

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #138  
4  
5

6 CHAIRMAN

7 Stephen P. Crosby  
8

9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Bruce W. Stebbins

13 Enrique Zuniga  
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17  
18  
19

20 November 6, 2014 10:30 a.m. - 4:38 p.m.

21 BOSTON CONVENTION AND EXHIBITION CENTER

22 415 Summer Street, Room 151B

23 Boston, Massachusetts  
24

1 P R O C E E D I N G S :

2

3 CHAIRMAN CROSBY: It is my pleasure  
4 to call to order the 138 meeting of the  
5 Massachusetts Gaming Commission once again at  
6 the Boston Convention and Exhibition Center at  
7 10:30 on November 6.

8 Before we get into the formal  
9 agenda, I just wanted to make a few comments  
10 since yesterday was a momentous day. Obviously  
11 -- The day before yesterday, sorry. Yesterday  
12 was momentous too. We obviously are totally  
13 respectful of the outcome of the referendum.

14 We never took a position on the  
15 referendum. Our position has always been that  
16 if the people of Massachusetts want casinos,  
17 which they have said quite emphatically now  
18 that they do, that it's our job to implement  
19 this quite remarkable law as well as possible  
20 and to accomplish two key objectives.

21 One is to maximize the revenues, the  
22 jobs and all of the other economic development  
23 impacts that were originally envisioned for  
24 this law. So, maximize the benefits and on the

1 other hand minimize the potential negatives  
2 whether it's traffic or problem gambling or  
3 anything else that might an unintended  
4 consequence. That's our job to fulfill those  
5 two objectives as best we possibly can.

6           And we will continue to do that.  
7 And we will continue to do that in a way as  
8 best we possibly can. We will be in fact and  
9 we'll be perceived as participatory and  
10 transparent and fair.

11           We also however are mindful of the  
12 fact that although 60 percent of the people  
13 voted in favor of maintaining expanded gaming,  
14 40 percent voted against it, which is a lot of  
15 people. And we consider it our job, I think I  
16 speak for all of the Commissioners, we consider  
17 it our job to try to win the confidence and  
18 trust of everybody in the Commonwealth,  
19 proponents and opponents alike.

20           And to be mindful of the legitimate  
21 concerns that a lot of people have expressed  
22 and that 40 percent of the people in  
23 Massachusetts were very much concerned about.

24           As far as going forward, today's

1 agenda is indicative of the fact that we have a  
2 lot to do. It's time to roll up our sleeves.  
3 I think all of us have sort of had bated  
4 breaths even though it looks like this was  
5 going to be -- casino gambling was going to be  
6 continued. We even, I think, in our own agency  
7 have felt some sense of restraint and concern.  
8 That's now off. And it's time for us to really  
9 roll up our sleeves and go to work.

10 First and foremost is to see that  
11 our three existing licensees, three really  
12 first rate companies, we take real pride that  
13 we've got Penn National, MGM and Wynn Resorts  
14 as the licensees in Massachusetts. Due to I  
15 think the competitive environment that we were  
16 able to create and the work that Mayor Sarno  
17 and his team did in Springfield, we will be  
18 having an investment of \$2.7 billion in the  
19 Commonwealth to get these three facilities up  
20 and running in the next two or three years,  
21 \$2.7 billion.

22 We have made a commitment to the  
23 public that will have something like 8000 to  
24 10,000 construction jobs, 8000 to 10,000

1 permanent jobs, \$300 million to \$500 million in  
2 new revenue to the Commonwealth. And job one  
3 for us is to make sure that those aspirations  
4 are realized because that's the commitment that  
5 was made to the people of the Commonwealth.

6 We also have to make a decision on  
7 Southeastern Mass., which we'll be talking  
8 about today. And it's important for the people  
9 there that we figure out how to approach that.  
10 We have a major research agenda underway  
11 mandated by the Legislature. You'll be hearing  
12 more about that today also. We're anxious to  
13 have the whole public hear about that as that  
14 becomes to come to fruition.

15 We have a strong mandate from the  
16 Legislature and the Governor to pay attention  
17 to problem gambling. And we are doing that.  
18 We will have the resources to attend to it.  
19 And as you know, we are debating a very  
20 innovative and thoughtful program of how to  
21 promote responsible gambling and minimize the  
22 downsides of problem gambling. So, there's a  
23 lot to do and we look forward to it and are  
24 anxious to get to work.

1           One other thing, we are also mindful  
2 of the fact that the three elected officials  
3 who appointed us, Governor Patrick, Treasurer  
4 Grossman and Attorney General Coakley are now  
5 being replaced. Our three appointing  
6 authorities will be new people.

7           And we will be reaching out to them  
8 soon to get to know them, to give them a little  
9 bit of a briefing on what we're doing and how  
10 we're doing it, what our priorities are, what  
11 our plans are and to familiarize them to  
12 whatever extent they are interested in in our  
13 work since we will now be working with them.

14           Any other comments as we get started  
15 from anybody? All right. Thank you all. We  
16 are anxious to get to work.

17           Item number two is approval of the  
18 minutes, Commissioner McHugh.

19           COMMISSIONER MCHUGH: Mr. Chairman,  
20 the minutes are in the meeting packet. And I  
21 move their acceptance with the typical  
22 reservation of rights to correct typographical  
23 and mechanical errors. There is in fact one  
24 misspelling that I've caught.

1                   CHAIRMAN CROSBY: Is that of Mr.  
2 DeSalvio's name?

3                   COMMISSIONER MCHUGH: That would be  
4 it. We'll fix that.

5                   COMMISSIONER STEBBSIN: And other  
6 name corrections.

7                   COMMISSIONER CAMERON: Second.

8                   CHAIRMAN CROSBY: You can pass those  
9 on too.

10                  COMMISSIONER ZUNIGA: Can I make a  
11 comment? Perhaps for minutes going forward, I  
12 just remember both presentations from Penn and  
13 MGM, which are described and indexed in these  
14 minutes were at least in my mind very  
15 memorable. There were great things that they  
16 were reporting. The tool that MGM is using,  
17 the minority and veteran numbers that Penn is  
18 achieving.

19                  So, if we could for future minutes  
20 include highlights of those things I would  
21 really find that useful. I'm going to assume  
22 that not everybody goes from our minutes to our  
23 transcript. If we can get back to some of  
24 those summaries on the minutes that be very

1 helpful. Not on everything, I think, but the  
2 memorable reports would be helpful.

3 COMMISSIONER MCHUGH: That's a point  
4 well taken. And I think we will be happy to do  
5 that. There's a difficulty sometimes in  
6 ensuring absolute congruence between the  
7 content of the minutes and the content of the  
8 transcript. And the latter is always the best  
9 evidence of what's said. So, there is a  
10 restraint there because we do want to make them  
11 congruent. But that said it seems to me your  
12 point is well taken. We'll examine it.

13 CHAIRMAN CROSBY: Would that be the  
14 only place you would talking about adding more  
15 substance, just in the highlights of external  
16 presentations like that?

17 COMMISSIONER ZUNIGA: Yes,  
18 essentially. The votes are very well  
19 described. As a matter of course, I think it's  
20 obvious when we take an action. But in  
21 instances where we hear lengthy or substantial  
22 reports, I think the reader, if anybody is  
23 reading these, and I'm assuming we will at  
24 least in the future some of us, might have to



1 go back to the full transcript to get the  
2 thumbnail version of those reports. And I was  
3 wondering if we could include that here.

4 CHAIRMAN CROSBY: Okay. Good idea.  
5 Any other comments? All in favor of  
6 Commissioner McHugh's motion, aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 CHAIRMAN CROSBY: Opposed? The ayes  
12 have unanimously. Next up three,  
13 Administration, Executive Director Day.

14 MR. DAY: Good morning, Chairman  
15 Crosby. What I'd like to do is take a minute  
16 here in the general update just to give you an  
17 update on where we are with some personnel.

18 First of all, we have been I think  
19 fairly successful with our recruitments with  
20 our financial investigators and our goal to  
21 build a good solid financial investigative team  
22 for our applications. We've got two strong  
23 candidates identified and they're currently in  
24 the background process. As well, we are re-

1 interviewing and moving forward with our  
2 selection of our paralegal position for legal.  
3 We've had two interviews and one candidate come  
4 in again. We look at him as a very strong  
5 candidate as well. So, I think our recruitment  
6 there will be successful.

7 In addition, we are looking for some  
8 help, administrative support help for our  
9 finance, HR, IT and reception situation. At  
10 this point, the positions have been open and  
11 we've got 168 applications pending just from  
12 that opportunity.

13 In addition, we have been recruiting  
14 for some help in IT and the title position is  
15 infrastructure and application architect. We  
16 know our IT operation is in demand and we  
17 believe this position will be critical to Mr.  
18 Glennon as he moves forward with what we need  
19 in Commission support. We've identified a  
20 strong candidate. Once again, that individual  
21 is in the background process.

22 Just a couple of other little notes,  
23 we are also working with in particular  
24 Commissioner Zuniga as we work on this year's

1 annual report and put that in place. So,  
2 hopefully we'll be able to make our goal of  
3 getting it back to the Commission at the next  
4 meeting.

5 Then at the next meeting really to  
6 follow-up, Chairman Crosby in your earlier  
7 comments, plan to go back, take a look at where  
8 we are with our regulation development, how far  
9 we've been making progress and what we still  
10 see out there as areas that the Commission  
11 needs to adopt.

12 Then we'll also take a look at our  
13 organizational development and kind of go back  
14 over where we are in that process and take a  
15 look and see what the status of our various  
16 development in the organization is.

17 If there are no questions on general  
18 administration wise, I'll just make a couple of  
19 comments preliminary about the item three, the  
20 next topic, which is the policy manual. So,  
21 this morning we have with us Dean Ventola from  
22 our human resources office and Ed Burke who you  
23 know, of course, is our lead consultant in our  
24 high-performance project.

1           And what we're doing is we're  
2 bringing our final draft policy manual to the  
3 Commission for your consideration. And I want  
4 to bring the Commission back briefly because  
5 this is actually the last in a series of steps  
6 that the Commission took to strengthen our  
7 policy infrastructure.

8           You might recall beginning in April  
9 you had previously adopted revised travel  
10 policies, purchase card payment card policies,  
11 commuter benefit policies. Then we of course  
12 adopted and updated employee handbook. We  
13 initiated and accepted an independent review of  
14 travel policy to compare to other agencies as  
15 we move forward with our policies.

16           You also initiated and accepted and  
17 we are currently implementing an independent  
18 review of fiscal policies and internal  
19 controls. And the Commission has previously  
20 adopted structure format manual and approved  
21 new policies as we look at this full policy  
22 manual today.

23           So, as you look at it, I just wanted  
24 to -- It's been a while. So, just to remind

1 you that actually this is a series of processes  
2 that we've gone through, already seen a great  
3 deal of what's in this particular policy  
4 manual. It's 100-page plus final draft manual  
5 that today marks the step of those things we  
6 started back in -- originally back in the  
7 spring.

8           So, the manual itself represents a  
9 combination of previously existing policies,  
10 policies that were reformatted and revised  
11 slightly as needed, new policy and  
12 incorporation of the -- probably the newest  
13 part to it is the incorporation of state  
14 policies that we would recommend that should be  
15 adopted for the Commission as well.

16           If the Commission approves the  
17 manual today, I just want to make sure to let  
18 the Commission know that we'll continue to  
19 review the policies and under the delegated  
20 authority that you've given me as we move  
21 forward with those policies, we'll make any  
22 corrections of typos and any other  
23 nonsubstantive areas that there might be in the  
24 130-page document.

1           Then in the end, we're going to be  
2 training our staff. The final step will be  
3 I'll assign the policies. But we want to make  
4 sure our staff is trained and ready to go with  
5 an understanding of those policies before we  
6 actually implement them.

