



Meeting Minutes

Date/Time: January 5, 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

[10:00 a.m.](#) Chairman Crosby called to order the 207th Commission meeting, the first meeting of 2017.

Approval of Minutes

See transcript pages 2-8

[10:00 a.m.](#) Commissioner Macdonald suggested a change to the draft minutes dated December 15, 2016 pertaining to Christopher Bruce's crime report.

Commissioner Macdonald moved that after the sentence which reads, "He noted that there are little impacts on most crimes and calls for service in the surrounding area", that a new sentence be added to this effect: "Overall, he stated that most changes in public safety data are proportional with non-gambling facilities of similar size." Motion seconded by Commissioner Zuniga. Motion passed unanimously.

Chairman Crosby suggested a change to the draft minutes dated December 15, 2016 pertaining to Christopher Bruce's crime report and the sentence, "He reported that one hundred percent of the offenders were identified and apprehended" to reflect that 100% of the offenders who were identified were apprehended.

Commissioner Cameron moved that the Commission add the term reported crime which clarifies the hundred percent number. Motion seconded by Commissioner Zuniga. Motion passed unanimously.

Commissioner Macdonald moved for the approval of the December 15, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Zuniga. Motion passed unanimously.

Administrative Update

See transcript pages 8-9

10:05 a.m. Executive Director Edward Bedrosian, Jr. reported that today is the one-year anniversary of his employment at the Commission. Commissioner Zuniga noted that it is the fifth-year anniversary of employment at the Commission for Chief of Staff Janice Reilly.

Executive Director Bedrosian stated that he is starting to work with staff on 2017 priorities which include compliance responsibilities and the FY 2018 budget.

Investigations and Enforcement Bureau (IEB)

See transcript pages 10-80

10:06 a.m. Attorney Carrie Torrisi presented on the rules of play for the table games at the Category 1 casinos. She stated that she surveyed the table game rules in five jurisdictions and the results are compiled in a chart and memorandum for the Commissioners' consideration. She stated that there are two key issues – the approval process for the rules and publication of the rules. Attorney Torrisi provided a summary of the approval process for table games in five jurisdictions. She also reported on the options for publication of the table games rules which included regulations and posting on the agency website.

Bruce Band, Assistant Director/Chief of Gaming Agents, and Burke Cain, Senior Supervising Gaming Agent, reported on recommendations for key questions listed in the memorandum. The recommendations included the following: that the initial rules of the game and wagers be reviewed and approved by the Commission; that the rules be published for all games on our website; a process for review of new games is created; that the rules of the game be posted on the casino floor, at the GameSense Center, and our website; and that regulations be submitted to the Commissioners in one packet for review.

The Commissioners stated that they were impressed with Attorney Torrisi's memorandum. Commissioner Zuniga stated that he would like to give the licensees flexibility to be competitive and innovative in a tight market. Commissioner Stebbins stated that he likes the suggestion of posting the rules on our website and at the GameSense Center. He also stated that he would like to see flexibility for the licensees to make changes beyond the initial 17 games and he welcomes licensee participation. Commissioner Cameron stated that she likes the collaboration between the IEB and Legal and she looks forward to further discussions.

Chairman Crosby suggested putting the questions in the memorandum out for public comment. Executive Director Bedrosian stated that there is always an opportunity for public comment and he wants to keep the process going. He stated that he could informally talk to our licensees and get their feedback within two weeks. Chairman Crosby stated for the record that if anyone wishes to comment they may do so within two weeks, but there will be another opportunity for comments.

Commissioner Macdonald inquired about how a trial period works for new table games. Mr. Band responded that signage is posted that the casino is testing a new game and the rules are posted. He also stated that pit personnel keeps notes on patron comments.

Commissioner Stebbins inquired about an independent review process and Mr. Band stated that they will receive data from the lab pertaining to odds and formulas for wagers.

Chairman Crosby stated we will bring this up again in two weeks. He also stated that Elaine Driscoll, Director of Communication, will put out a request for public comment on the questions raised in the memorandum prepared by Attorney Torrisi.

