



Massachusetts Gaming Commission Meeting Minutes

Date/Time: June 8, 2017 – 10:00 a.m.

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

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 218th Commission meeting.

Approval of Minutes

See transcript pages 2-6

[10:02 a.m.](#) *Commissioner Macdonald moved for the approval of the May 25, 2017, Commission meeting minutes subject to any corrections, typographical errors, or nonmaterial matters. Commissioner Stebbins requested to check a statement at time entry 3:36 p.m. and see if it was made by Commissioner Macdonald. Chairman Crosby stated that at time entry 11:59 a.m. all Commissioners were in agreement with him writing a letter to the legislature. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

Administrative Update

See transcript page 6

[10:05 a.m.](#) Executive Director Edward Bedrosian, Jr. reported that he has been working on the service employee registration matter and the budget.

Research and Responsible Gaming

See transcript pages 7-45

- [10:06 a.m.](#) Director Mark Vander Linden introduced the awardees of the grant to study gambling behavior among special populations. The special populations identified as being at-risk for problem gambling are: African Americans/Blacks, Veterans, Immigrants, Asians, and Hispanics. Director Vander Linden stated that three proposals were received and reviewed by the Research Design and Analysis Subcommittee of the Gaming Research Advisory Committee. They found that all three proposals were worthy of funding and the Public Health Trust Fund Executive Committee agreed to move forward with these proposals. He stated that they did not receive a specific proposal to study the Hispanic or immigrant populations but they may be able to expand an existing proposal to include these groups. He stated that he would propose a continuing study of these populations.
- [10:16 a.m.](#) Dr. Carolyn Wong, from the Institute for Asian American Studies at UMass Boston, presented on the proposal for the study of Asian Americans. She stated that the Baseline Population study confirmed that people with low income and low education are at-risk for problem gambling. She stated that a high percentage of Asian Americans in Chinatown Boston are socially isolated with low levels of education. She stated that they will examine the nature of gambling behavior within this community and how to break through communication barriers. She also stated that they will explore, through qualitative interviews, the types, frequency, and thoughts of gambling. They also will look at the effects of gambling on the family. She stated that gambling is very popular in Asians countries and casinos market aggressively in low income Asian communities. She stated that they want to reach out to family members of gamblers to participate in screenings and interviews. Commissioner Macdonald inquired about their methodology to get folks to talk to them. Dr. Wong stated that they have experienced community educators and staff that are fluent in three dialects. She stated that they will go to casino bus and job van departure points to offer invitations for educational sessions on healthy gambling and screenings. Dr. Wong stated that there are women gamblers but they will focus on males.
- [10:30 a.m.](#) Dr. Rodolfo Vega, from the JSI Research and Training Institute, presented on the proposal for the study of African Americans/Blacks. He introduced the research team and noted their partner agencies – the Dimock Center, Mattapan Community Health Center, Children Services of Roxbury, and a Springfield social media company (Unity First). He summarized the gambling problem within the Black community. He noted that Blacks are more affected with problem gambling than Whites. He stated that the purpose of the study is to create a foundation of knowledge for intervention tools. He stated that they will have access to a large Black community and will look at consequences of gambling, motivations for gambling, help-seeking behavior, and idioms of distress.
- [10:40 a.m.](#) Dr. Shane Kraus, Director of the Behavioral Addictions Clinic at Bedford VAMC and Research Investigator at MIRECC (Mental Illness Research Education Clinical Centers), presented on the proposal for the study of Veterans. He acknowledged his collaborators. He stated that Veterans are a vulnerable population for developing problem gambling which is highly associated with mental health and substance abuse problems. He stated that they are likely to see increased rates of problem

gambling due to the number of returning Veterans. He reported that their proposal is to reach Veterans in a primary care setting using routine gambling screening. He also reported that they plan to screen at least 300 Veterans over 6 months. He stated that positive screenings will get referred to a clinic.

Director Vander Linden stated that they expect these projects to be completed in fiscal year 2018 and the deliverable dates have not yet been determined.

Administrative Update

See transcript pages 45-81

10:51 a.m. Executive Director Bedrosian stated that there have been a number of meetings on the gaming service employee registration matter. Chairman Crosby stated that at the last Commission meeting there was a desire for a legislative fix to this matter. He reported that in the last few weeks he worked with the legislature to see if they could clarify their intention. He noted that MGM, Springfield, and advocacy groups also contacted the legislature. He explained to the legislative leadership that the statute is confusing and a quick clarification is needed because the recruiting and training process is underway. Chairman Crosby stated that he spoke to the House General Counsel and Representative Wagner and they indicated that they did not intend to automatically disqualify gaming services employees and they never intended to write language that couldn't be reconciled. He reported that the House will move as quickly as they can to do a legislative fix. He stated that we don't have information yet pertaining to the Senate.

10:59 a.m. Karen Wells, Director of the Investigations and Enforcement Bureau ("IEB"), reported on the operational impacts to her staff and budget with the exemption of employees from registration and rehabilitation. She stated that the Commission should consider the impacts when making a recommendation to the legislature.