7           So, now it's my pleasure to turn it  
8 over to Dean for some introductory comments on  
9 behalf of the human resources and then Ed I'm  
10 sure will follow up, Dean.

11           MR. VENTOLA: Thank you, Mr. Day.  
12 Good morning, Mr. Chairman, Commissioners. I'm  
13 Dean Venotola, HR Business Partner for the  
14 Gaming Commission. And as Mr. Day said, we  
15 present to you today for your approval the HR  
16 policy manual.

17           As you know, shortly after I began  
18 with the Commission in March of this year, we  
19 organized a high-performance team whose purpose  
20 was to review existing policies, create new  
21 policies or adopt state policies to fill any  
22 gaps.

23           It has been a collaborative effort  
24 involving the Commissioners, human resources,

1 my colleague Trupti Banda, HR Manager, other  
2 members of MGC staff and our consultants from  
3 Michael and Carroll.

4 The purpose of the manual is to  
5 provide workplace structure, insure compliance  
6 with regulations that apply to labor and  
7 employment, lay the framework for fair and  
8 consistent treatment of MGC employees and job  
9 applicants. With that said, I will turn this  
10 over to Ed Burke of Michael and Carroll.

11 MR. BURKE: Good morning,  
12 Commissioners. I'm also joined by Joan Kuhn  
13 who has met with you many times in this  
14 process.

15 I think Dean and Executive Director  
16 Day have really said the main points here. I  
17 think we've got a very good manual and it is  
18 complete and comprehensive. As was mentioned  
19 before, there will be training to supervisors  
20 and staff at MGC about some of the high points  
21 and some of the new things that will be coming  
22 forward in this manual.

23 Pending your approval, the manual  
24 will be loaded onto the Intranet, which has now

1    been developed with CIO John Glennon and his  
2    staff within MGC.  So, it will be available  
3    online to everyone within the organization.

4                We also are putting together  
5    maintenance procedures for new policies,  
6    changes to existing policies and things of that  
7    nature.  Other than that, I think that really  
8    covers it.  So, if you have questions, we are  
9    happy to handle them.

10               COMMISSIONER CAMERON:  I had a  
11   question about the training.  Is that something  
12   we'll be doing in-house?  Or who will be  
13   providing that training?

14               MR. DAY:  Yes, we will train in-  
15   house.  We anticipate a combination of training  
16   with the directors themselves who are in charge  
17   of administration.  And then those policies in  
18   particular that apply we'll train with staff.

19               COMMISSIONER CAMERON:  Thank you.

20               CHAIRMAN CROSBY:  Any other  
21   thoughts?

22               COMMISSIONER STEBBINS:  Just Ed, one  
23   of the last issues we discussed was talking  
24   about overlap between an employee's promotion



1 and a new person being onboarded and not  
2 keeping a timeframe for that training and  
3 support. And it looks like, and I just want to  
4 confirm this, on page 22 is where you kind of  
5 took out some of the pre-required dates and  
6 just created a broader general policy about  
7 overlap between an employee and their  
8 successor.

9 MR. BURKE: Overlap between an  
10 employee and their successor, yes. So, I'm  
11 sorry, the question is?

12 COMMISSIONER STEBBINS: Before you  
13 had a timeframe in there, and I just wanted to  
14 make sure if I'm reading in the right place in  
15 the policy, we took the timeframe out so it's  
16 flexible enough for an employees who is getting  
17 promoted to be able to come back and support a  
18 newer employee.

19 MS. KUHN: In fact it was a tight  
20 timeframe. We talked about 30 days. And we  
21 broadened it to, I think, it's the fifth bullet  
22 on page 22, you're supposed to support the on-  
23 boarding and hiring even though you might be in  
24 your new position, you're expected to come

1 back.

2 We brought that back to the high-  
3 performance team with this broader language.  
4 And they felt comfortable.

5 COMMISSIONER STEBBINS: Thank you.

6 CHAIRMAN CROSBY: The only thought I  
7 have, as I've said before, is just the danger  
8 of having something like this is the potential  
9 for not adhering to it.

10 Once it's written down, there's all  
11 this paperwork, things that are supposed to be  
12 signed. And now that we've got it, we have to  
13 do it. Speaking as a former administrator,  
14 it's not easy. I understand that. I know  
15 Trupti is terrific and Dean is terrific, but  
16 it's just got to be a priority to make sure  
17 that it stays up-to-date and our personnel  
18 files are up-to-date.

19 John Glennon can probably help with  
20 this, but it's just an important not to let  
21 this just sit on the shelf.

22 COMMISSIONER MCHUGH: If I could  
23 just jump in on that point. I agree with that.  
24 And I'm delighted that the platform, a

1 principle platform for this is going to be the  
2 Intranet, because I think that that is going to  
3 be for all of us a really important resource to  
4 access quickly and readily the kinds of things  
5 that include these policies and other  
6 operational details that will make it easier to  
7 make sure we're following.

8 CHAIRMAN CROSBY: Right. Great.

9 MR. DAY: That also emphasizes our  
10 kind of training plan and approach, is  
11 obviously besides keeping current effective  
12 implementation and consistent application with  
13 the whole agency is important. So, we'll focus  
14 our training with the directors first and  
15 questions around the policies and how they  
16 work.

17 And then as we move from that  
18 training to all the all staff environment, then  
19 we'll focus on policies that we think are more  
20 directly applicable to staff members  
21 individually rather than as a group.

22 CHAIRMAN CROSBY: Great.

23 Commissioner Zuniga, do want to make a motion?

24 COMMISSIONER ZUNIGA: Sure. I would

1 just prior to the motion just mention as  
2 somebody who was involved in this at an early  
3 stage back and then look back at this recent  
4 effort which is very comprehensive as outlined  
5 here. And I think it's a great platform. It's  
6 great work from both collaboration of both  
7 consultants and internal staff.

8 With that preamble I would just move  
9 that this Commission approve the policy manual  
10 and employee handbook as presented in the  
11 packet here today.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER STEBBINS: Second.

14 CHAIRMAN CROSBY: Any discussion?

15 All in favor, aye.

16 COMMISSIONER MCHUGH: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes  
21 have it unanimously.

22 MR. DAY: Thank you, Commissioners.

23 CHAIRMAN CROSBY: Thank you, folks.

24 All right. General Counsel Blue acting in the

1 Racing Director.

2 MS. BLUE: Good morning,  
3 Commissioners. You have in your package before  
4 you this morning a very thoughtful memo from  
5 Racing Director Durenberger regarding the  
6 racing applications that we have received for  
7 the 2015 racing season.

8 We have held all of the required  
9 hearings and received comments on those  
10 applications. And Director Durenberger has  
11 analyzed each and made some recommendations.  
12 And I think it probably makes sense for us to  
13 take them in groups and discuss them briefly.

14 So, the first recommendation is from  
15 Springfield Gaming and Redevelopment. That is  
16 our harness racing applicant. Springfield  
17 Racing (SIC) and Redevelopment would be in  
18 their second year at the Plainridge Course.  
19 They had a successful season last season.  
20 Their application is complete. And their  
21 application is very thorough.

22 Director Durenberger recommends that  
23 we accept their application. She has a certain  
24 number of conditions in her memo. I would

1 suggest that we accept it subject to those  
2 conditions, except for the condition regarding  
3 insurance.

4 COMMISSIONER MCHUGH: Except the  
5 condition regarding?

6 MS. BLUE: Regarding insurance for  
7 off-season use of the track. The reason for my  
8 recommendation that we not include that as a  
9 condition is that this is the first season that  
10 that topic has come up. It does pertain only  
11 to off-season use of the track by folks who  
12 want to train.

13 There are multiple ways to address  
14 that particular issue. It runs anywhere from a  
15 waiver by the people using the track to full  
16 out insurance held by the track owner.

17 I think that that is a matter best  
18 left to the track and the horsemen to work out.  
19 So, I would say except for that condition, I  
20 would recommend that the Commission vote to  
21 approve this application.

22 CHAIRMAN CROSBY: Is that the full  
23 point in the second bullet point?

24 MS. BLUE: Yes, that is that second.

1           CHAIRMAN CROSBY: On-track driver's  
2 accident insurance is the one you're talking  
3 about.

4           MS. BLUE: Yes. It's for off-season  
5 training use of the track. Penn has submitted  
6 all of the other required insurance for its  
7 regular operations and its season type use of  
8 the track.

9           COMMISSIONER CAMERON: I'd be  
10 interested to know if in fact during  
11 construction will they be using it in the off-  
12 season this year? I know there was a question  
13 as to whether or not it would be used.

14          MR. O'TOOLE: Good morning,  
15 Commissioners. Steve O'Toole, General Manager  
16 of Racing at Plainridge Racecourse. To answer  
17 your specific question, the track will be used  
18 during the off-season. However, the  
19 construction activities in that area of the  
20 property are complete at this point.

21           The building is all enclosed. There  
22 is no more -- actually, the rooftop units are  
23 on the new addition. So, other than dressing  
24 up our winner's circle, and we probably won't

1 do that until the spring, the track won't have  
2 any activity around it in that area.

3 COMMISSIONER CAMERON: Okay. Thank  
4 you Mr. O'Toole.

5 CHAIRMAN CROSBY: Other questions  
6 about this application?

7 COMMISSIONER MCHUGH: There is some  
8 insurance now in place, right?

9 MS. BLUE: Yes.

10 COMMISSIONER MCHUGH: But the limits  
11 of liability are low, right -- \$50,000; is that  
12 right?

13 COMMISSIONER CAMERON: That was a  
14 different application, I believe.

15 COMMISSOINER MCHUGH: That's not  
16 this one.

17 MS. BLUE: No, I don't think. Mr.  
18 O'Toole can speak to that.

19 MR. O'TOOLE: We have an agreement  
20 with the horseman's association. We cover for  
21 the season. Not only do we cover the insurance  
22 that's called out in the regs., which is based  
23 on the percentage of our purses paid. Our  
24 agreement with the horseman's association is at



1 a much higher level. Not only is it just right  
2 driver's insurance as spelled out in the regs.,  
3 trainer's insurance is not. So, we cover  
4 training on the days when we're not racing  
5 live.

6 So, from the first day, actually  
7 from two weeks before our meet until two weeks  
8 after our meet there is that substantial  
9 coverage.

10 We offer the off-season training for  
11 our horsemen as an accommodation. We've always  
12 worked out some type of a waiver with the  
13 horseman's association that they take over  
14 responsibility at that point in time for the  
15 three months in the off-season when they use  
16 the track for themselves.

17 COMMISSIONER MCHUGH: Okay. Thank  
18 you.

19 CHAIRMAN CROSBY: Anything else?  
20 Commissioner Cameron.

21 COMMISSIONER CAMERON: Mr. Chair, I  
22 have had an opportunity to look at the  
23 application and certainly agree with the  
24 recommendations of both our Racing Director and

1 General Counsel. And I move that we approve  
2 Springfield Gaming and Redevelopment for the  
3 license pending.

4 CHAIRMAN CROSBY: Second?

5 COMMISSIONER ZUNIGA: Second.

6 CHAIRMAN CROSBY: Any further  
7 discussion? All in favor, aye.

8 COMMISSIONER MCHUGH: Aye.

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 CHAIRMAN CROSBY: Opposed? The ayes  
13 have it unanimously.

14 MR. O'TOOLE: Thank you, Commission.

15 COMMISSIONER MCHUGH: That's 105  
16 five days next year.

17 MS. BLUE: Next in your package you  
18 have three applications for running horse  
19 racing otherwise known as thoroughbred racing.  
20 You have an application from the New England  
21 Horsemen's group to race at Suffolk Downs. You  
22 have an application from the Brockton Fair and  
23 Middleborough Fair to race at the track in  
24 Brockton.

