understand exactly what those operators are looking for and  
19 how they go about exhibiting bids.

20 So, in short, women-owned businesses are a  
21 strong player in the economy, and by giving more business  
22 to the women-owned businesses, we are increasing our  
23 economic strength, especially in Massachusetts, of course,  
24 and other New England states; and for the women-owned



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1 businesses out there, we encourage you to strongly market  
2 yourselves and get yourself in the supply chain and into  
3 the game.

4 MR. NUNNALLY: Thank you, Jodi. I have a  
5 follow-up question. We are recommending to the Commission  
6 that we open up the eligibility in terms of MBEs and WBEs  
7 because we have actually three organizations, WBENC, the  
8 Greater New England Minority Supply Council -- Development  
9 Council, and the Massachusetts Supplier Diversity Council,  
10 all of which certifies individuals.

11 This would be unprecedented that they would  
12 be able to accept any one of those certifications that  
13 would lessen the burden on one of the MBEs or WBEs, that  
14 are in the audience today, to have to jump around between  
15 the alphabet soups.

16 How many WBEs do you currently have  
17 certified in your database, and what might be the  
18 percentage in terms of those that do goods and services  
19 versus construction?

20 MS. BAIER: WBEs that we have WBENC  
21 certified in New England are about 325 businesses. As far  
22 as the breakdown in industry, you know, I don't have the  
23 number off the top of my head, but I would say the  
24 construction services are maybe in the five or six percent

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1 range of our businesses.

2 MR. NUNNALLY: I think I want to hold the  
3 audience questions until we get through the whole panel,  
4 but in the event that a Commissioner has a burning question  
5 right now for Jodi, we will accept that.

6 Hearing none, I'd like to move on to the  
7 next panelist, Dr. Fred McKinney for the Greater New  
8 England Minority Supplier Development Council.

9 DR. MCKINNEY: Thank you, Reggie. Good  
10 morning. I also want to thank Ron and Chairman Crosby and  
11 the other Commissioners, and I want to commend the  
12 Commonwealth and the Governor for paying attention to this  
13 critically important topic of diversity and all of its  
14 aspects.

15 You know, I think what we are really talking  
16 about here is what I would call inoculation from stupidity  
17 and self-destruction. If you don't do this right, it can  
18 blow up in your face. So, this is a way to avoid a lot of  
19 unnecessary problems.

20 The Greater New England Minority Supplier  
21 Development Council is a 501(c)(3) business organization.  
22 It is a membership organization. Our members are large  
23 organizations, primarily in the private sector. We are  
24 sort of a parallel organization to Jodi's organization,

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1 WBENC, whereby we are certifying minority-owned businesses,  
2 and we define minority racially and ethnically.

3 We are part of the National Minority  
4 Supplier Development Council. Within our regional council  
5 -- we have 36 regional councils around the country in the  
6 MSDC network. We have 3,500 corporate members, over 13,000  
7 certified minority businesses, and those businesses conduct  
8 about \$120 billion in sales to those corporate members on  
9 an annual basis and it's growing.

10 I've served in this capacity since 2001, and  
11 I'm an economist by training. In answer to the question --  
12 it's hard to reel me in with a question from Ron, but I  
13 better answer the question or I might not get invited back  
14 to Ron's family picnic next year, but I did want to talk a  
15 little bit about certification, opportunities,  
16 characteristics of suppliers, and the characteristics of a  
17 successful corporate-supplier-diversity program that I  
18 think the Commissioners would like -- I'd like to share  
19 with the Commissioners.

20 I agree with Jodi and with Reggie. We have  
21 three certifying organizations here today that are  
22 represented on the panel. My advice to business owners is  
23 to get certified everywhere that they are eligible for  
24 certification because you never know where it's going to be

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1 needed.

2 I do recommend that the casino operators  
3 accept all three certifications as sort of an independent,  
4 third-party proof that the businesses that they are working  
5 with are who they say they are. Again, that's one of the  
6 things -- if you do that, you are inoculating against a  
7 front-page article in the Boston Globe about somebody who  
8 said they are something and they are not. So, rely on the  
9 certification agencies that are here. They can help you.

10 In terms of opportunities, I mean there are  
11 tremendous opportunities that this development is making  
12 available to the business community. There really are all  
13 at phases of the project, from the pre-construction  
14 opportunities, from marketing-design planning,  
15 human-resource planning, to construction, the bricks and  
16 mortar, post construction, marketing, etc., again,  
17 operations.

18 Let me just, by way sort of introduction as  
19 well, say that we have some experience at the Council in  
20 gaming. The Mohegan Sun and Foxwoods are both corporate  
21 members of the Greater New England Council. We just  
22 finished our three-day trade show at Foxwoods on Friday  
23 this past week where we had over a thousand people.

