



Meeting Minutes

Date/Time: January 19, 2017 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts

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

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

[10:01 a.m.](#) Chairman Crosby called to order the 208th Commission meeting.

Approval of Minutes

See transcript pages 2-4

[10:02 a.m.](#) *Commissioner Macdonald moved for the approval of the January 5, 2017 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Chairman Crosby inquired about the table games rules and General Counsel Catherine Blue responded that they'll be on for the next Commission meeting. Chairman Crosby inquired about the PlayMyWay schedule and Executive Director Bedrosian responded that they are working on it.

Research and Responsible Gaming

See transcript pages 4-59

[10:03 a.m.](#) Director Mark Vander Linden stated that the Expanded Gaming Act seeks to protect the lottery from adverse impacts due to casino gaming. He stated that he is joined by Dr. Rachel Volberg and Dr. Mark Nichols (via telephone) to present on the 12-

month lottery analysis. The study presented today is an analysis of the lottery sales before and after Plainridge Park Casino opened in 2015. Director Vander Linden stated that the collaboration with the Lottery is unprecedented and access to the lottery data has been instrumental to conduct the study being presented today.

Dr. Mark Nichols, Professor and Director of Economics Graduate Programs at the University of Nevada at Reno, provided a summary of the 12 month lottery analysis and key findings. Dr. Nichols concluded that lottery revenues at Plainridge Park Casino grew significantly and there was no adverse impact on lottery revenues statewide or near the casino. He stated that they will continue to gather data and analyze it.

Michael Sweeney, Executive Director of the Massachusetts State Lottery, thanked the Commission for the work they are doing and stated that the University of Massachusetts and Dr. Nichols have been great partners to work with. He noted that fluctuations of lottery sales can occur for a number of reasons and it is difficult to quantify without a deeper dive into each agent and area. He also stated that Plainridge Park Casino has been a great partner and the lottery products have been well received by the casino patrons. He stated that the research was great and he is cautiously optimistic that this trend will continue.

Dr. Volberg noted that the lottery study will be available on the SEIGMA (Social and Economic Impacts of Gambling in Massachusetts) website.

11:07 a.m. The Commission took a brief recess.
11:16 a.m. The meeting resumed.

Administrative Update

See transcript pages 60-72

[11:16 a.m.](#) Executive Director Edward Bedrosian, Jr. introduced a new employee – Nowshin Jahan, a Financial Investigator in the Investigations and Enforcement Bureau.

[11:18 a.m.](#) CFAO Derek Lennon provided a 2nd Quarter Fiscal Year 2017 budget update which included assessments, projections and spending.

Legal Division

See transcript pages 72-117

[11:28 a.m.](#) Executive Director Bedrosian requested to advance agenda item 7a (Plainridge Park Casino Capital Investment Plan) due to out of town guests. Executive Director Bedrosian stated that our licensees are required to develop a plan to make capital reinvestments in their properties. He stated that Penn National has submitted a \$9.15 million multi-year plan that complies with the statutory and regulatory obligations. He recommended that the plan be approved with stipulations.

Executive Director Bedrosian also noted that MGM made a request for a review of the capital expenditure regulation. He stated that the Commission may have enough information to direct staff to take this on now or give our licensees the option for an annual regulatory review.

[11:34 a.m.](#) Deputy General Counsel Todd Grossman provided a summary of the provisions of the governing law pertaining to the capital expenditure plan. Mr. Grossman stated that the Plainridge Park Casino plan is sufficient and meets the statutory and regulatory requirements.

[11:55 a.m.](#) Carl Sottosanti, General Counsel of Penn National Gaming Inc., stated that although there is ambiguity about the capital expenditure rules there is no ambiguity for Penn about the objective of the statute. He stated that they want a facility that will attract more patrons in what will be a competitive market. He stated that their plan has been thoughtfully developed and Penn has the expertise to keep properties looking new. He stated that they are open to the stipulations suggested by Executive Director Bedrosian and scrutiny by the Commission. He stated that their plan sets forth several paths and they submit it to the Commission for approval.

[12:13 p.m.](#) Executive Director Bedrosian suggested that if the Commissioners find this plan acceptable he will direct Deputy General Counsel Grossman to draft a motion for the next Commission meeting.

[12:17 p.m.](#) Chairman Crosby suggested advancing agenda items 6a (Non-Gaming Vendor Registration) and 6b (Service Employees Registration) due to guest that are present.

12:18 p.m. The Commission took a brief recess.

12:21 p.m. The meeting resumed.

Investigations and Enforcement Bureau (IEB)

See transcript pages 117-188

[12:21 p.m.](#) Chairman Crosby requested a review of the licensing and registration requirements for non-gaming vendors and employees. Director Karen Wells reported on a jurisdictional comparison chart that was prepared by consultants Michael and Carrol pertaining to the registration of non-gaming vendors and non-gaming employees. She stated that Michael and Carroll noted that any major changes made in the jurisdictions were implemented by statutory revision. The Commissioners discussed the 10 year felony/employment disqualification matter and ambiguity of sections 16B and 30F (M.G.L. c. 23K). Chairman Crosby and Commissioners Zuniga and Macdonald stated that they believe that the Commission has the authority to resolve the ambiguities that are presented in the statute.