1           Each of those applications is for  
2 one day of racing. The applications are not  
3 complete. They are what we referred to  
4 previously as placeholder applications. They  
5 would require that supplemental information be  
6 filed with the Commission to be reviewed before  
7 further consideration by the Commission.

8           CHAIRMAN CROSBY: Is there a  
9 timeframe on that or is it totally up to them  
10 depending on when they feel like they can get  
11 their act together?

12           MS. BLUE: Under the statute Chapter  
13 128A, a licensee who has an existing license  
14 then can file anytime during the calendar year  
15 that their license is effective with a  
16 supplemental application. Then the Commission  
17 has 30 days to review that and make a  
18 determination. So, technically these are 2015  
19 licenses. They could file anytime during 2015.

20           CHAIRMAN CROSBY: Right. Okay. Is  
21 there any tie to simulcasting rights?

22           MS. BLUE: Yes. These applications  
23 as they currently stand would not be able to  
24 simulcast. They don't meet the required number

1 of days.

2 CHAIRMAN CROSBY: Okay, that's  
3 right.

4 COMMISSIONER ZUNIGA: The required  
5 number of days would be 65 the minimum,  
6 correct, because of the Acts of 2014?

7 MS. BLUE: Yes. There is some  
8 limited simulcasting that goes with a fair  
9 license once you hit the 15 days of fair  
10 racing. But the two fair applications we have  
11 only ask for one day. And they have certain  
12 conditions with them. So, whether there's  
13 racing or not at Suffolk Downs, whether there's  
14 payments into the purse funds, there's a couple  
15 of conditions in those applications.

16 CHAIRMAN CROSBY: The simulcasting,  
17 which is now going on at Suffolk Downs, will  
18 end at the end of this year unless somebody  
19 picks it up.

20 MS. BLUE: That's right. So,  
21 Director Durenberger's recommendation is that  
22 the Commission approve all three of these  
23 license applications subject to further  
24 supplemental filings and the hearing, a public

1 hearing to review those filings and further  
2 consideration by the Commission.

3 CHAIRMAN CROSBY: Issues, questions?

4 COMMISSIONER MCHUGH: So, the  
5 recommendation here would be simply to approve  
6 the one-day applications without any  
7 conditions, say that a more elaborate and  
8 detailed license application will be filed when  
9 the applicant is ready. And that application  
10 would trigger another hearing and then another  
11 vote by the Commission? Is that basically what  
12 we're talking about?

13 MS. BLUE: That's basically what it  
14 is. Director Durenberger has a couple of  
15 conditions. They are things we would do  
16 anyways. For example, we have not done  
17 background checks on the folks involved in  
18 these applications because it is a one-day  
19 license. We would need to do those as we  
20 customarily do.

21 That we would respond within 30 days  
22 of a filing of a supplemental application,  
23 which by statute we would do. That we do have  
24 a second public hearing. Our statute doesn't

1 necessarily require a second public hearing,  
2 but I think that's a good idea. We should take  
3 comments on the supplemental applications.

4           And then Director Durenberger has  
5 recommended that each applicant make a good-  
6 faith effort to maintain safety and  
7 accreditation. I think a good-faith effort is  
8 really the key in that situation because these  
9 are different facilities that would be run by  
10 different licensees. That I think would be  
11 something the Commission would want to consider  
12 as part of a supplemental filing and look at in  
13 more detail. But those are the conditions that  
14 she recommends.

15           COMMISSIONER MCHUGH: That's the one  
16 that I was mostly focusing on. I should have  
17 focused on it directly. That really needs a  
18 lot of flesh on those bones. So, it seems to  
19 me it's best simply to wait for the full  
20 application and look at detail rather than an  
21 omnibus covenant to use best efforts to do  
22 something amorphous.

23           MS. BLUE: I would recommend the  
24 Commission look at it that way. When you have

1 more information, it'll be easier to determine.

2 COMMISSIONER CAMERON: We don't know  
3 the status now. We don't know the individuals.  
4 We don't know all of the information that we'll  
5 need to make good determinations and also  
6 attach conditions. We just don't have enough  
7 information to do that now.

8 MS. BLUE: That's right.

9 CHAIRMAN CROSBY: Director  
10 Durenberger also said that one condition should  
11 be that the applicant's proposed a minimum  
12 insurance coverage for jockeys is considered  
13 insufficient. Maybe because this really  
14 doesn't matter for all of the same reasons we  
15 described and talked about. I didn't  
16 understand exactly what that was about.

17 MS. BLUE: In order to really  
18 determine the insurance coverage, we request  
19 copies of the certificates and other  
20 information. We really don't have that  
21 information in these applications. So, I think  
22 that is a similar situation to the  
23 accreditation. We would consider that when we  
24 got a full supplemental filing.

1           COMMISSIONER MCHUGH: The thrust of  
2 this I gather overall, the big picture is that  
3 this goes back to what we were talking about at  
4 an earlier meeting. This is keeping the door  
5 appropriately open for a fully developed  
6 application to be submitted during the coming  
7 year given the nature of the events that our  
8 decisions have precipitated.

9           CHAIRMAN CROSBY: And reiterating, I  
10 think, our commitment to be as flexible as we  
11 possibly can within the limits of the law and  
12 commonsense to try to facilitate folks to get  
13 together a running horse opportunity in  
14 Massachusetts. Any other comments?

15           COMMISSIONER MCHUGH: Right.

16           CHAIRMAN CROSBY: Any other  
17 comments, Commissioner?

18           COMMISSIONER CAMERON: I would just  
19 like to say that I did have the opportunity,  
20 since we certainly have had many opportunities  
21 to be out at Suffolk Downs and Plainridge, I  
22 did go out to the Brockton Fairgrounds because  
23 there has not been racing in a number of years,  
24 and found the facility to be in very good



1 shape. All of the buildings, the barns as well  
2 as the racetrack were in frankly better shape  
3 than I had anticipated.

4 So, I think that that speaks to the  
5 fact that it would be viable if in fact this  
6 becomes a full application.

7 CHAIRMAN CROSBY: The facility would  
8 be viable.

9 COMMISSIONER CAMERON: The facility  
10 would be, yes.

11 CHAIRMAN CROSBY: Anything else?

12 COMMISSIONER ZUNIGA: I was also  
13 thinking about the outer date here as to what  
14 would be the last day by which an amended  
15 application might come. There's plenty of time  
16 because it all depends on the number of days  
17 and the weather conditions, as well as the 30  
18 days that we have to add on it here. So, I  
19 think there's also plenty of time for us to  
20 wait for an amended application, if we act  
21 today, which we need to do anyway.

22 COMMISSIONER CAMERON: There's  
23 enough time with 30 days?

24 COMMISSIONER ZUNIGA: Plenty.

1                   COMMISSIONER CAMERON: I actually  
2 had a question about that the 30 days not being  
3 enough time.

4                   COMMISSIONER ZUNIGA: I'm thinking  
5 about acting on a future amended application.

6                   COMMISSIONER CAMERON: Agreed. I  
7 actually thought since we have such limited  
8 information and we need to fully vet this and  
9 do backgrounds on all of the key individuals  
10 that 30 days is a very short period of time to  
11 do that.

12                  CHAIRMAN CROSBY: Where is the  
13 reference to 30 days? What page are you  
14 looking at?

15                  COMMISSIONER CAMERON: The  
16 recommendation for -- I'm looking at one here.

17                  CHAIRMAN CROSBY: I see, the  
18 Commission has 30 days, right.

19                  COMMISSIONER CAMERON: There would  
20 be staffing requirements.

21                  CHAIRMAN CROSBY: That's a good  
22 point. We don't want to set an expectation in  
23 an applicant's mind that only will need 30  
24 days. I think your instinct maybe we should

1 change that language to say sufficient time.

2 MS. BLUE: It's a statutory  
3 requirement, unfortunately. It's 128A, section  
4 2.

5 COMMISSIONER CAMERON: So, I guess  
6 the best we can do is encourage them to have a  
7 completed application well in advance of 30  
8 days knowing the kind of work that would be  
9 needed. I guess that's the best we'll be able  
10 to do is encourage that.

11 MS. BLUE: And we are also available  
12 to discuss it with them prior to their filing  
13 too if we can help in any way to answer  
14 questions or perhaps get more information.

15 COMMISSIONER MCHUGH: We don't need  
16 to get down in the weeds now, but I'm about to,  
17 we can certainly ask for a draft application  
18 for example before the formal filing.

19 CHAIRMAN CROSBY: And qualifiers.

20 COMMISSIONER MCHUGH: And qualifiers  
21 and everything so that it wouldn't trigger the  
22 30 days.

23 CHAIRMAN CROSBY: Right. Anything  
24 else? Do you want this in one? Are you

1 suggesting this be one vote for the three or we  
2 take three separate ones?

3 MS. BLUE: I would do it one at a  
4 time. I think that makes sense.

5 CHAIRMAN CROSBY: Commissioner  
6 Cameron.

7 COMMISSIONER CAMERON: So, I move  
8 that we approve one-day racing license  
9 application to the New England Horsemen's  
10 Benevolent and Protective Association.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER MCHUGH: Second.

13 CHAIRMAN CROSBY: Any further  
14 discussion? All in favor, aye.

15 COMMISSIONER MCHUGH: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes  
20 have it unanimously.

21 COMMISSIONER CAMERON: I make a  
22 second motion that we approve the one-day  
23 license to the Brockton Agricultural Society.

24 COMMISSIONER STEBBINS: Second.

1 CHAIRMAN CROSBY: Any further  
2 discussion? All in favor, aye.

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: Opposed? The ayes  
8 have it unanimously.

9 COMMISSIONER CAMERON: Additionally,  
10 I move that we approve the Middleborough  
11 Agricultural Society one-day license.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER MCHUGH: Second.

14 CHAIRMAN CROSBY: Further  
15 discussion? All in favor, aye.

16 COMMISSIONER MCHUGH: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes  
21 have that unanimously as well. Thank you, good  
22 job.

23 MS. BLUE: Thank you.

24 CHAIRMAN CROSBY: We now get to

1 Catherine, General Counsel Blue again. We are  
2 going to do the assessment first.

3 MS. BLUE: CFAO Lennon will come and  
4 join us.

5 CHAIRMAN CROSBY: This is going to  
6 make item 5(c) first and then we'll get to the  
7 two awards.

8 MR. LENNON: Good morning, Mr.  
9 Chairman and Commissioners. This will be a  
10 really quick topic. I'm just here to do  
11 clarification. Both the MGM and Wynn licensing  
12 conditions contain requirements, the payment of  
13 assessments under 205CMR 121, which is our  
14 annual assessment.

15 CHAIRMAN CROSBY: These are the  
16 assessments for the operating costs of the  
17 Commission.

18 MR. LENNON: Yes, it's the  
19 difference between our costs and our  
20 anticipated revenues for the year. We assess  
21 back on the industry on a pro rata share based  
22 on their percentage of gaming positions.

23 Those conditions require a certain  
24 number of days from the effective date of the

1 license for the balance of those assessments to  
2 be paid five business days for MGM and three  
3 business days for Wynn, MA. And that's  
4 condition number five on the MGM license and  
5 under section two condition number five on the  
6 Wynn, MA license. So, that's where it can be  
7 found.

8 Under 205 CMR 121.03(b) the  
9 Commission is allowed to actually bill multiple  
10 phases of that assessment. So, what I'm here  
11 to do is to clarify and I guess seek guidance  
12 on whether you want to amend the license  
13 conditions or just allow the clarification to  
14 be made.