24 We have been at Foxwoods for over 15 years.

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1 In fact, we were celebrating our 15th year at Foxwoods this  
2 past week. They also have been working with us on the MBE  
3 development side because they are sort of unique in the  
4 sense that not only are they a major gaming company --  
5 major gaming companies, but they are also eligible for  
6 minority status for some of the businesses that they  
7 create.

8 So, in various capacities, we have had the  
9 opportunity to work very closely with them on the  
10 business-development side but also on the procurement and  
11 supplier-diversity side.

12 So, you know, I come to this with some  
13 information and knowledge and experience with the casino  
14 industry about what it is that they buy to keep those doors  
15 open and to keep the people coming, and supplier diversity  
16 is an important component of those casinos. If you look at  
17 the demographics of the customer base that comes through  
18 those doors, it's going to be a very diverse population of  
19 consumers.

20 I think it's incumbent on the companies to  
21 pay close attention to the supplier base, and you heard,  
22 from the earlier panel, the employment base and the  
23 characteristics of the people that work for the casinos.  
24 It's a long list. You name it, and these organizations

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1 will buy it.

2 I have some messages also to the diverse  
3 consumers in the room before I get to the recommendations  
4 to the Commissioners. The standard qualities that are  
5 going to be absolutely necessary to be successful in this  
6 industry are those same qualities that are necessary to be  
7 successful in just about any industry.

8 One is the quality of the goods and services  
9 that the supplier offers to the market, the competitiveness  
10 of the supplier to the market competition, the creativity  
11 of the supplier.

12 Companies are looking for creative solutions  
13 to problems. They all have problems. They all are trying  
14 to solve those problems. They don't have all the answers.  
15 If you have answers, then they are looking for you.

16 The flexibility that is necessary to operate  
17 successfully in this environment is highly important, and  
18 responsiveness. These are companies that have a lot of  
19 pressure on them by a demanding consumer base, and there's  
20 a need to be responsive.

21 So, if something breaks, it needs to be  
22 fixed now. So, if you have the capacity to do that, you'll  
23 be more successful than if you don't have the capacity to  
24 do that.

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1           There's also some industry-specific aspects  
2 of this industry that I think are important for diverse  
3 suppliers to be aware of. One is the security. That was  
4 already mentioned on the HR side. These are secure sites.  
5 There's a lot of cash in these facilities. So, security  
6 and background is very important.

7           It's almost -- it's as important as working  
8 -- we have a lot of companies that are in the defense  
9 industry. This is almost equivalent to working at a  
10 submarine base. It's that kind of security.

11           This is a 24/7 operation. This is not  
12 something you can go home at five or six o'clock and not  
13 take any calls until the next morning. You've got to be up  
14 or have somebody up, at least, that is prepared to get a  
15 call at three o'clock in the morning to fix something.  
16 There's a huge customer focus. So, MBEs, WBEs have to be  
17 really laser focused on customer service. This is a  
18 high-pressure environment.

19           I mean -- we have very few companies that  
20 I've been involved with that I've seen the pressure on the  
21 workforce -- the senior workforce of these companies like  
22 the casino industry. For the people who want to work in  
23 this industry, this is not easy work. This is  
24 high-pressure work, and it is very demanding and requires a

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1 great deal of what I would call emotional intelligence to  
2 be able to deal in that environment.

3           The customer base is hugely diverse. I  
4 mentioned that already. So, being able to work in that  
5 environment, diverse customers, diverse workforce is going  
6 to be highly important.

7           Now, in terms of the question about advice  
8 to the Commissioners and what I would say in terms of  
9 supplier diversity. This is going to require -- to be  
10 successful, it's going to require top-down support.

11           This is not something that can start at the  
12 procurement level. This has to start at the CEO level of  
13 the operators who are going to have the contracts. They  
14 have to not just say it; they have to believe it. They  
15 have to walk it. It should be part of the corporate  
16 structure. This is something -- supplier diversity should  
17 be integrated throughout the system. So, this is not just  
18 a procurement function.

19           In fact, I think one of the pitfalls of many  
20 companies is they have not integrated supplier diversity  
21 into other aspects of their business, particularly  
22 marketing. So, supplier diversity should be part of their  
23 marketing. The diversity and procurement functions.

24           So, I think it's important that you have



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1 procurement professionals, people who are making buying  
2 decisions -- there should be diversity among that group.  
3 That's a great way to have checks and balances and also  
4 people with different experiences coming to the table.

5           A dedication of resources to supplier  
6 diversity. You can't do this on the cheap. So, you know,  
7 the leaders within the companies that get these contracts  
8 should understand clearly going into this, you can't just  
9 put it on your web site that supplier diversity is  
10 important to you. It has to be a line item. You have to  
11 be spending some real resources. You have to have some  
12 talent. It's not a job by default. Okay. Let's take the  
13 person who has the smallest straw that goes into supplier  
14 diversity. You have to have talent in this position. So,  
15 that means resources. Information flow. Jodi mentioned  
16 that.