10:52 a.m. Loretta Lillios, Chief Enforcement Counsel /Deputy Director, presented on proposed amendments to the non-voluntary exclusion list regulation (205 CMR 152). She noted that the Commission is required by statute to maintain a list of individuals whose presence in a casino would threaten the interest of the Commonwealth or negatively affect the public's confidence in gaming. She stated that the amendments would differentiate between the public list posted on our website and the internal list for law enforcement staff and casinos. She stated that the internal list would be detailed and the website would only include the names and years of birth, not the reasons why they are on the list. She stated that a full description on a public list of the rationale of why they are excluded could run afoul of Massachusetts law and might be intrusive to the person's privacy interest.

She also noted that Commissioner Stebbins suggested removing language "on a regular basis" as it pertains to the casino's responsibility to identify and eject those individuals on the list. Commissioner Stebbins stated that the language was too loose and this change would make the casinos more diligent in their responsibility.

Ms. Lillios requested that the Commission put the amendments out for informal public comment. There was a discussion about the hearing process. Ms. Lillios stated that before an individual is placed on the list (internal or public), the individual is notified and given an opportunity for a hearing.

11:10 a.m. Director Karen Wells presented on the gaming vendor primary license application for KGM Gaming, LLC – which consisted of one applicant and four individual qualifiers. She stated that KGM is based in Pennsylvania and they distribute gaming machines and supply slot bases, custom seating, signage and graphics to casinos. She reported that the IEB conducted a suitability investigation, site visits, financial analysis, and interviews. Director Wells recommended that the Commission approve the license with the condition that KGM report to the IEB, in

six month intervals, with a description of its compliance activities and efforts within the company.

[11:16 a.m.](#) *Commissioner Cameron moved that the Commission approve KGM Gaming, LLC for full licensure. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[11:17 a.m.](#) Director Wells stated that going forward the IEB will have the authority to grant these type of licenses and the reports will be made available to the Commissioners to review.

11:19 a.m. The Commission took a brief recess.

11:23 a.m. The meeting resumed.

Legal Division

See transcript pages 80-104

[11:23 a.m.](#) General Counsel Catherine Blue presented on the amended small business impact statement and final draft amendments for 205 CMR 134: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations. She stated that a public hearing was held and public comments were received. General Counsel Blue requested approval for final promulgation.

Commissioner Stebbins stated that he applauds the changes that were made but he is not in favor of instituting a de minimus exemption at this time. He believes that it is important for the Commission to know everybody that our licensees are doing business with. He also believes that it may add some hurdles in tracking and confirming the amount of business that our licensees do with minority, women and veteran-owned businesses. He stated that it may be a little too early to consider a de minimus exemption without much experience in the area of registration with larger casinos. General Counsel Blue noted for the record that Commissioner Stebbins does not agree with this provision.

There was a discussion about comments received.

[11:47 a.m.](#) *Commissioner Macdonald moved that the Commission approve the amended small business impact statement and final amended version of 205 CMR 134 as included in the packet and authorize the staff to take all steps necessary to file the regulation with the Secretary of the Commonwealth and complete the regulation promulgation process. Motion seconded by Commissioner Cameron. Chairman Crosby and Commissioners Cameron, Macdonald and Zuniga voted aye. Commissioner Stebbins voted nay. Motion passed 4 to 1.*

Research and Responsible Gaming

See transcript pages 104-147

[11:48 a.m.](#) Director Mark Vander Linden presented on the advancement of play management tools to Category 1 facilities. He stated that the Category 1 licensees are in the process of developing their casino management systems and they need direction from the Commission on how to proceed with the development of play management

tools. Director Vander Linden stated that a key element of the Responsible Gaming Framework is to support informed player choice. In January 2015, the Commission voted to adopt a play management system that included budget setting tools. He stated that Play My Way, a voluntary budget setting tool, was launched in June 2016 at Plainridge Park Casino.

[11:51 a.m.](#) Program Manager Teresa Fiore provided a summary of the Play My Way Program (“PMW”). She stated that 7,319 patrons have enrolled in the PMW program and 1,048 patrons have unenrolled from June – November 2016. The Commissioners requested additional analysis. Director Vander Linden noted that data on the PMW program is being collected by Harvard Medical School/Cambridge Health Alliance and a report should be available in June 2017.