15 Our assessment of \$20.8 million  
16 which we made in June, I'm not ready to send  
17 out a bill to our three licensees Wynn, MGM and  
18 Penn. There are a few large items that we  
19 still haven't made decisions on, the central  
20 monitoring system which was in our budget for  
21 about \$1.75 million, the cohort study, which  
22 you'll hear later today about which was in our  
23 budget for about \$975,000. And then final  
24 staffing patterns which we are still working

1 out for the Penn facility, we haven't made  
2 final decisions on.

3 We will have our final decisions on  
4 those by my midyear recommendation to you and  
5 update, which will be in either the first  
6 meeting in January or the second meeting in  
7 January.

8 So, what I would like to do is hold  
9 off on sending out those second bills. We have  
10 enough money in the bank right now. I checked  
11 it today. We have \$26 million unspent, \$21  
12 million uncommitted when you back out our  
13 current contractual obligations, which will  
14 more than get us through that time period.

15 So, I was looking for what the  
16 Commission would like to do. I would recommend  
17 just as clarification, but if you want to make  
18 it very clear, we could vote to amend those  
19 conditions and state that the assessments under  
20 those two pieces would be due five or three  
21 days from the date I send the bill out to them  
22 versus five or three days --

23 CHAIRMAN CROSBY: You send it or the  
24 date?



1 MR. LENNON: I send the bill out.

2 CHAIRMAN CROSBY: Do you send it  
3 electronically?

4 MR. LENNON: Yes, we send it through  
5 email.

6 COMMISSIONER MCHUGH: And the  
7 alternative is just to do nothing and you send  
8 the bill when you --

9 MR. LENNON: Correct. And they're  
10 covered under our regulations. It's just how  
11 clean do you want it to be? Do you want the  
12 license conditions up on our website to reflect  
13 it? Or do you want it to be a cross-reference  
14 to our regulations, which we are still within?

15 COMMISSIONER MCHUGH: Right. I  
16 would prefer to leave the conditions alone.  
17 It's sort of like reopening the statute. And  
18 send the bill when you are ready to send the  
19 bill with the understanding that I'm sure we  
20 won't get any pushback --

21 CHAIRMAN CROSBY: They're not  
22 fighting to pay now, are they?

23 MR. LENNON: No. And I prefer not  
24 to have them pay now, because if I were to have

1     them pay now, I'd have to assess at the \$24-  
2     and \$8 million amount. And there's a \$3  
3     million to \$4 million swing in there.

4                 COMMISSIONER MCHUGH: And  
5     substantively, it makes perfect good sense.  
6     And I can't conceive of any opposition on the  
7     part of any of the licensees to that or any  
8     reluctance from the licensees simply to pay  
9     within the three- or five-day period after the  
10    assessment is made.

11                CHAIRMAN CROSBY: The only thought I  
12    have is that we know that there are lots of  
13    people out there ready to sue us about most  
14    anything. And I don't have an opinion as to  
15    what does this, but we just don't want to  
16    inadvertently give somebody some kind of a  
17    technical failure on our part. So, if that's  
18    covered by whatever actions you propose that's  
19    fine with me.

20                MS. BLUE: The condition in the Wynn  
21    and the MGM agreements is very specific in  
22    terms of a number of days after the effective  
23    date. The effective date once you award the  
24    license will be tomorrow.

1           So, I think it would be good for the  
2 Commission not to change the condition but to  
3 vote to say that you're going to amend the  
4 conditions slightly to say that it's due three  
5 to five days after CFAO Lennon sends the  
6 invoice. That way it will be clear. Right  
7 now, it has a very specific timeframe for  
8 payment which would be next week.

9           COMMISSIONER MCHUGH: Okay.

10          COMMISSIONER CAMERON: So, it's a  
11 verbal amendment?

12          MS. BLUE: What you're doing  
13 technically is waiving a payment date that  
14 would come up next week and postponing it for a  
15 later time. And it would just clarify that.

16          CHAIRMAN CROSBY: Can we just waive  
17 a clause in the agreement period? We don't  
18 have to amend the agreement and rewrite it and  
19 get everybody to sign it again, we can just  
20 waive it? Is that the appropriate way?

21          MS. BLUE: You're just changing the  
22 payment date. You're not waiving the entire  
23 clause. It is still due, it's just due at a  
24 different time. So, I think you can do that by

1 a vote here that acknowledges that we aren't  
2 prepared to ask for the payment. We're not in  
3 a position to invoice it.

4 CHAIRMAN CROSBY: This makes all of  
5 the sense in the world. The only issue is is  
6 there any remote possibility of claiming a  
7 technical default on the part of our licensees  
8 if we don't handle this a certain way? That's  
9 my only concern. I'd defer to other people's  
10 judgments. Mr. Nosal, if you have an opinion,  
11 please.

12 MR. NOSAL: Thank you, Mr. Chairman.  
13 We've worked with General Counsel Blue over the  
14 last several weeks to talk about this. And  
15 certainly, I think what we'd look for is some  
16 level certainty from the Commission through an  
17 action to provide the direction on when that  
18 payment should be made.

19 I think that can be done certainly  
20 by a vote of the Commission reflected in the  
21 record here. And obviously your enforcement  
22 ability to I guess rectify a default lies with  
23 you under the statute as well. So, I think  
24 that would have to come back to you in the

1 first instance as well.

2 CHAIRMAN CROSBY: Right. I'm fine.  
3 I defer to probably Commissioner McHugh to  
4 structure this motion maybe with the advice of  
5 Counsel Blue.

6 COMMISSIONER MCHUGH: So, I'll take  
7 that advice.

8 MS. BLUE: I would propose a motion  
9 that waves the three- or five-day payment date  
10 in the license agreements as currently drafted  
11 and it modifies that to allow payment by the  
12 licensee within three to five days of receipt  
13 of an invoice from us.

14 CHAIRMAN CROSBY: Three or five days  
15 depending on what the date is in your  
16 agreement. Does that make sense to you?

17 MR. NOSAL: We would have no  
18 objection to that on behalf of MGM Resorts and  
19 Blue Tarp Redevelopment.

20 CHAIRMAN CROSBY: So, moved?

21 COMMISSIONER MCHUGH: So moved.

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Any other  
24 thoughts? All in favor of the waiver as

1 proposed, aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes  
7 have it unanimously. Thank you very much.

8 Thank you, Jed.

9 We are now on items (a) and (b). If  
10 the teams from MGM and Wynn want to both come  
11 forth and pick one side or the other. Welcome.

12 We do have item 5(a) is the award of  
13 the Region B license. And we do have an  
14 obligation under the tentative license award,  
15 conditional license award today to have a vote,  
16 a formal vote that executes and awards that  
17 license if the referendum ballot initiative was  
18 unsuccessful, which it was. So, we are now  
19 proposing to have that vote to make a formal  
20 award to MGM. I believe Commissioner McHugh  
21 has that motion.

22 COMMISSIONER MCHUGH: I do, Mr.  
23 Chairman. And given the condition precedent  
24 has been fulfilled, I move that the Commission

1 formally award the Category 1 gaming license  
2 for Region B as that region is defined in  
3 General Laws Chapter 23K section 19A(2) to Blue  
4 Tarp Redevelopment, LLC. Said license to be  
5 effective on November 7, 2014 and to be subject  
6 (1) to all terms and conditions contained in  
7 the agreement between the Commission and Blue  
8 Tarp Redevelopment, LLC dated June 13, 2014.  
9 And (2) to acceptance by Blue Tarp  
10 Redevelopment, LLC of the license and those  
11 conditions.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER ZUNIGA: Second.

14 CHAIRMAN CROSBY: Any further  
15 discussion? Did anybody change their mind?

16 COMMISSIONER MCHUGH: I think it's a  
17 pretty good idea.

18 CHAIRMAN CROSBY: I think we'll go  
19 with it. All in favor of the motion to  
20 formally award the license finally to MGM  
21 Springfield, signify by saying aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

1 COMMISSIONER STEBBINS: Aye.

2 CHAIRMAN CROSBY: Opposed? The ayes  
3 have it unanimously. Congratulations.

4 COMMISSIONER MCHUGH: I take it, Mr.  
5 Mathis, before you say anything that you do  
6 accept the license.

7 MR. MATHIS: I thought I was going  
8 to get away with a technicality on that, Judge.  
9 On behalf of Blue Tarp Redevelopment, LLC and  
10 MGM Springfield and MGM Resorts we happily  
11 accept the license. Thank you very much.

12 CHAIRMAN CROSBY: Great. We have  
13 said this before and we'll stop breaking our  
14 arms, patting ourselves on the back but even  
15 the debate about the referendum, whether or not  
16 to go forward, even in that debate, there were  
17 comments about the remarkably innovative  
18 approach and the aspirations for Springfield  
19 that this seems to promise.

20 And I would just say again to all of  
21 you, more power to you. It's really off to a  
22 great start. And we are excited about making  
23 this come to fruition. Thank you.

24 MR. MATHIS: Thank you. If I can,



1 I'd just like to say a few words. First of  
2 all, I want to extend our greetings from our  
3 Chairman Jim Murren and Bill Hornbuckle. They  
4 appreciate the effort and the professionalism  
5 that the Commission has extended to us  
6 throughout this process.

7 I was moved by your comment this  
8 morning, Mr. Chairman, about as excited as we  
9 are about to 60 percent that turned out in  
10 support of this vote, we are laser focused on  
11 the 40 percent that we want to convert and we  
12 want to show that this is a powerful economic  
13 tool. And that we will bring towns like  
14 Springfield, Everett and Plainville back to  
15 economic strength.

16 So, thank you very much. And look  
17 forward to working with you over the next three  
18 years to get this opened.

19 COMMISSIONER ZUNIGA: I think it's  
20 more like 15 years.

21 MR. MATHIS: Yes. I'm focused on  
22 the construction side. The other thing I'd  
23 like to report is that as of yesterday morning,  
24 Seaboard Drilling, a local Chicopee company

1 started doing bore testings on our site. I  
2 think there are three contractors on the site.  
3 That is the first three of our 2000  
4 construction workers, and the first few dollars  
5 of \$800 million spend. So, we're making good  
6 on our process as of Wednesday morning.

7 COMMISSIONER MCHUGH: Great,  
8 terrific. Thank you.

9 COMMISSIONER ZUNIGA: Thank you.

10 CHAIRMAN CROSBY: Glad to hear it.  
11 The next item is item 5(b). This is the  
12 representational formal vote on the Region A  
13 license. Since that was a discussion from  
14 which I recused myself, I will recuse myself  
15 from this vote as well and ask Commissioner  
16 McHugh to carry forward.

17 COMMISSIONER MCHUGH: Thank you, Mr.  
18 Chairman. As with the MGM Blue Tarp license,  
19 the terms and conditions of the agreement that  
20 we signed on November -- signed earlier on  
21 September 17, I should say, require a vote  
22 today formally from the Commission to award the  
23 license.

24 So, I look for a motion.

1 Commissioner Stebbins do you have a motion in  
2 that regard?

3 COMMISSIONER STEBBINS: Yes, Sir,  
4 Mr. Chairman. I move that the Commission  
5 formally award the Category 1 gaming license  
6 for Region A as that region is defined in  
7 General Laws Chapter 23K Section 19A(1) to Wynn  
8 MA, LLC. Said license to be effective November  
9 7, 2014 and to be subject (1) to all terms and  
10 conditions contained in the agreement between  
11 the Commission and Wynn MA, LLC dated September  
12 17, 2014. And (2) to acceptance by Wynn MA,  
13 LLC of the license in those conditions.

14 COMMISSIONER MCHUGH: Is there a  
15 second for that?

16 COMMISSIONER CAMERON: Second.

17 COMMISSIONER MCHUGH: Is there any  
18 discussion? All right. All in favor, signify  
19 by saying aye. Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 COMMISSIONER MCHUGH: The ayes have  
24 it unanimously. Congratulations.