17           The diverse business community has to know  
18 what's coming up, and there has to be a process that's in  
19 place for the casino operators that can get the information  
20 out to the supplier base and particularly the diverse  
21 supplier base.

22           The diverse supplier base has different  
23 sources of information. They may not read the  
24 advertisements in Boston Globe. You might have to put some

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1 advertisements in El Clemente or El Mundo or the Boston  
2 Banner. You've got to do that. You should pay as much  
3 attention to those publications as to the other  
4 publications.

5           The use of resources in the community.  
6 There are lots of resources, many of them are here in this  
7 room, other organizations that can support the work of the  
8 Commission and the casino operators. They need to plug  
9 into those relationships and be integrated into the  
10 community that they are operating in.

11           The goals, measurements, and rewards. You  
12 have to have goals to be successful in supplier diversity.  
13 I think it was Jack Welch at GE that said, If you don't  
14 measure it, it's not important.

15           So, you have to measure it. You have to  
16 have goals, and there should rewards when those goals are  
17 accomplished. Those rewards should go from the CEO all the  
18 down to the procurement people to the supplier-diversity  
19 managers that are involved. So, they need to have the  
20 incentives to do what you want them to do. It's very  
21 simple.

22           Authenticity. This goes back to what I said  
23 earlier. The leaders within the industry, the operators --  
24 they have to be authentic. It really shows. This MBE

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1 population -- this diverse business population -- this is a  
2 savvy group of business people. They understand very  
3 clearly who is serious and who is not serious. So, it's  
4 very important for the casino operators to communicate  
5 effectively and authentically with this population of  
6 business owners.

7           It's not that you have to say yes to  
8 everybody. In fact, you'll say no more than you'll say  
9 yes, but it's how you say no and it's how you communicate  
10 that and it's what you communicate to the community as a  
11 whole.

12           The creativity is also required by the  
13 operators to be successful in supplier diversity. You  
14 know, there may be some opportunities for the operators to  
15 create joint ventures with some of the suppliers in this  
16 room and elsewhere in the diversity business community.

17           So, don't look at this as just an arm's  
18 length transaction between a casino and a supplier. There  
19 may be some things where you guys can collaborate with the  
20 supplier. That needs to be encouraged.

21           The final piece that I would term  
22 "characteristics" is don't make assumptions about what  
23 MBEs, WBEs can and can't do. I mean we have diverse  
24 suppliers essentially in every industry, and they come in

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1 all sizes. I mean we have got billion-dollar minority  
2 businesses in our organization. They may not be here in  
3 Boston but we can bring them here if you need that and you  
4 don't find it in this local market, and we can bring them  
5 here with the condition that they work with the local  
6 supplier base.

7 So, those things I think are absolutely  
8 critical for the Commission and the companies that will be  
9 operating these casinos to understand.

10 Finally, the final comment is this: There  
11 is a benefit -- I know that Megan is going to talk about  
12 the case for this, but just in our example of last week  
13 when we were at Foxwoods, we had close to 1,000 people over  
14 that three-day period, about 250 guests that stayed at  
15 least two nights, and you look -- I know the operators know  
16 these numbers like the telephone numbers of their spouses.

17 Those 250 guest stays -- overnight stays,  
18 those thousand people -- they spend money when they are  
19 there. I estimate it's about a half million dollars in  
20 economic impact every year that we go to Foxwoods.

21 We go there because they have a program.  
22 They are doing supplier diversity, so we like going there.  
23 There are other organizations, like ours, who will be  
24 attracted to these casinos based on their performance in

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1 this space. So, I think that's important to remember when  
2 the companies that are doing this -- that there is a  
3 benefit if you do it well.

4 Also, by way of introduction, I've got a  
5 couple of folks from my office who are here. They would be  
6 happy to talk to you. Warren Bacon and Jeannette Jerel.  
7 Warren is the project director from our MBDA office.  
8 That's my commercial, Reggie, and thank you.

9 MR. NUNNALLY: Sure, Dr. Fred. We do have  
10 one follow-up question for you, Dr. Fred. You touched on  
11 it just briefly and that is that there are MBEs and WBEs  
12 that are all sizes. For the large billion-dollar companies  
13 and those that are probably three, four, five million  
14 dollars plus, they tend to be in the game and know how to  
15 play.

16 For those very small firms, is there a  
17 recommendation, either to the Gaming Commission or to the  
18 suppliers that are here today, in terms of how they address  
19 the capacity that they may have as a very small firm?

20 DR. MCKINNEY: Well, you know, there are  
21 different types of small firms. There are small firms that  
22 can be big firms. There are small firms that don't want to  
23 be big firms. First of all, the business owner has to  
24 decide what they want to be, what they are trying to

1 accomplish.

2                   If they are small firms that want to be big  
3 firms, that means they are going to have a strategy for  
4 getting big. They are going to have to gain some  
5 information, some knowledge about what's necessary to get  
6 big.