Director Wells presented on some concerns she has and options for the Commission to consider. Chairman Crosby stated that he would like to see a formal review of the regulation on the agenda. Commissioner Cameron stated that we need to direct staff to continue to explore some of these options. Commissioner Macdonald suggested that we ask the legal department to address this issue, solicit input from our licensees and others, and put on this matter on the agenda within the next four to six weeks. Commissioner Cameron suggested including the entire staff for input. Chairman Crosby suggested that we focus on gaming service employees since it's complicated and we already made a step on the nongaming vendor matter with the \$10,000 de minimus exemption. Executive Director Bedrosian stated that he will take the lead on this matter.

[1:32 p.m.](#) Director Wells presented on the results of the suitability investigation for a Key Gaming Employee –Executive, Rubin Warren, who is the Vice President of Finance at Plainridge Park Casino. She reported that an investigation was conducted by the IEB and she provided a summary of his educational and professional background. She stated that the IEB recommends that the Commission find him suitable.

[1:35 p.m.](#) *Commissioner Stebbins moved that the Commission approve Rubin Warren, Vice President of Finance at Plainridge Park Casino, for suitability as a key gaming employee. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Racing Division

See transcript pages 188-193

[1:36 p.m.](#) Douglas O'Donnell, Senior Financial Analyst, presented on a request for reimbursement by Suffolk Downs from the Capital Improvement Trust Fund. He stated that the project was for dormitory repairs totaling \$75,882.75.

[1:37 p.m.](#) *Commissioner Stebbins moved that the Commission approve the request for reimbursement by Suffolk from the Suffolk Downs Capital Improvement Trust Fund for \$75,882.75. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[1:37 p.m.](#) Mr. O'Donnell presented on a request for reimbursement by Suffolk Downs from the Capital Improvement Trust Fund. He stated that there are seven projects totaling \$140,988.24.

[1:38 p.m.](#) *Commissioner Stebbins moved that the Commission approve the Suffolk Downs Capital Improvement Trust Fund request for consideration of the items presented in our packet, for a total request of \$140,988.24. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Legal Division

See transcript pages 193-217

[1:40 p.m.](#) General Counsel Catherine Blue stated that the amendments to regulations 205 CMR 138, 205 CMR 144, and 205 CMR 145 have gone through the promulgation process and a public hearing. She noted that the final draft and amended small business impact statement are in the packet. Deputy General Counsel Grossman stated that the amendments generally pertain to the approval of slot machines and other electronic gaming devices. He stated that we received and incorporated a number of comments. He provided highlights of the changes and noted that the draft was a collaborative effort between the gaming technology group and the IEB.

[2:03 p.m.](#) *Commissioner Macdonald moved that the Commission approve the amended small business impact statement and amended regulations to 205 CMR 138.00, 205 CMR 144.00, and 205 CMR 145.00. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Commissioner's Update

See transcript pages 217-219

2:03 p.m. Chairman Crosby noted that Justin Stempeck and Paul Connolly did a great job presenting at the Online Gaming Commission meeting. He stated that they moved the conversation from DFS to online gaming. Chairman Crosby also noted that this committee could create an environment for innovation in our software industry.

Other Business Not Reasonably Anticipated

See transcript page 219-220

2:06 p.m. *Having no further business, a motion to adjourn was made by Commissioner Zuniga. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated January 19, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated January 5, 2017
3. SEIGMA (Social and Economic Impacts of Gambling in Massachusetts), Lottery Revenue and Plainridge Park Casino: First Year of Casino Operation, report by Dr. Mark Nichols, University of Nevada (Reno), dated January 19, 2017
4. Massachusetts Gaming Commission, Memorandum dated January 19, 2017 regarding Fiscal Year 2017 (FY17) Second Budget Update, with attachments
5. Massachusetts Gaming Commission, Racing Division, Memorandum dated January 19, 2017 regarding (\$75,882.75) Request for Reimbursement, Suffolk Downs Capital Improvement Trust Fund, with attachment
6. Massachusetts Gaming Commission, Racing Division, Memorandum dated January 19, 2017 regarding (\$140,998.24) Request for Reimbursement, Suffolk Downs Capital Improvement Trust Fund, with attachments
7. Non-Gaming Employees and Non-Gaming Vendors State Comparison Chart, Michael and Carroll, LLC
8. Letter from Unite Here Local 26 to Chairman Stephen Crosby, dated January 17, 2017 Regarding CORI record and the screening process for casino service employees
9. Letter from MGM Springfield to Chairman Stephen Crosby, dated January 15, 2017 regarding Capital Expenditure Plans
10. Letter from Penn National to Executive Director Edward Bedrosian, dated January 16, 2017 regarding Capital Expenditure Plan, with attachments
11. Amended Small Business Impact Statement, Final Drafts, and Public Comments for:
205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls,
205 CMR 144.00: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories, and
205 CMR 145.00: Possession of Slot Machines

/s/ Catherine Blue
Catherine Blue, Assistant Secretary