1 MR. DESALVIO: Thank you.

2 COMMISSIONER MCHUGH: As I said to  
3 Mr. Mathis, I take it that you accept the  
4 license under those terms and conditions Mr.  
5 DeSalvio?

6 MR. DESALVIO: Yes, Mr. Chairman.  
7 We absolutely accept. And on behalf of Steve  
8 Wynn, the Board of Directors and the entire  
9 Wynn team, we just want to say thank you so  
10 much for placing your trust and confidence in  
11 us. We look forward to developing an amazing  
12 facility in Everett and can't wait to get  
13 started.

14 I wanted to talk a little bit about  
15 a reciprocation for something that happened in  
16 September. You were very kind to present us  
17 with a large size replica of our license  
18 designation. And I'd like to return the favor  
19 today.

20 We were so excited to get started  
21 that we wired the \$85 million this morning and  
22 it should be somewhere in the Commission's  
23 account. And we want to get underway just as  
24 soon as possible. So, I'd like to make this

1 presentation on behalf of Wynn Resorts of our  
2 acceptance and our payment of the \$85 million  
3 and look forward to the next 15 years. I think  
4 truly you'll be very proud of this resort when  
5 it opens. Thank you.

6 COMMISSIONER MCHUGH: Thank you,  
7 very much. That's a very quick yield on the  
8 investment.

9 Thank you, Mr. DeSalvio. I think  
10 it's important for everybody to understand and  
11 then we'll end this that those funds, those \$85  
12 million in funds to be followed by an equal  
13 amount soon from MGM begin the yield to the  
14 various funds that the Legislature set up and  
15 the Governor approved when this legislation was  
16 passed.

17 The yield to the tourism fund that  
18 enhances tourism in Massachusetts, the  
19 Community Mitigation fund to deal with  
20 unexpected issues that may arise from the  
21 casinos' erection and operation. The local aid  
22 fund, which is the same fund that the lottery  
23 money goes into that provides unrestricted  
24 funds to cities and towns. The Rainy Day fund

1 an enhancement of the amount that's in that  
2 fund. The education fund for higher education  
3 and K-12 education on which there is so much of  
4 an emphasis these days. The Transportation  
5 Infrastructure and Development fund that deals  
6 with construction for local roads and highways.  
7 The Public Health Trust fund that we're going  
8 to discuss later today and other funds as well.

9 So, this is the beginning of the  
10 payoff, the yield, the return on investment  
11 that the Commonwealth and the Legislature  
12 anticipated when this legislation was passed.  
13 And we're delighted to be able to bring that  
14 here today.

15 CHAIRMAN CROSBY: Great. Thank you  
16 all. We like \$85 million.

17 MR. MATHIS: Ours is on the way.

18 CHAIRMAN CROSBY: Okay. The check  
19 is in the mail, right? We will take a brief  
20 adjournment for a press opportunity and come  
21 back together in a half an hour or so.

22  
23 (A recess was taken)

24

1           CHAIRMAN CROSBY: We are ready to  
2 reconvene the 138th meeting. We are going to  
3 go to item six, which we will try to conclude  
4 before lunch then we'll take a lunch break.  
5 Ombudsman Ziemba.

6           MS. ZIEMBA: Thank you, Mr.  
7 Chairman. Today I'll discuss for the first  
8 item I'll want to talk about the Community  
9 Mitigation fund and associated mitigation  
10 committees established by the Expanded Gaming  
11 Act.

12           So, today I'll discuss a proposed  
13 plan to prepare for an upcoming February 1  
14 application deadline for applications to the  
15 Community Mitigation fund. This is the fund  
16 that was created to assist parties in  
17 offsetting any impacts related to the  
18 operations for construction of gaming  
19 facilities.

20           Pursuant to MGL Chapter 23K Section  
21 61, parties requesting funds from the Community  
22 Mitigation fund shall do so by February 1 of  
23 each year. This upcoming February 1 will be  
24 the since deposits are put into funds as a

1 result of the licensing fees. The licensing  
2 fee was paid by Penn National earlier this year  
3 and the licensing fees to be paid by MGM and I  
4 guess the licensing fee that was just paid by  
5 Wynn. There will be dollars in this fund for  
6 the first time before the application date.

7           These will be the last funds - the  
8 last payments that will be put into the fund  
9 until 2017, projected when MGM and Wynn are  
10 expected to be operational. Thereafter, 6.5  
11 percent of the gaming taxes paid by MGM and  
12 Wynn will be paid into the fund. But this  
13 allocation based on the licensing fees is the  
14 only payment until the actual operation of the  
15 gaming facilities.

16           I am focusing primarily on just Wynn  
17 and MGM and not referencing the Region C  
18 application because those are still pending.  
19 So, all of the figures that I'm going to give  
20 you relate to those two facilities.

21           We conservatively estimate that  
22 approximately \$18 million will be placed into  
23 the fund annually, not counting the deposits  
24 from any Region C gaming facility to deal with



1 impacts that may result from gaming facilities.  
2 This is on top of the \$17.5 million that we  
3 will have in the fund as a result of the  
4 licensing fees.

5           The memo in your packet, it  
6 describes how consistent with our statute, our  
7 regulations and past decisions of the  
8 Commission, the Community Mitigation fund will  
9 be available to both Category 1 and Category 2  
10 communities. Further, communities that were  
11 not designated surrounding communities during  
12 the application process can still apply to the  
13 fund based on our regulations and our past  
14 practices.

15           So, the fund is generally available  
16 to help communities and other entities deal  
17 with these impacts. And the Commission has  
18 demonstrated a significant amount of  
19 flexibility in making sure that we try to  
20 address those impacts despite any sort of other  
21 nuances that happened during the application  
22 process.

23           The memo before you further  
24 describes the role of advisory committees

1 established in the Expanded Gaming Act in their  
2 role in advising the Commission on the use of  
3 Community Mitigation funds.

4           The Act establishes the Gaming  
5 Policy Advisory Committee, the Community  
6 Mitigation subcommittee and local Community  
7 Mitigation Advisory committees that each play a  
8 role in advising the Commission regarding the  
9 use of Community Mitigation fund. It's clear  
10 in the statute that the Commission shall decide  
11 on all applications for funding, but the  
12 committees do play an important role in  
13 advising the Commission on how funds should be  
14 utilized.

15           The February 1 dates poses some  
16 logistical difficulties due to how late in the  
17 year we are awarding the Category 1 licenses.  
18 First, the funds are meant to be used to  
19 mitigate operations or construction impacts.

20           No facilities will be operational by  
21 February 1, thereby taking away what the fund  
22 should be made available for. And further by  
23 February 1, it is not likely that we will have  
24 much significant construction activity for

1 either the MGM facility or the Wynn facility.  
2 Perhaps they might begin some initial  
3 construction remediation or some demolition but  
4 it's not likely that we'll be experiencing very  
5 significant construction activity by February  
6 1.

7           Therefore, it's conceivable that the  
8 upcoming initial funding round may not feature  
9 many significant applications or perhaps any  
10 applications because it's anticipated that the  
11 fund will just be made available to address  
12 actual occurring impacts. This perhaps could  
13 be useful because as I said, the initial \$17.5  
14 million that has been allocated so far to date  
15 to the fund does have to last. It has to last  
16 until these facilities are operational and are  
17 generating gaming tax revenues which then lead  
18 to further deposits in the fund.

19           The second logistical issue is that  
20 it may be extremely difficult to establish some  
21 of the committees and get significant impact  
22 advice prior to when we should notify  
23 communities about the fund.

24           With the February 1 application

1 date, we probably should notify communities  
2 about the details of the fund probably by the  
3 end of December or the very beginning of  
4 January in order to allow communities to  
5 evaluate whether or not they want to apply,  
6 whether or not they actually have impacts to  
7 meet the February 1 date.

8 To deal with these difficulties, I  
9 recommend that we develop an initial community  
10 mitigation policy by December 18. We could  
11 seek the advice of the Gaming Policy Advisory  
12 Committee, the GPAC, on this initial policy but  
13 probably would not be able to seek the advice  
14 of the other committees that have yet to be  
15 established.

16 We're aiming to have a meeting of  
17 the GPAC by early December. During and after  
18 the upcoming review of Community Mitigation  
19 fund applications, if any, we can consult with  
20 all of those committees. With this input we  
21 can enhance the policies regarding the  
22 Community Mitigation fund and develop  
23 recommendations regarding operational concerns,  
24 how operational concerns may be mitigated.

1           The Act, as I stated, they put in  
2 the two different classifications of types of  
3 impacts. During the course of the next year,  
4 we can seek the advice of all of those  
5 committees about how we should go about  
6 addressing any of those operational impacts in  
7 addition to further refinement of any of the  
8 details on construction related items that may  
9 go into this first funding round.

10           So, I look forward to a much more  
11 robust conversation regarding the initial  
12 policy by December 18, which would allow us to  
13 get a policy in place with enough time to  
14 notify communities of what would be available  
15 in that first funding round.

16           However, within the context that  
17 we'll have that much more robust discussion, I  
18 wanted to just provide some initial  
19 recommendations that we should likely consider  
20 during that December 18 meeting. If you can  
21 turn to page -- Sorry for the lengthy memo.

22           COMMISSIONER MCHUGH: It's very  
23 helpful.

24           MS. ZIEMBA: -- turn to page five.

1 So, some of the first recommendations that we  
2 should likely consider during that meeting on  
3 the 18th would be that the first funding round  
4 should likely be for construction only as no  
5 facility will be operational by February 1.

6 Applicant communities would need to  
7 address how the specific mitigation requested  
8 will address such impacts and provide  
9 justification of any funds requested. Unlike  
10 the existing surrounding community agreements,  
11 which were based on anticipated impacts, any  
12 community mitigation award would be based on  
13 impacts that have occurred or are occurring.

14 Applicant comments would describe if  
15 and how such impacts were addressed in any host  
16 and surrounding community agreements. We would  
17 review those agreements to see how they relate  
18 to any of the request for funding. And similar  
19 to a surrounding community review process, the  
20 Commission would ask each licensee to review  
21 and comment on any request for funding.

22 The Commission would evaluate such  
23 requests in a similar manner to how it reviewed  
24 the surrounding community petitions during the

1 application process.

2           The Commission would evaluate the  
3 submittal by the community, any input received  
4 from the community and interested parties, such  
5 as regional planning agencies, the responses of  
6 the licensee and Commission consultant reviews.

7           And I believe that we would likely  
8 in the recommendations for December, we would  
9 specify that a range of activities that could  
10 be funded under the Community Mitigation fund,  
11 but I don't believe that we should similar to  
12 the way that we did it during the reviews of  
13 surrounding community petitions prescribe with  
14 finite detail what specific impacts could or  
15 should be funded, that we can evaluate them  
16 once they're submitted.

17           So, in summary what I'm recommending  
18 is that the Commission direct the staff to work  
19 on a policy related to the Community Mitigation  
20 fund, to do outreach to the Gaming Policy  
21 Advisory Committee if we can get that  
22 established in time for the December 18  
23 meeting.

24           CHAIRMAN CROSBY: Questions,

1 thoughts?

2 COMMISSIONER CAMERON: I would agree  
3 this is very helpful. You laid it out in a way  
4 that really explains where we are, where we  
5 should be going. And your recommendations are  
6 sound.

7 MR. ZIEMBA: Thank you.

8 COMMISSIONER MCHUGH: I agree with  
9 all of that. But in trying to be helpful in  
10 thinking about the overall big picture within  
11 which the regulations are to be created, is it  
12 fair to say that the Community Mitigation fund  
13 is really a fund designed to deal with  
14 unanticipated consequences of construction or  
15 operation rather than supplement things that  
16 already are accounted for and dealt with  
17 elsewhere?