7                   They are going to have to perhaps check  
8 their ego at the door and learn from somebody that is big.  
9 They may have to partner with somebody in ways that they  
10 can learn from on the ground. There are resources out  
11 there, like WBENC, like GNEMSDC, and others where companies  
12 can go and say, essentially, This is where we are. This is  
13 what we want to do. This is the help that I think we need.

14                   That's why I introduced the MBDA Center.  
15 We're here. WBENC is here. We can help some of those  
16 companies get to the point where they need to be. You  
17 know, the reality is that -- this is the truth of the  
18 matter. These are large organizations. They are trying to  
19 accomplish some things. They've got customers knocking on  
20 the door. They've got to deliver some products and  
21 services.

22                   It's the job of the MBE, the WBE to  
23 communicate to the buyer that we can do this, and let me  
24 show you how we can do this or how we have done it in the

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1 past. So, it's not easy. That's why -- it's not easy, but  
2 I think there are resources out there for the smaller  
3 companies to get big.

4 MR. NUNNALLY: Jodi wanted to add something  
5 to that.

6 MS. BAIER: Yes. I just want to echo what  
7 Dr. Fred is saying. For the smaller businesses, if you  
8 want to play, partnering is a huge opportunity. When  
9 you're certified with WBENC and with the GNEMSDC, you have  
10 access to the network of certified businesses to be able to  
11 partner. So, not only locally. So, when I talked about  
12 the 325 certified businesses we have in New England, I was  
13 not mentioning the 11,000 certified businesses nationwide  
14 that are WBENC certified. As Dr. Fred said, we can bring  
15 them in.

16 MR. NUNNALLY: Thank you. We will give the  
17 Commissioners an opportunity as well if there's a specific  
18 question to Dr. Fred at this point.

19 CHAIRMAN CROSBY: I just have one quick one.  
20 You talked about recommending to the operators that they  
21 don't just think of the vendor relationship with MBEs.  
22 They think of collaborations. What did you mean by that?

23 DR. MCKINNEY: There are plenty of examples  
24 that are functions of -- in the industry that need to be

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1 done, but it's not clear that they have to be done by  
2 employees as opposed to companies with perhaps the  
3 participation of an MBE.

4           For example, a limousine service. These  
5 casinos are going to need to get people to and from places.  
6 There may be some diverse suppliers out there who need to  
7 do this but need some scale. There's an opportunity there  
8 with the resources of the casino to partner with an  
9 existing company to develop the scale that the buyer needs  
10 to be successful and to be a piece of it.

11           You can be very creative. I'm not saying  
12 that there's one way to do it, but there are a lot of  
13 different ways to do that. That's just one example. It  
14 could be food service. It could be cleaning. It could be  
15 the repair of slot machines. It could be a whole range of  
16 things that there's a decision that every company has to  
17 make whether to buy or to employ.

18           So, you've got a great opportunity here  
19 where you are starting -- these companies, I think, have a  
20 plan but they are starting -- there's nothing been built  
21 yet. They haven't opened their doors yet.

22           So, now is the time to think about and  
23 consider the ability for these organizations to play a  
24 significant role in the business development in this



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1 community that could have long-lasting effects beyond the  
2 gaming industry.

3 CHAIRMAN CROSBY: Okay.

4 MR. NUNNALLY: Any other questions from the  
5 Commissioners? Absent that, we'd like to move on to our  
6 next panelist, Megan Cleghorn. Megan.

7 MS. CLEGHORN: Thank you, Reggie. Good  
8 morning, ladies and gentlemen. Thank you, Mr. Chairman,  
9 Lady and Gentlemen Commissioners for including me in the  
10 diversity and inclusion conversation this morning. I'm  
11 most appreciative. I'm Megan Cleghorn. I'm a corporate  
12 restructuring attorney with Skadden, Arps, Slate, Meagher &  
13 Flom in the Wilmington, Delaware, office.

14 I actually have practiced corporate  
15 restructuring law for the last 14 years, and I specialize  
16 in representing companies in distress situations although I  
17 also represent other stake-holder constituencies. We do  
18 that out-of-court, and we do that in-court in Chapter 11  
19 cases.

20 That introduction may necessarily beg the  
21 question: How does your perspective fit into today's  
22 conversation? Not only because I'm familiar with the  
23 issues that often give rise to distress situations, but  
24 because I am interested in the broader organizational

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1 change perspective, not just the operational and balance  
2 sheet restructuring work that I do in my day job but the  
3 organizational change perspective from a shifting internal  
4 culture perspective, and as a result of that, I have  
5 reduced my workload as an attorney and recently attended  
6 the Wharton Business School at the University of  
7 Pennsylvania to get my MBA in the program for executives  
8 where I focused on leadership as well as bold  
9 transformational change.

10           Certainly, as the marketplace is shifting,  
11 we are seeing that companies are going to be undergoing  
12 quite significant transformational changes as diversity and  
13 inclusion becomes ingrained in their practices.