[11:57 a.m.](#) Director Vander Linden provided an overview of the development and implementation of PMW which included challenges, costs, and installation. He noted that Plainridge Park Casino has been a great partner with the development of PMW. He also noted that the GameSense Advisors have been great champions of PMW and they should be credited for their efforts with patron enrollment. He also pointed out the collaboration between Plainridge Park Casino, the GameSense Advisors, and the Massachusetts Council on Compulsive Gambling on a communication plan for a successful launch.

Director Vander Linden noted studies conducted by Dr. Michael Wohl on the Ontario My Play program.

Director Vander Linden stated that enrollment in PMW for the first six months has been robust and unenrollment has been low. He stated that there has been a steady flow of new research showing play management tools are effective. He stated that PMW hasn’t created any major disruption on the casino floor and the initial feedback from patrons has been positive.

Director Vander Linden recommended that the Commission draft regulations that would give Category 1 licensees directions on requirements to develop play management tools. He also recommended that a final decision to formally adopt play management should wait until we receive findings from the evaluation in June. Chairman Crosby stated that based on the anecdotal data so far, our licensees should assume that we are going to say yes and require play management. Executive Director Bedrosian stated that he will connect with the licensees about a technology deadline as the product will have to be designed. Commissioner Macdonald stated that MGM and Wynn should anticipate that we are going to be requiring something similar to PMW. Commissioner Cameron stated that she would like to get the data and looks forward to the evaluation report.

John Glennon, Chief Information Officer, noted that a software development cycle will take 12 months or more. He stated that we should develop the software and make sure it’s compatible with the casino floor and the CMS (Central Management System) before the casino opens.

[12:22 p.m.](#) Chairman Crosby stated that we have to give our licensees some advice on what to do in order to hold the option open. He also stated that we are committed to an objective evaluation. Commissioner Stebbins stated that he would be interested in

hearing feedback from our licensees about adoption and implementation of PMW. Commissioner Macdonald suggested having Wynn and MGM make a submission to the Commission on these issues within four weeks. Chairman Crosby suggested we include Plainridge Park Casino so they can tell us what they think. Chairman Crosby also suggested that Director Vander Linden take another look at the timeline. Commissioner Cameron stated that our numbers are higher and our organization and evaluation appear to be more thorough than other programs that were discussed at an international gaming conference. Commissioner Zuniga stated that the licensees should plan for the real possibility that this could happen because costs could be greater to retrofit after the facilities open. He stated that the data we have is good and the data we have not seen is also compelling such as complaints by patrons and Plainridge Park Casino. Chairman Crosby stated that we should get a presentation from our licensees and work out a schedule.

Commissioner Macdonald inquired about the recommendation to create draft regulations. John Glennon stated that they have a good start on a set of draft regulations. Executive Director Bedrosian suggested that we continue to work on the regulations.

Commissioner's Update

See transcript pages 147-150

[12:39 p.m.](#) Commissioner Stebbins stated that he continues to meet with senior local staff from the Governor's Skills Cabinet. He stated that MGM conducted a presentation at a meeting to share their experience with National Harbor. Commissioner Stebbins and Chairman Crosby also reported they had meetings with Legislators regarding the gaming economic development fund.

Other Business Not Reasonably Anticipated

See transcript pages 150-151

[12:42 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 5, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated December 15, 2016
3. Massachusetts Gaming Commission, Memorandum dated December 22, 2016 regarding Table Game Rules, with attachment (chart)
4. Draft Amendments to 205 CMR 152.00: Individuals Excluded from a Gaming Establishment
5. Letter to the Commissioners from IEB Director Karen Wells, dated January 3, 2017 regarding the Suitability Investigation of KGM Gaming, LLC, Applicant for Licensure as a Gaming Vendor-Primary
6. 205 CMR 134.00 - Amended Small Business Impact Statement
7. Draft Amendments to 205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations.

/s/ Catherine Blue

Catherine Blue, Assistant Secretary