18 MS. ZIEMBA: I think that's exactly  
19 right. Throughout our deliberations on  
20 surrounding community agreements, we put a lot  
21 of attention on making sure the communities  
22 knew that we were hoping that impacts would be  
23 addressed in their surrounding community  
24 agreements, in their host community agreements.



1            Obviously, in comparison to host  
2 communities, surrounding communities had  
3 perhaps less bargaining power than host  
4 communities in their agreements. So, we will  
5 carefully evaluate what was included in those  
6 surrounding community agreements when we  
7 evaluate the requests for funding.

8            But that's exactly right,  
9 unanticipated or needs that were not met  
10 through the surrounding community agreements  
11 and host community agreements.

12            COMMISSIONER MCHUGH: And it's also  
13 true, is it not, that we in some cases  
14 mentioned during the course of our  
15 deliberations that these funds would be  
16 available to communities who were neither host  
17 or surrounding communities if they otherwise  
18 met the criteria that we've just described,  
19 i.e. suffered unanticipated consequences?

20            MS. ZIEMBA: That's exactly right.  
21 So, we are not constrained by a definition of  
22 whether or not a community was designated a  
23 surrounding community during the application  
24 process. We stressed throughout that if there

1 are mitigation needs, that we can address them  
2 through this fund. That's exactly right.

3 COMMISSIONER ZUNIGA: I had a  
4 similar thought and thought of it in accounting  
5 terms. I think we should have -- As you  
6 develop the policy and think about the  
7 recommendations, I think there ought to be a  
8 predisposition of these funds being first in,  
9 last out. I'm flipping an accounting term of  
10 last in, first out, I guess.

11 Because of that nature of  
12 unanticipated and essentially in the context of  
13 a lot of discussion that has already occurred  
14 in terms of host and surrounding community  
15 mitigation monies, we should resist the  
16 temptation to go quickly, in my opinion,  
17 because of this notion of unanticipated -- that  
18 I do agree that it should be at least primarily  
19 reserved for unanticipated impacts.

20 Now there's big policy questions I  
21 think that I look forward to the input of other  
22 advisory groups like the statutory  
23 subcommittees, etc., as to whether for example  
24 the monies from one region should stay within

1 that region because that would be commensurate  
2 to the size, right?

3           If you believe that impacts are  
4 commensurate to the amount of people that come  
5 to the facility, then that would call for  
6 making those monies stay within that region. I  
7 could easily argue the other way around that  
8 because we are in the unanticipated notion  
9 here, those funds should be thought on a state  
10 level.

11           MR. ZIEMBA: I think we actually do  
12 benefit by when these licenses are being issued  
13 because of the fact, the likely fact that our  
14 first funding round perhaps will not have a  
15 number of applications that will make the fund  
16 oversubscribed.

17           We will have significant dollars  
18 going into future rounds so that we can get  
19 into a number of the very significant policy  
20 debates on how this fund should be utilized for  
21 the next 15 years into next year after we've  
22 been able to properly form those local  
23 subcommittee and the Community Mitigation  
24 subcommittees and as we try to determine how

1 best we need to meet the statewide but also  
2 regionally.

3 And one of the other complicating  
4 features is that the Category 2 facilities and  
5 those communities they can take advantage of  
6 the Community Mitigation fund, but the way that  
7 the Act was structured was that the only  
8 outlays from those facilities to this fund came  
9 just from the licensing fee.

10 All of the gaming tax revenues, they  
11 do not go into this fund. So, how we account  
12 for those impacts out of the general fund would  
13 also have to be determined within an allocation  
14 policy.

15 CHAIRMAN CROSBY: Other questions?  
16 Just one thing for future reference, can you  
17 see why the communities around the Category 2  
18 were not represented on the subcommittee, on  
19 the local committees?

20 MS. ZIEMBA: No. I think I tried to  
21 look at the statutory history of that and I  
22 don't believe I saw anything.

23 COMMISSIONER ZUNIGA: Maybe it's  
24 related to that very point you just made which

1 is there is no ongoing money that flows to them  
2 -- flows from the Category 2.

3 CHAIRMAN CROSBY: But there's  
4 nothing that says we can't give it to those  
5 communities. I think we should just think  
6 about whether we want to invite those people  
7 into a nonstatutory committee anyway in an  
8 advisory role. It seems kind of unfair not to  
9 have them have similar representation. But  
10 we'll cross that bridge a little later, but  
11 something to think about.

12 MS. ZIEMBA: I think part of the  
13 Legislature's intent might have been the  
14 recognition that Category 1 facilities are  
15 likely to have more impacts than Category 2  
16 facilities. So, when they're looking at all of  
17 the impacts the Legislature might have been  
18 thinking about how to tackle those, the  
19 Category 1 impacts. But that said, we  
20 understand that there may or there can be  
21 Category 2 impacts as well.

22 COMMISSIONER ZUNIGA: Plus there's  
23 no date by which we need to act after February  
24 on any one of these requests. So, February

1 notwithstanding, this next February, we could  
2 really take whatever time is necessary to make  
3 those decisions.

4 MS. ZIEMBA: That's right. So, we  
5 put a draft schedule in your packets on how we  
6 are going to review those applications. And  
7 after we get those applications, we'll be able  
8 to go back to the communities, get further  
9 detail. Potentially, we could have further  
10 advice from those committees. Hopefully,  
11 they'll be formed by then. But there is no  
12 date by which we have to act. We include some  
13 potential dates here in the packet.

14 CHAIRMAN CROSBY: John, what the  
15 status of the Governor's other appointments?  
16 We know there's a chair that's in the  
17 background check process. What about the other  
18 eight, I guess?

19 MS. ZIEMBA: Well, we've had some  
20 discussion with them. I think up next would be  
21 the licensees now that we have them and how we  
22 can get them through the process. Obviously,  
23 each one of them, the designees have been  
24 through extensive background checks through us.

1 And that is usually the most time-consuming  
2 part of the appointment process. So, in  
3 conversations with the Governor's office, they  
4 expressed that they would take a look at these  
5 and try to expedite them as quickly as they  
6 can.

7 CHAIRMAN CROSBY: You're talking  
8 about trying to have a meeting in early  
9 December, right?

10 MS. ZIEMBA: That's exactly right.

11 CHAIRMAN CROSBY: At the moment,  
12 none of those people are appointed?

13 MS. ZIEMBA: Correct. With just the  
14 new chair, we would have a quorum. Hoping that  
15 given that the extensive background checks that  
16 we've had with our licensees that at least  
17 those members would be there. So, if a person  
18 is sick that day, we could still have the  
19 meeting.

20 CHAIRMAN CROSBY: Right. Okay. So,  
21 they've renewed the House and Senate  
22 appointments?

23 MR. ZIEMBA: We have the current  
24 appointees from our last meeting, they remain.

1                   CHAIRMAN CROSBY: Through the rest  
2 of this year?

3                   MR. ZIEMBA: Through the rest of  
4 this year.

5                   CHAIRMAN CROSBY: Then again for  
6 future reference, on the org. chart figuring  
7 out where the various communities are going to  
8 exercise their responsibility. I had always  
9 kind of imagined that the applications would go  
10 first to the lowest level advisory committee  
11 and work their way up, but I'm not sure how  
12 that'll work. We ought to add that on to the  
13 Gantt chart process here at some point.

14                  MS. ZIEMBA: Yes. I think there's  
15 an open question on how those committees would  
16 want to work. Those committees are not  
17 creatures of the Commission on how they would  
18 like to provide advice to us either on a more  
19 general basis regarding mitigation or on  
20 specific applications.

21                  So, where neighbors are sitting next  
22 to neighbor communities, would they want to get  
23 into the questions regarding specific  
24 applications or provide more general advice? I



1 think there'll be some consultations on that  
2 type of a matter.

3 CHAIRMAN CROSBY: Yes, interesting.  
4 Okay. So, we've got a lot of things to talk  
5 about coming up.

6 MS. ZIEMBA: Yes, a lot of work  
7 ahead.

8 CHAIRMAN CROSBY: Right. Any other  
9 thoughts, questions?

10 COMMISSIONER CAMERON: With the  
11 chart, John, I think you have Region C and A  
12 reversed at the very top of the chart.

13 MS. ZIEMBA: We'll get that  
14 addressed. I think I need my reading glasses.  
15 I don't have them yet, but it looks like I need  
16 some.

17 COMMISSIONER MCHUGH: Just turn the  
18 chart upside down.

19 MS. ZIEMBA: My recommendation is  
20 that you direct staff to move forward and  
21 develop a policy that we'd bring to you no  
22 later than December 18 after consultation with  
23 appropriate parties such as the Gaming Policy  
24 Advisory Committee and others such as the Mass.

1 Municipal Association.

2 CHAIRMAN CROSBY: I don't think we  
3 need a vote on that, right?

4 MR. ZIEMBA: No.

5 CHAIRMAN CROSBY: Yes, great. All  
6 right, item 6(b). Director Wells is going to  
7 join me for the discussion on the Region C  
8 update.

9 MS. WELLS: Good afternoon.

10 MS. ZIEMBA: Commissioners, today  
11 IEB Director Wells and I will give you an  
12 update on the Region C application process.  
13 We'll provide a background of how we arrived  
14 here at this point of the application process,  
15 and describe what decisions the Commission has  
16 made to foster competition in the region.

17 Director Wells will explain what is  
18 required for our December 1 RFA-1 application  
19 date, what the IEB review process will be. And  
20 she will provide some detail about how and when  
21 scoping sessions will occur.

22 I will then describe some other key  
23 dates, what we've been hearing in the region in  
24 a more general sense and recommendations for

1 next steps.

2 So, if you turn to the PowerPoint on  
3 page one, Commissioners, as I understand it,  
4 you know the history of how we arrived here.  
5 But for those in the viewing public, on April  
6 18, 2013 the Commission voted unanimously in a  
7 five to zero vote to adopt a plan that opened  
8 Region C or Southeastern Mass. to commercial  
9 applications.

10 As noted in an April 18, 2013 blog  
11 by Chairman Crosby "The Commission voted to  
12 pursue this option to protect the best  
13 interests of Southeastern Mass. by developing  
14 an alternative that assures timely economic  
15 development and job creation whether or not the  
16 Tribe successfully meets its promised  
17 deadlines. Under this plan, the Commission  
18 will open Region C to commercial applications.  
19 The final determination to issue a commercial  
20 license will take into account the totality of  
21 the economic circumstances including tribal  
22 status as they exist at the time of the  
23 licensing decision."

24 In many regards, the decision that

1 we will make upon review of all of the  
2 applications, assuming that we get them is  
3 similar to the types of reviews that we have  
4 done for both Region A and Region B licensees,  
5 as we take a look at the total circumstances at  
6 the time including the economics, the jobs, the  
7 revenues and the like.

8           The Region C application process  
9 consistent with that determination in 2013 to  
10 open Region C to commercial developers, the  
11 Commission established the application  
12 deadlines for Region C including the RFA-1,  
13 which is the background investigation  
14 application, and RFA-2, the full site specific  
15 application deadlines.

16           The initial RFA-1 deadline was set  
17 at September 30, 2013. The initial RFA-2  
18 application deadline was July 23 of this year.

19           In order to promote competition, on  
20 April 3, 2014 given the state of the  
21 applications as we then saw them, this July  
22 RFA-2 deadline was extended until at least  
23 September 23, 2014. We met again on the 26th  
24 of this year and the Commission discussed a

1 looming July 14, 2014 deadline for the  
2 execution of host community agreements. And at  
3 that time, there were no host community  
4 agreements that had yet been executed in Region  
5 C.

6 So, given that fact the Commission  
7 again extended the Region C RFA-2 application  
8 deadlines. The Commission extended the  
9 deadline to December 1, 2014 for the RFA-1  
10 application. That is the current deadline that  
11 we have to be substantially complete, and  
12 extended the RFA-2 deadline to March 27, 2015.