14           So, we have heard from Assistant Secretary  
15 Marlow, in his introductory remarks this morning, that this  
16 is about access and opportunity, and we heard from  
17 Georgianna also that this is about equity, and we heard  
18 from my colleague, Jodi, that it's the right thing to do.

19           Folks, these are irrefutable arguments, but  
20 I'm here today to actually present the business case. I'm  
21 not here as an agent of my law firm. I'm not here in my  
22 capacity as a lawyer to give you the legal perspective.

23           I'm here to give you the business  
24 perspective because diversity and inclusion is not only a

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1 matter of equity and a matter of equality, but it is also  
2 fundamentally a business imperative.

3           So, why am I here today to talk about this?  
4 Why do we care? Well, I think there are a handful of  
5 different reasons why we do. Let's start with the primary  
6 one; and that is that the Commissioners are actually  
7 required to consider not only diversity and inclusion from  
8 the workforce and a supplier/vendor procurement  
9 perspective, but they are also required, under the  
10 legislation, to evaluate if an applicant has the financial  
11 capacity to build and sustain a successful operation.

12           So, I'm here today, folks, to make the  
13 argument that it is absolutely a business necessity that  
14 one pays mind to diversity and inclusion in order to build  
15 and sustain a competitive business advantage. Diversity  
16 and inclusion is not merely altruistic, folks. It's not  
17 just a matter of charity. It is a business imperative.

18           Now, there are some people that actually  
19 subscribe to the philosophy that businesses don't have a  
20 social conscience. Businesses don't have social  
21 responsibility. Perhaps there was some credibility to that  
22 argument years ago. It doesn't fly any more. Doesn't fly.

23           Why is that? Fundamentally because we are  
24 operating in a very diverse marketplace and in an

1 increasingly diverse marketplace. So, we have heard our  
2 colleagues today quote a number of statistics, and I am  
3 going to share a few more with you because some people, and  
4 I'm not part of this camp, actually subscribe to the  
5 philosophy that I don't like the touchy, feely, soft  
6 arguments. I only like the hard-data arguments.

7                   So, in order to please every segment of the  
8 community, I'm going to address some of the hard empirical  
9 data and then we are going to bolster it with some of the  
10 more soft stuff.

11                   In terms of relevant statistics, the US  
12 growth rate for racial and ethnic groups in recent years  
13 has significantly out paced the population growth rate with  
14 respect to white Americans. This is true nationwide.

15                   With respect to Massachusetts, approximately  
16 25 percent -- and I've gotten this from the relevant census  
17 data -- approximately 25 percent of Massachusetts residents  
18 are non-white, non-Hispanic. 51 percent are women. So, if  
19 you're sitting there thinking about the business relevance  
20 to that, how can one possibly ignore 50 percent of the  
21 gender population? How can one possibly ignore 25 percent  
22 of the racial and ethnic population and not think that's  
23 going to evidence itself in their financial stability, in  
24 their ability to build and maintain a competitive business

1 advantage?

2                   Dr. Berry-Barbosa mentioned, a short while  
3 ago, that the casino industry has not been recession proof.  
4 Casinos, folks, actually are known to carry an unusually  
5 high debt-to-EBITA ratio. This is an industry that is a  
6 highly leveraged industry. You must be quite careful in  
7 the choices you make, or you can find yourself in a  
8 distressed situation. One way to actually work toward  
9 building that competitive advantage is to focus on your  
10 diversity and your inclusion.

11                   So, let's look at that. Break that down  
12 from profitability perspective, looking at the revenue and  
13 looking at the cost issues. With respect to revenue, I  
14 think of this as falling into three categories. How do you  
15 actually respond to your increasingly diverse customer  
16 demand? How do you actually address your company  
17 reputation and your brand image, and how do you actually  
18 then ensure innovation?

19                   By the way, you may notice that this content  
20 has a bit of a different flavor from my two predecessors.  
21 Assistant Secretary Marlow asked that I go last because the  
22 business case is, frankly, folks, equally relevant to  
23 supplier diversity and to the workforce, and frankly,  
24 relevant to all stakeholders in the entire diversity and

1 inclusion discourse.

2                   So, I'm going to talk a little bit about  
3 where the MBE, WBE fits in to the picture and also how the  
4 workforce fits into this business argument.

5                   Turning back to the revenue-generation  
6 perspective. In order to sustain and actually expand  
7 market share in a diverse marketplace, a casino actually  
8 has to understand the perspectives of its stakeholders.

9                   How in the world can a casino possibly offer  
10 the products and services that are in demand in the  
11 community if it doesn't have that very community  
12 represented in its workforce, represented in its  
13 leadership, and represented all throughout its stake holder  
14 community? It's simply impossible.