Chairman Crosby suggested consideration for a regulation change. Director Wells and Commissioner Cameron suggested waiting for a legislative fix before doing a regulation change. The Commissioners and staff discussed changes that could be recommended to the legislature. Executive Director Bedrosian suggested working with the staff to draft options for the Commissioner's consideration at the meeting on June 14th.

11:26 a.m. The Commission took a brief recess.

11:32 a.m. The meeting resumed.

Finance Division

See transcript pages 81-107

11:33 a.m. CFAO Derek Lennon introduced his team and presented on the fiscal year 2018 (FY18) budget projections for the Gaming Control Fund and the Racing Oversight and Development Fund. He provided an overview of the budget process. He stated that they met with each director and budget requests were reviewed internally and by our licensees. He stated that he will post the budget for public comment. He also noted our high level of transparency with the budget process.

CFAO Lennon presented on the Gaming Control Fund and provided an overview of regulatory and statutory costs. He recommended a 7.7% increase to the Fund. Commissioner Zuniga highlighted the statutory costs for the Attorney General's Office. CFAO Lennon discussed the Attorney General's line item increase. Executive Director Bedrosian stated that the Attorney General is staffing up in anticipation of the casino opening. Commissioner Cameron stated that the Attorney General has worked on a number of investigations and they are filling a gap.

CFAO Lennon presented on the Racing Oversight Development Fund. He stated that a majority of the fund is for payroll and State Police that have been picked up by the Racing Division. He provided an overview of expenses in the racing budget.

CFAO Lennon also presented on funding exposures which included staffing, litigation, and State Police.

Executive Director Bedrosian thanked CFAO Lennon, staff, and the licensees for their work on the budget process. Commissioner Zuniga noted that increases were related to licensing and the IEB in preparation for the casino openings. He also noted that the directors really looked at what they needed and a number of costs are decreasing because we are more efficient. He stated that the allocation to racing accurately reflects the amount of time it takes to do the work. Executive Director Bedrosian stated that the budget will be posted for public comment and brought back to the Commission for a vote on June 22nd.

Workforce, Supplier and Diversity Development

See transcript pages 108-125

[12:01 p.m.](#) Director Jill Griffin provided an update on a policy change affecting Portuguese Business Enterprises and our licensee's diversity goals. The Massachusetts Supplier Diversity Office announced in April 2016 that all Portuguese owned minority business enterprises will no longer be considered minority business enterprises due to a Superior Court injunction. She stated that this change in status has impacted our licensees – Wynn and MGM – as they both utilized a Portuguese owned business, S&F Concrete, which resulted in millions of dollars not being counted towards the MBE (minority business enterprise) project goals. She reported that our licensees are working hard to exceed their goals. Director Griffin stated that the Superior Court litigation is not final. She stated that she will stay in touch with the Supplier Diversity Office and update the Commission with any changes.

[12:22 p.m.](#) Commissioner Stebbins provided an update on the Gaming Economic Development Fund. He stated that a letter will go out to stakeholders about the fund along with legislative priorities for spending. He stated that he reached out to other jurisdictions to see if they had a similar funding model. He stated that he received a reply from a jurisdiction that has a trust fund that is used to pay for debt. He stated that he and staff are working to schedule hearings and get the letters out.

Legal Division

See transcript pages 126-139

[12:25 p.m.](#) Dr. Alexandra Lightbown, Director of Racing, reported on medication changes that were recommended by the ARCI (Association for Racing Commission International). She also provided a brief overview of the amendments for standardbreds (205 CMR 3.00) and thoroughbreds (205 CMR 4.00) that describe Veterinary practices, sets up conditions that allow for the use of therapeutic medications, reduces penalties for multiple medication violations, changes the Furosemide dosage to 500 mg, expands criteria for out of competition testing, and allows judges to use environmental contaminants and substances of human use as possibilities for mitigating circumstances in disciplinary actions.

She stated that the amendments were discussed with stakeholders. General Counsel Catherine Blue requested that the Commission approve the amendments as an emergency and to start the promulgation process. She also noted that these amendments will have to go through a 60 day legislative review process.

[12:34 p.m.](#) *Commissioner Cameron moved that the Commission approve the racing medication regulations on an emergency basis for 205 CMR 3.00 and 205 CMR 4.00. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[12:35 p.m.](#) General Counsel Blue requested that the Commission approve the regulations and small business impact statements (for 205 CMR 141, 143, and 115) to start the promulgation process. She stated that these regulations have been before the Commission.

[12:35 p.m.](#) *Commissioner Stebbins moved that the Commission approve the small business impact statements and the formal promulgation process for 205 CMR 141, 143, and 115. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[12:36 p.m.](#) General Counsel Blue requested that the Commission approve the small business impact statement for the administrative closure regulation - 205 CMR 134, and formal promulgation process.

[12:36 p.m.](#) *Commissioner Macdonald moved that the Commission approve the small business impact statement and regulation for 205 CMR 134 as included in the packet and authorize the staff to continue the regulation promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Racing Division

See transcript pages 140-151

[12:37 p.m.](#) Director Lightbown presented on the request from Suffolk Downs for the approval of racing officials. She noted that the Commission and Suffolk Downs were complimented by the accreditation association for a successful opening day in 2016. Director Lightbown stated that this success was due to the racing officials.