13 Over the course of that time, the  
14 Commission also took other actions to promote  
15 competition in Region C. On April 17, 2014,  
16 the Commission voted to change the calculation  
17 of the minimum capital investment for Region C  
18 by including the cost of infrastructure outside  
19 of the property boundaries.

20 Later this year, the Commission  
21 decided to open Region C to new applicants.  
22 Previously, it had only been to those  
23 applicants that had applied to Region C by  
24 September 30 of the previous year and to Region

1 A, B and Category 2 applicants.

2 And then finally on June 26, the  
3 Commission also decided to amend the  
4 Commission's regulations to allow for the  
5 inclusion of capitalized interest in the  
6 calculation of minimum capital investment for  
7 Region C.

8 I'm going to turn to Director Wells.  
9 What we have here is this is just a summary of  
10 some the applicable statutory regulatory  
11 Commission guidance on the rules that apply to  
12 the Region C process. Specifically, the first  
13 section 205 CMR 122.03 (11) and (12) if people  
14 are looking for the specific site regarding the  
15 minimum capital investment. That is the site  
16 for our regulatory changes. I believe we just  
17 enacted them very, very recently -- very  
18 recently.

19 I am now going to now turn to  
20 Director Wells who is going to take you through  
21 the remaining guidance applicable to the IEB  
22 and some of those processes.

23 MS. WELLS: Thank you, John. The  
24 first regulation I want to bring to your

1 attention is under 205 CMR 115.02(1) and (2).  
2 Initially, the IEB will either determine that  
3 an RFA-1 application is sufficiently complete  
4 for the purposes of initiating substantive  
5 review or will request additional information.  
6 That's that first threshold. If we get an  
7 application, it isn't sufficiently complete to  
8 begin an investigation, we'll go back and  
9 request that that be completed. That's the  
10 first step.

11 And in addition to that on June 26,  
12 2014, the Commission adopted a motion that in  
13 order for our Region C RFA-1 application to be  
14 substantially complete, which is a different  
15 term than sufficiently complete, it must  
16 include qualifiers, operation and financing.  
17 Once the applicant meets that initial threshold  
18 of being sufficiently complete, that we will  
19 even take a look at it, we are then looking for  
20 it to be substantially complete so that we can  
21 really do an in-depth investigation.

22 In regard to that motion that was  
23 adopted by the Commission, under MGL 23K 12(a),  
24 it specifies the Commission in reviewing

1 suitability shall consider the business ability  
2 of the applicant to establish and maintain a  
3 successful gaming establishment.

4 That applies to who the qualifiers  
5 are and specifically their operations. How are  
6 they going to operate this gaming  
7 establishment? Whether they bring in an  
8 outside operator or they have that business  
9 ability themselves, we're going to be looking  
10 at that and that's what we're looking for in  
11 addition to the financing to see if it's  
12 substantially complete.

13 On the next slide we have that  
14 December 1 is the deadline for the submission  
15 of a an RFA-1 for Region C. Applicants that  
16 have not previously filed an application must  
17 file that RFA-1 form and provide the \$400,000  
18 application fee. So we'll see if we get any  
19 additional interest by December 1.

20 Applicants that have previously  
21 filed an application, we don't need them to  
22 refile an entire RFA-1 application. The IEB  
23 already has that information. We don't want to  
24 create redundancy in that process. All we're



1 asking for is a cover letter referencing that  
2 prior RFA-1.

3 So, if an applicant X can report out  
4 that they are interested in Region C, please  
5 see our RFA-1 application that we submitted on  
6 such and such a date. And they do not have to  
7 pay the additional \$400,000 application fee.

8 The RFA-1's when they are submitted  
9 pursuant to this deadline, they are expected to  
10 be substantially complete at that time. And  
11 we're going to take a look that pursuant to the  
12 Commission's directive from June 26, make sure  
13 that they adequately describe the proposed  
14 financing, operation and qualifiers at that  
15 time.

16 We'll evaluate those applications.  
17 The scoping process, which I'll go into in a  
18 little more detail shortly that will help  
19 determine the completeness of those  
20 applications. We are expected to have a quick  
21 turnaround time for these investigations. And  
22 therefore, I may report back to the Commission  
23 if I get an application that doesn't meet the  
24 requirements that the Commission set out to be

1 substantially complete, I would be reporting  
2 back to the Commission that it is not  
3 substantially complete. And I would expect  
4 that the Commission may take some action on  
5 that application at that time.

6 So, I just want to make sure the  
7 applicants are aware that that is a  
8 possibility, a significant possibility if they  
9 are not deemed substantially complete when they  
10 submit their RFA-1 by the deadline of December  
11 1.

12 The next slide has to do with the  
13 scoping process.

14 COMMISSIONER ZUNIGA: Before we go  
15 there, remind me, I think I know the answer to  
16 this question, but remind me, applicants that  
17 have submitted an application prior to the  
18 deadlines because they were looking at one  
19 region or another, they have to remain the  
20 applicant, correct?

21 MS. WELLS: Correct.

22 COMMISSIONER ZUNIGA: If there's a  
23 qualifier or qualifiers within that applicant  
24 that might be interested in submitting, they

1 would have to remain an applicant?

2 MS. WELLS: Correct. So, they have  
3 that opportunity now because the Commission  
4 opened it up for new applications. But a  
5 potential qualifier, if they want to do it to  
6 under a different name, under a different group  
7 but they were a qualifier, they could do that  
8 but they have to submit the RFA-1 and the  
9 application fee.

10 COMMISSIONER ZUNIGA: Right.

11 COMMISSIONER CAMERON: To follow up  
12 on that, Director. So, if it is a different --  
13 They were previously an applicant in another  
14 region --

15 MS. WELLS: Correct.

16 COMMISSIONER CAMERON: -- but they  
17 may change some of the qualifiers may be  
18 different or --

19 MS. WELLS: That's okay. So, they  
20 can do that. That's part of this initial  
21 review that the IEB will be doing. It is not  
22 unusual for qualifiers to come in and out.

23 So, if a prior applicant comes  
24 before the Commission, submits the letter, we

1 were interested in Region C, see our RFA-1, if  
2 there are some minor differences that's part  
3 that evaluation that the IEB will do. And we  
4 will report out to the Commission for the  
5 Commission's consideration on what to do with  
6 that. But that shouldn't be a nonstarter.

7 COMMISSIONER CAMERON: So, in  
8 addition to a cover letter you would want  
9 whatever changes.

10 MS. WELLS: Correct, correct.  
11 Exactly. That's actually a good segue, unless  
12 there are Commissioners that have any other  
13 questions, into the scoping process. I would  
14 strongly encourage the applicants to be in  
15 contact with me as soon as possible if they are  
16 interested in Region C.

17 In order to meet the requirements of  
18 the Commission's Region C application process,  
19 the applicants must schedule a formal scoping  
20 session with the IEB. The scoping is the  
21 evaluation of their application to see who  
22 would be deemed qualifiers, whether entities or  
23 individuals, so we have a complete picture of  
24 the investigation that needs to be done.

1           This required scoping session can  
2 occur before or after December 1, but it must  
3 be scheduled at least two weeks prior to  
4 December 1. That's already been notified. So,  
5 that's coming up.

6           CHAIRMAN CROSBY: I talked about  
7 this with Ombudsman Ziemba. How can you have  
8 the scoping meeting after the application is  
9 due?

10           MS. WELLS: Ideally, we want it  
11 beforehand. That's the policy. There was an  
12 encouragement for a little flexibility here.  
13 So, my preference if there is an applicant for  
14 Region C prior to December 1, put your deal  
15 together, come in, have a scoping session. I  
16 can tell you who all of the qualifiers are and  
17 submit the application.

18           If for whatever reason, there is a  
19 problem there, I can be a little flexible. But  
20 the preference is to do it at the beginning.  
21 It's a far more efficient process and it's the  
22 better way to go.

23           COMMISSIONER MCHUGH: But the  
24 scoping session is designed to figure out who

1 has to be a qualifier?

2 MS. WELLS: Correct.

3 COMMISSIONER MCHUGH: So, you could  
4 get an application in which you've got an  
5 operator and a money person and the like but  
6 they don't list some people who you think  
7 should be qualifiers. That has happened  
8 before. And the application has been in and  
9 you could fix that.

10 MS. WELLS: Correct.

11 CHAIRMAN CROSBY: But as a practical  
12 matter, is this suggesting that the  
13 substantially complete criteria is a little  
14 soft? In other words, if you haven't even had  
15 your scoping meeting, then presumably you could  
16 file, you actually are substantially incomplete  
17 but you find out at the scoping meeting and  
18 then you've got some time after the scoping  
19 meeting to get substantially complete?

20 COMMISSIONER CAMERON: Can I take a  
21 stab at that?

22 MS. WELLS: Yes.

23 COMMISSIONER CAMERON: I think --  
24 So, what we're really saying here is your

1     qualifiers, your operations and your finances  
2     which is different. So, those three major  
3     categories are substantially complete.

4             There will always be some  
5     negotiation on a qualifier. So, I think what  
6     this does is allow a couple of extra weeks for  
7     those folks who are really looking to put a  
8     deal together in a short period of time. This  
9     ability to scope after the fact just gives an  
10    extra couple of weeks here.

11            CHAIRMAN CROSBY: I understand what  
12    the issue is. And I think we should put it on  
13    the table here that we're talking about do we  
14    want to create flexibility in the schedule.  
15    That's the issue.

16            And you're suggesting in effect a  
17    way to do it. And maybe it's a good way to do  
18    it. But it seems to me that what that does is  
19    your sort of details your last handful of  
20    qualifiers, you might not have ante to get them  
21    in a little late. But that isn't really the  
22    hang-up.

23            The hang-up is getting an operator,  
24    getting your fundamental money. If we're

1 needing to create some wiggle room here, I'm  
2 not sure this really does it if they still have  
3 to be substantially complete by December 1.

4 COMMISSIONER CAMERON: Substantially  
5 complete are the three major categories.

6 CHAIRMAN CROSBY: That's what I'm  
7 saying.

8 COMMISSIONER CAMERON: For example,  
9 if you don't have an operator at all and there  
10 are no qualifiers around an operator then  
11 that's not substantially complete. But if in  
12 the scoping meeting you find out well really  
13 these two additional people will have to be  
14 qualifiers, they've already been substantially  
15 complete. They have the three major  
16 categories. That's just a detail work after  
17 the fact.

18 MS. ZIEMBA: I think part of the  
19 intent was that if they're going to file an  
20 application fee on December 1, we are providing  
21 the additional flexibility within our existing  
22 rules so that they can make sure that all of  
23 their pieces are into the IEB. There's that  
24 couple of week period that basically we're



1 providing.

2           It is up to the IEB to make the  
3 final determination whether or not they are  
4 substantially complete.

5           So, what we are anticipating is that  
6 no later than December 17 according to the  
7 recommendation from IEB that that scoping  
8 meeting would occur.

9           So, what you could have is a  
10 situation where prior to that last scoping  
11 meeting, we still have the requirement that you  
12 have to provide all of the information that is  
13 necessary at least one week prior to that  
14 scoping meeting.

15           So, in effect we have a December 17  
16 cutoff date where all of your detailed  
17 information has to be into the IEB outlining  
18 all of those three things, the three legs of  
19 the stool that we just outlined. They have to  
20 be into the IEB by the 10th. The scoping  
21 meeting is on the 17th.

22           Then the IEB comes back to the  
23 Commission and makes recommendation saying  
24 we've had the scoping meetings. We think that

1 there may not be completeness of their  
2 application. Here's what we recommend. We  
3 recommend that we look no further at the  
4 application. Or you could say we give them two  
5 more days. It would be up to the  
6 recommendation of the IEB at the December 18  
7 Commission meeting likely to weigh in on that  
8 proposal.