15                   With respect to brand image, here's where I  
16 think you're going to see supplier diversity become even  
17 more relevant. There is a lot of public conversation. In  
18 fact, we are gathering here today to talk about supplier  
19 diversity. There is a whole lot of conversation in the  
20 media about supplier diversity and the Commission's  
21 attention to the same. A company's reputation impacts its  
22 brand image quite substantially. We have seen, in the  
23 media, a particular company, who will remain nameless who  
24 has made rather derogatory remarks about a special segment

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1 of our society, the LGBT community, and it has  
2 significantly impaired their reputation. It will be  
3 interesting to see what the financial consequences of that  
4 are. Not a good idea.

5           It's important. People are watching.  
6 People are watching who you choose as your contractors.  
7 People are watching who you choose as your suppliers, who  
8 you choose as your vendors, and it is influencing their  
9 view of your brand. That impacts revenue.

10           In terms of innovation, we are in a  
11 marketplace where change is rapid fire. I know that when I  
12 got my new smartphone I had not yet -- this is, of course,  
13 in part because I'm not particularly tech savvy. I had not  
14 yet figured out how all the functions worked on my cell  
15 phone before the next one was out. It's happening fast,  
16 folks. So, innovation is really important. Staying one  
17 step ahead of your competitors is really important.

18           How does one innovate if they don't have all  
19 of the players, whose interests matter, present at the  
20 table? You can't. You lose your competitive business  
21 advantage. Your revenue suffers. Your profitability  
22 suffers.

23           Let's talk about costs. I think about costs  
24 with respect to the diversity and inclusion conversation as

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1 falling into two broad categories: Risk issues, otherwise  
2 known as litigation risks, and disgruntled employees.

3           How does this manifest? Over the past  
4 decade -- these numbers are frankly staggering. Race and  
5 gender discrimination settlements alone cost \$2.3 billion.  
6 Now, I say, "Settlements alone." What do I mean by that?  
7 That is exclusive of attorney fees and, most importantly,  
8 it's exclusive of the effect on market cap. So, if one  
9 could really, with specificity, quantify that impact, it  
10 would be even more staggering than the 2.3 billion I just  
11 identified. This is a real problem.

12           So, it's important from a cost perspective  
13 that you not only do the right thing and you comply with  
14 the law but that you keep your people happy.

15           In terms of dissatisfied employees, how do  
16 we see this impact costs? Well, people that don't feel  
17 welcome in their business, people that don't feel that  
18 their voice matters, people that don't feel they're there  
19 because their contributions are genuinely valued, rather  
20 than just representing some check-the-box category, are  
21 unhappy people.

22           This means higher turnover, and there are  
23 tremendous costs associated with that. This means higher  
24 absenteeism. There are costs associated with that, and



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1 probably most persuasively, with respect to this category  
2 of disgruntled employees, is the fact that it substantially  
3 impairs their productivity. If it impairs their  
4 productivity, they are less efficient. Get less work done,  
5 higher costs, less profitability. So, you can see this is  
6 a real business problem.

7           Just to share one final relevant statistic  
8 with all of you to sort of underscore my profitability  
9 argument. In 2010, Diversity, Inc., actually did a study,  
10 and the top 50 companies recognized by Diversity, Inc., in  
11 the ten-year period prior thereto -- they actually  
12 outperformed the NASDAQ by 28 percent. 28 percent. S&P by  
13 25. Dow by 22.

14           These are not immaterial numbers and they  
15 are not rounding errors and they are not so insufficient  
16 that one can actually say no correlation exists between  
17 diversity and inclusion and profitability.

18           So, Commissioners, what should you focus on  
19 in terms of what I'm arguing today that could possibly be  
20 relevant in your assessment of applicants? Certainly,  
21 whether or not the applicant is actually offering relevant  
22 information about what their workforce-diversity plan is  
23 and also what their supplier-diversity procurement plans  
24 are. That's an excellent first step and obviously

1 necessary.

2                   Beyond that, what's most important?

3 Frankly, what I think is most telling is whether or not an  
4 applicant actually has a Chief Diversity Officer. If, in  
5 fact, they don't call this person a Chief Diversity  
6 Officer, do they call this person something of equal  
7 seniority? Executive Vice president, Senior Vice  
8 President, or is this person a Vice President and Director?

9                   This is not to disrespect anybody holding  
10 those positions. They are extremely important, but we all  
11 understand how a corporate hierarchy actually functions,  
12 and we all understand which titles actually get greater  
13 acknowledgement and who pays attention based on what those  
14 pretty little letters are that show up on your business  
15 card. Who has a seat at the table?

16                   So, do you have a Chief Diversity Officer?  
17 To whom does that person report? That's quite telling in  
18 terms of how invested the company is in diversity and  
19 inclusion efforts. Do they report to HR? Do they report  
20 to the senior-most person in HR? Do they report to a more  
21 junior person in HR?