[12:40 p.m.](#) *Commissioner Cameron moved that the Commission approve the request of Suffolk Downs to approve their June 2nd 2017 list of key operating personnel and racing officials pending the approval by the stewards and a satisfactory completion of*

their background checks by the Massachusetts State Police. Motion seconded by Commissioner Stebbins. Motion passed unanimously.

[12:40 p.m.](#) Director Lightbown presented on the request from Suffolk Downs to reduce the takeout to 16 percent on win place show and 19 percent on exotics.

[12:41 p.m.](#) *Commissioner Macdonald moved that the Commission approve the request of Suffolk Downs to reduce the takeout to 16 percent on win place show and 19 percent on exotics. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

[12:42 p.m.](#) Chairman Crosby reported that the Commission just received a submission from William Lagorio. General Counsel Blue stated that the submission pertains to the sale of Suffolk Downs and other racing items. She stated that this submission should not impact the Commission's decision on purse money. Commissioner Cameron stated that she read the submission and it will not affect her decision to authorize the request before us.

[12:47 p.m.](#) Chip Tuttle, Chief Operating Officer at Suffolk Downs, thanked the Commission for their consideration.

[12:48 p.m.](#) *Commissioner Stebbins moved that the Commission approve the request of Suffolk Downs for \$2.4 million from the Race Horse Development Fund for their purses. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Commissioner Updates

See transcript pages 151-157

[12:48 p.m.](#) Commissioner Cameron reported that she attended a conference and spoke on a panel about illegal gambling. She noted that the folks on the panel expressed a lack of resources to work on these issues. She also noted that the racing panel expressed positive remarks on the way we regulate the racing industry.

Commissioner Stebbins reported that he and staff attended the Supplier Diversity Awards event. The Commission was recognized for its diversity efforts and our unique role in working with our licensees to make sure they meet their diversity goals. He also reported that he met with the President of Westfield State University and discussed opportunities and careers for students.

Chairman Crosby reported that he sent a letter to legislature regarding the Commission's position on the Race Horse Development Fund. He also provided an update on the Online Gaming Commission. Commissioner Cameron thanked the Chairman, Director of Licensing Paul Connelly, and Staff Attorney Justin Stempeck for their work on this project. Commissioner Zuniga noted that Gaming Technology Manager Floyd Barroga has been an in-house resource on this topic.

Other Business Not Reasonably Anticipated

See transcript pages 157-158

12:55 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 June 8, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated May 25, 2017
3. Massachusetts Gaming Commission, Memorandum dated June 8, 2017 regarding Awards for study of gambling behavior among special population
4. JSI Research & Training Institute, Qualitative Study on Recreational and Problem Gambling among African Americans in Massachusetts, Presentation to the Massachusetts Gaming Commission, dated June 8, 2017
5. Massachusetts Gaming Commission, Memorandum dated June 8, 2017 regarding Fiscal Year 2018 (FY18) Initial Budget Recommendations, with attachments
6. Massachusetts Gaming Commission, Memorandum dated June 8, 2017 regarding Update – MBE Certification Status of Portuguese-Owned Businesses effect on Licensees Supplier Diversity Efforts, with attachment
7. Massachusetts Gaming Commission, Memorandum dated May 22, 2017 regarding Gaming Economic Development Fund, with attachments
8. 205 CMR 3.00: Harness Horse Racing
9. 205 CMR 4.00: Rules of Horse Racing
10. 205 CMR 141.00: Surveillance of the Gaming Establishment, Small Business Impact Statement and draft amendments
11. 205 CMR 143.00: Gaming Devices and Electronic Gaming Equipment, Small Business Impact Statement and draft amendments
12. 205 CMR 134.00: Licensing and registration of Employees, Vendors, Junket enterprises and representatives, and Labor Organizations, Small Business Impact Statement and draft amendments
13. Massachusetts Gaming Commission, Memorandum dated June 5, 2017 regarding Suffolk Downs Request for Race Horse Development Funds
14. Letter from Suffolk Downs to the Massachusetts Gaming Commission, dated May 25, 2017 regarding Suffolk Downs 2017 Race Horse Development Fund Request
15. Letter from William Lagorio (Massachusetts Thoroughbred Horsemen's Association) to the Massachusetts Gaming Commission, dated June 8, 2017 regarding Suffolk Downs, with attachments
16. Massachusetts Gaming Commission, Memorandum dated June 5, 2017 regarding Suffolk Downs Key Operating Personnel and Racing Officials
17. Letter from Suffolk Downs to the Massachusetts Gaming Commission dated June 2, 2017 regarding request for approval of racing officials and list of racing officials
18. Massachusetts Gaming Commission, Memorandum dated June 5, 2017 regarding Suffolk Downs Takeout Reduction Request
19. Letter from Suffolk Downs to the Massachusetts Gaming Commission dated June 2, 2017 regarding approval for takeout reduction

/s/ Catherine Blue
Catherine Blue, Assistant Secretary