22                   I submit to you that the company that is  
23 most invested in diversity and inclusion does not have  
24 their CDO report to HR. While HR is excruciatingly

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1 important, it's not focused on the business case, at least  
2 not the lion's share of their work. They should report to  
3 the CEO. They should report to the C suite. They should  
4 report to somebody who is, in turn, reporting to the board  
5 of directors. That makes a loud statement about how  
6 invested they are on diversity and inclusion.

7           So, last but not least, what is the scope of  
8 that person's responsibilities? Is that person limited to  
9 the EEO compliance, legal, HR function? Please don't  
10 misunderstand me. I am not suggesting for a second that  
11 those are not excruciatingly important issues and that they  
12 are not worthy of great respect, but the conversation  
13 doesn't end there.

14           The person also has to have a seat at the  
15 strategy table where conversations are being had about how  
16 to actually integrate diversity and inclusion into the  
17 overall corporate strategy conversation. These are  
18 important things to pay attention to.

19           I invite you to give them careful  
20 consideration, and with that, I will turn the floor back  
21 over to Executive Director Marlow.

22           MR. NUNNALLY: The Assistant Secretary gave  
23 us an additional four minutes to ask some questions. I  
24 want to give the first crack of those questions to

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1 Commissioner Cameron.

2                   COMMISSIONER CAMERON: Yes. Ms. Cleghorn, I  
3 thought your comments were very well taken. I really --  
4 they really resonated with me, and it makes me think of us  
5 as a Commission and what we need to do to make sure our  
6 investigative staff understands these values because they  
7 will be the folks reporting back to us on their findings of  
8 suitability, and if they are not paying attention to those  
9 issues, if they don't value those issues, that may get  
10 lost.

11                   I know that's really important in public  
12 safety. The investigative staff has to value those kinds  
13 of things when we are looking at selection for a diverse  
14 group, whatever it may be.

15                   It just makes me think that that's something  
16 we have to be careful of from a Commission standpoint is  
17 hiring folks that share these values and will look at it in  
18 the licensing process and customer-service piece and, in  
19 particular, the investigative piece because that's the  
20 group will be reporting back to us, and we will be making  
21 decisions based on their findings.

22                   MS. CLEGHORN: I appreciate those comments.  
23 It's important that we focus on the business case as much  
24 as the equity case. There is, sadly, some small subset of

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1 the population that doesn't buy the equality argument.  
2 Certainly none of those people are present here today, but  
3 there are some people that just don't buy it.

4           They don't care. They don't care either  
5 because they're not personally impacted or they don't care  
6 because they are not cut from the same genuine, decent  
7 human being cloth from which we are all cut, if I do say so  
8 in my humble opinion. That being said, assuming that they  
9 don't care, you can make an equally persuasive business  
10 argument. So, I love that you will pay careful attention  
11 to that. It's really important, and it's in everybody's  
12 best interests.

13           MR. NUNNALLY: Other questions?  
14 Commissioners?

15           COMMISSIONER ZUNIGA: Just a follow up to  
16 those comments. What would be your thoughts -- this is to  
17 the panel but to Ms. Cleghorn as well. Your thoughts about  
18 looking at the track record of companies?

19           I -- many of the potential applicants are --  
20 have a track record in the country and in other countries  
21 as well. What would be your thoughts, again, to the panel,  
22 as to how to evaluate -- besides the points you make about  
23 the seniority of a diversity officer?

24           MS. CLEGHORN: I'm happy tot respond. I see

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1 you nodding your head. So, do you have some thoughts on  
2 those?

3 DR. MCKINNEY: I do.

4 MS. CLEGHORN: Please.

5 DR. MCKINNEY: Excellent question. I do  
6 think that the record of companies is important. History  
7 is important. The old saying about tigers don't change  
8 their stripes, and I think that is -- there's a legacy.

9 I think that it's fair for the Commission to  
10 ask of the applicants to demonstrate -- to show their  
11 history, their commitment to these important areas of  
12 diversity, and I think, you know -- without knowing all  
13 that information, I think that many of them, that I'm aware  
14 of, have an issue that they can lay out to the community  
15 and say, This is what we've done.

16 And I think if they are honest, and most  
17 companies are not where they want to be. There are only a  
18 very small proportion of corporations in America that I  
19 would call having a world-class supplier-diversity program.

20 Most are not there, but what's important is  
21 that they have a path to get there; that they have a  
22 commitment among the senior management to get there. So, I  
23 do think that it's important to ask senior management of  
24 the applicants to share with the Commission what their

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1 intentions are, and then you have to hold their feet to the  
2 fire.

3 MS. CLEGHORN: We say in the law, Past  
4 performance is the best indicator of future performance.

5 MR. NUNNALLY: Other questions from the  
6 Commission?

7 COMMISSIONER STEBBINS: I have a follow-up  
8 question, and I'm going to include you in this, too,  
9 Reggie. You talked about your certifications, Jodi and  
10 Dr. Fred and Reggie. Can you help me quantify the  
11 differences between each of your certification programs?

12 MS. BAIER: In terms of number of companies  
13 certified or process?

14 COMMISSIONER STEBBINS: The process,  
15 criteria. You know, you're urging an operator to kind of  
16 accept each of your accreditations kind of across the  
17 board, but I was wondering if there are big differences  
18 between the three of them.

19 MR. NUNNALLY: I don't think there are big  
20 differences. I think the main difference is in the sphere  
21 in which we all work. Certifications from the Mass.  
22 Supplier Diversity Office generally means that you're  
23 looking to do work in the public sphere.

24 With the MBE and WBE certification, they

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1 generally look to do work in the private sector. We need  
2 to get better in terms of being able to have some type of  
3 reciprocity because the process, the documents, are  
4 relatively the same.

5 Therefore, that's why we are encouraging the  
6 Commission to accept all three of the certifications as  
7 valid because we do understand that the process is  
8 primarily the same.

9 COMMISSIONER STEBBINS: So, the information  
10 collected is pretty much all the same? It's just a matter  
11 of your seeking certification to pursue one course of  
12 business over another?

13 MR. NUNNALLY: Yes.

14 COMMISSIONER STEBBINS: Okay. Thank you.

15 MR. MARLOW: The state is free.

16 MR. NUNNALLY: There is no free lunch.

17 MS. BAIER: We make it more fun.

18 MR. NUNNALLY: Does that mean, Ron, that you  
19 work for free?

20 MR. MARLOW: It feels like it.

21 MR. NUNNALLY: Commissioners, let me bring  
22 this back. Commissioners, let me close by saying you have  
23 an awesome responsibility for the development of an  
24 economic impact in Massachusetts.



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1                   We encourage you to take the time to dot all  
2 your I's, cross all of your T's to ensure you get it right  
3 the first time. This is a first-rate step, these  
4 educational forum.

5                   We continue you to want to reach out to your  
6 stakeholders. I think today's attendance is indicative of  
7 the widespread interest in the jobs both in construction as  
8 well as in goods and services industry as well as positions  
9 of equity for MBEs and WBEs in the Commonwealth and New  
10 England.

11                   Between WBENC and the Greater New England  
12 Minority Supplier Diversity Council, and the Mass. Supplier  
13 Diversity Office, we have thousands of qualified MBEs and  
14 WBEs that are actively, enthusiastically wanting to  
15 participate in this impact.

16                   We stand at the ready, the Commonwealth as  
17 well as the private-certification agencies, to walk down  
18 this path with you to ensure that you get it right and that  
19 we have an impact on the MBE, WBE community that helps them  
20 grow and prosper and create wealth as well as jobs.

21                   I want to thank the panel and encourage the  
22 Commission to continue the good work that you've been  
23 doing. Thank you very much.

24                   MR. MARLOW: Thank you, Reggie. Thank you,

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1 Dr. Fred. Thank you, Jodi; and thank you, Megan. We are  
2 going to do a five-minute break and then -- only five  
3 unless the Chairman shows a little dispensation and then my  
4 work for today -- my free work, by the way, for today will  
5 be done and Chairman Crosby will convene the Commission in  
6 its open public meeting.

7 For anyone who has questions for the  
8 Commission, please make sure you get it in the box there.  
9 I know there are at least a couple more that have come in.  
10 Let me, once again, say thank you to the Chairman and the  
11 members of the Commission for being willing to do this  
12 forum. It has been a wonderful experience.

13 Let me say thank you to the panel members  
14 for the Supplier Diversity Panel and the Workforce  
15 Diversity Panel. Let me say thank you to Nonnie, Maria,  
16 and Tina who helped with the sign in.

17 Once again, let me say thank you to each and  
18 every one of you who gave up a portion of your morning to  
19 be here because you recognize that the future starts today  
20 and not tomorrow. God bless.

21 The Chairman has already shown his  
22 dispensation. He said there will be a 10-minute break.

23 (Meeting adjourned at 11:55 a.m.)

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1 Commonwealth of Massachusetts

2 County of Worcester

3 C E R T I F I C A T E

4 I, Elizabeth O. Bailey, CSR and Notary Public in the  
5 Commonwealth of Massachusetts (my commission expires  
6 3/11/16), do hereby certify that the foregoing record is a  
7 true and accurate transcript of my stenographic notes taken  
8 on September 19, 2012, at the Diversity and Inclusion  
9 Educational Forum sponsored by the Massachusetts Gaming  
10 Commission; and that the transcript was prepared in  
11 compliance with the Administrative Office of the Trial  
12 Court Directive on Transcript Format.

13

14

15

16 //Elizabeth O. Bailey// September 27, 2012

17 Elizabeth O. Bailey, CSR

18

19

20 //Elizabeth Tice// September 27, 2012

21 Elizabeth Tice, President, OfficeSolutionsPlusLLC.com

22 My commission expires: August 26, 2016

23

24