9           So, yes, it is trying to live within  
10 our existing rules but to provide a little bit  
11 more flexibility given the status of Region C  
12 that we see at the current date.

13           CHAIRMAN CROSBY: My question is,  
14 and I don't have an answer to this at the  
15 moment. I think I want to hear the rest of the  
16 conversation. But does that really do the job?  
17 If we want to create some more room for people,  
18 then maybe we ought to just do it one way or  
19 another rather than this sort of tortured  
20 slight help but not really.

21           MS. WELLS: I would suggest that  
22 that's a policy discussion for the Commission.  
23 We can work with you however you want to do it.  
24 But this we are trying to least in the policy

1 objective of giving a little bit more  
2 flexibility while still maintaining with the  
3 rules and what the Commission said already.

4 CHAIRMAN CROSBY: Let's go ahead and  
5 go back --

6 MS. WELLS: We have in there the  
7 applicants can schedule one or more discussions  
8 with the IEB before the required scoping  
9 session. I want to put that out to potential  
10 applicants or people and entities that have  
11 submitted already.

12 I am available. I will work with  
13 you. Just contact me and we'll help you  
14 through the process so it doesn't have to be  
15 this mysterious scoping entity. We will work  
16 with you on that process.

17 We do have the requirement that one  
18 week prior to the required scoping session,  
19 applicant shall provide if they have not done  
20 so already, a list of the entities and the  
21 individuals the applicant believes are  
22 qualifiers; a list of entities having more than  
23 a nominal ability to exert control over the  
24 applicant entity; a list of entities owning

1 greater than five percent interest either  
2 voting or financial in the applicant or an  
3 entity owning a five percent interest either  
4 voting or financial in the applicant; an  
5 organizational chart showing the upper level  
6 positions held by individuals in each entity  
7 noted above, an ownership chart showing the  
8 owners of each entity noted above; and a list  
9 of entities and individuals for which the  
10 applicant is requesting a waiver under 205 CMR  
11 116.03 and the reasons for that request.

12           Once we have that information, the  
13 process moves much more quickly. So, that has  
14 to be in one week prior to the required scoping  
15 session. The scoping deadline is December 17.  
16 That means all of those materials have to be in  
17 on or before December 10.

18           That generally gives an outline. I  
19 can answer any questions for the Commission  
20 and/or Mr. Ziemba has some other notes on the  
21 deadlines.

22           COMMISSIONER MCHUGH: Just if we can  
23 sum up there that five weeks from now you've  
24 got to have not only the three pieces in place

1 at the outside, but some detail and some flesh  
2 on those three pieces in terms of the  
3 individuals or entities that comprise them.  
4 That's how it stands now --

5 MS. WELLS: Correct.

6 COMMISSIONER MCHUGH: -- if we adopt  
7 the protocol that's contained on this slide  
8 page eight.

9 MS. ZIEMBA: This slide addresses  
10 some of the points that Chairman I think you're  
11 looking at of giving a flavor of what's  
12 happening in the region to enable you to take a  
13 look at the question we just talked about.

14 So, other key deadlines that are  
15 approaching. As I noted, RFA-2 application  
16 date is March 27, 2015. And if you back out  
17 the 60 to 90 days that are required for review  
18 of host community agreements prior to a  
19 referendum and also I've included in here the  
20 10-day certification period for cities of  
21 referendums before they become official.

22 So, what we're looking at is  
23 December 17, 2014 deadline for the host  
24 community agreement if a community wanted a 90-

1 day review, and January 16, 2015 with a 60-day  
2 review.

3           And then the final step in here is  
4 prior to March 27, our regulations require  
5 applicants to submit an Environmental  
6 Notification Form under MEPA. This is the  
7 first step in MEPA filing that outline the  
8 impacts of their facilities. And they must  
9 receive their certificate after review of that  
10 ENF filing.

11           One thing I will note for you is  
12 given the status of where we are or what we  
13 perceive for applications is we will not have  
14 the -- we will not likely have draft  
15 environmental impact reviews to review for  
16 these applicants given how long it normally  
17 takes to go through the MEPA process and to  
18 develop your applications to submit to MEPA.

19           So, in comparison to our Region A  
20 and Region B reviews, Region C would be based  
21 on the Environmental Notification Forms rather  
22 than DEIRs that we were fortunate to have in  
23 the other two regions.

24           I'm going to just give you a general

1 flavor of what we're hearing in the region.  
2 I'm very happy to report that there is interest  
3 in Region C. It appears that there is  
4 significant interest in Region C. We may  
5 receive one or more applications by the  
6 December 2014 date.

7 I cannot provide you with a  
8 guarantee that we're going to receive an  
9 application by December 1, but based what I'm  
10 hearing I believe that it's likely that we will  
11 receive one or more applications.

12 COMMISSIONER ZUNIGA: New  
13 applications?

14 MS. ZIEMBA: One or more  
15 applications for Region C.

16 CHAIRMAN CROSBY: Beyond the one we  
17 already have.

18 MS. ZIEMBA: I guess what I'm saying  
19 is that one I would include in the one or more,  
20 but that one also has to meet the requirement  
21 of the three legs of that stool of operations  
22 and finances.

23 COMMISSIONER ZUNIGA: Which we will  
24 determine at a later time.

1 MS. ZIEMBA: Correct. Good point.  
2 By the December 30, 2013 (SIC) we have fair  
3 RFA-1, but it would have to meet the criteria  
4 of the new criteria as set out June 26 to  
5 proceed to RFA-2.

6 In general in some conversations we  
7 have heard that some operators have expressed  
8 some concern regarding the uncertainty caused  
9 by the referendum. Obviously, there is a  
10 significant question on whether or not gaming  
11 was going to proceed in the Commonwealth. And  
12 to especially operators that had not been  
13 before our proceedings here in the past that  
14 did cause some concern to outside interests.

15 And we've heard that some have been  
16 hesitant to spend significant funds advancing  
17 applications in advance of that referendum  
18 date. We have also heard some have posited  
19 that there may not be enough time between the  
20 referendum and December 1 to promote the most  
21 robust competition. But I do note that we are  
22 hearing that applicants are putting together  
23 applications or at least they're trying to put  
24 together the partnerships to meet that December



1 1 deadline.

2           One other issue is that Region C  
3 obviously, it involves some complex questions  
4 that were not as much key in the other regions.  
5 And notably the Wampanoag Casino proposal has  
6 caused some concerns for operators and how that  
7 likely would be reviewed by the Commission in  
8 the context of its decision of the issue of  
9 Region C.

10           This has not has been as much of a  
11 concern as it had been previously in the year,  
12 but we also still hear that the minimum capital  
13 investment required by the statute still does  
14 pose an obstacle given the risks and the nearby  
15 by competition of the region.

16           For more specificity, we did reach  
17 out to communities that had publicly -- where  
18 there had been public reports of interest in a  
19 gaming facility. We heard from Fall River that  
20 they are still actively pursuing a potential  
21 application. One complicating feature is that  
22 there is a recall election that was just  
23 determined for December 16. So, there  
24 potentially might not be the same mayor on

1 December 17 as there was prior to that. And  
2 although that would not have as much of an  
3 impact on the RFA-1 proceedings that certainly  
4 would have an impact on the host community  
5 agreement.

6 We've heard from New Bedford. We  
7 included the email in your packet. And they  
8 describe some difficulties as I just  
9 referenced, difficulties regarding the  
10 referendum and how that will impact on their  
11 planning purposes. A lot of what they  
12 described were impacts that dealt a little bit  
13 more with the RFA-2 deadlines rather than the  
14 RFA-1 deadline.

15 Somerset is also actively pursuing a  
16 gaming facility. And Bridgewater has expressed  
17 that it continues to hope to work with  
18 Claremont and Clairvest as they proceed in the  
19 application process.

20 So, for next steps, what we are  
21 recommending is that all of those that are  
22 wishing to apply should contact the IEB as soon  
23 as possible. They certainly should contact the  
24 IEB by November 17 so that they can schedule

1 the required scoping session. But as Director  
2 Wells just pointed out, they should have all of  
3 the conversations that they need even in  
4 advance of the one required scoping session  
5 under the plan that is before you today.

6 And our further recommendation is  
7 that the December 4 Commission meeting the IEB  
8 can report on any RFA-1 applications that it  
9 has received and the progress of its review of  
10 the substantial completeness of applications.  
11 Welcome any questions or discussion.

12 CHAIRMAN CROSBY: Anybody? When I  
13 hear you talking now and as I've heard you  
14 talking a little bit over the last few days, I  
15 get the clear sense that there is a lot going  
16 on than there has been. That apparently the  
17 referendum or something, maybe it's the fact as  
18 usual that we have a deadline in place,  
19 something has caused there to be a lot more  
20 interest.

21 And at this stage of the game, we're  
22 very tentative about it, but it looks like  
23 there's a real shot that there might be some  
24 decent applications in Region C. Having said

1 that however, practically all parties are  
2 feeling under the gun to get it done in time  
3 owing to at least some extent the referendum  
4 and probably the tribal uncertainty.

5           So, our position in the past has  
6 always been to do basically everything we can  
7 within the rules and fairness to facilitate  
8 competition on the theory that that gets us the  
9 best deals for the Commonwealth, which has  
10 clearly worked out for the other licenses.

11           The question that I would ask  
12 everybody is should we -- It sounds like pretty  
13 much everybody could use some more time. In  
14 the past, we've had people say please don't  
15 extend even though they weren't really ready.  
16 They thought they were. Here, we don't have  
17 anybody saying please don't extend. We have  
18 pretty much of a consensus that more time would  
19 be helpful.

20           So, I think we should just deal with  
21 foursquare. Do we want to award more time?  
22 And if so, do we need to do it by a formal  
23 extension or can we do it sort of by the  
24 administrative process that you're talked

1 about?

2 I want to clarify one thing, if I  
3 remember correctly, we have a precedent of  
4 having applications in that we deem to be not  
5 substantially complete but we've given people  
6 the time to correct. It's not a go/no-go. If  
7 you're not substantially complete, you're out.  
8 We've gone back to people and said you're not  
9 substantially complete, you need to get us A, B  
10 and C. Am I right about that?

11 MS. WELLS: My recommendation is  
12 that it's better to have it substantially  
13 complete on the front-end.

14 COMMISSIONER ZUNIGA: Actually, we  
15 had that precedent, but we addressed that  
16 precedent most recently as summarized here by  
17 that discussion about substantially complete  
18 based on your prior recommendation. So, the  
19 most recent precedent that applies was that  
20 whole discussion about substantially complete.

21 CHAIRMAN CROSBY: Would you say that  
22 we now have the precedent and effectively a  
23 standard that if you are not deemed  
24 substantially complete you are out?

1 COMMISSIONER ZUNIGA: Yes.

2 COMMISSIONER MCHUGH: Yes.

3 COMMISSIONER CAMERON: Yes.

4 CHAIRMAN CROSBY: All right. If  
5 that's the case then I thought maybe based on  
6 that precedent that I thought we had done  
7 before that might be alternative that we could  
8 just be sort of a loosey-goosey with. That  
9 seems to be off the table.

10 So, I think we need to talk about do  
11 we want to add another month or so to the RFA-  
12 1. We wouldn't necessarily have to deal with  
13 RFA-2 now. There would be an implication for  
14 RFA-2. And I'm open for discussion. I think  
15 that's a really what we ought to talk about.

16 To my mind, the little tweaking that  
17 you've offered within the present system, if  
18 substantially complete is really a go/no-go  
19 decision, I don't think that's enough. I think  
20 we should consider in the interest of promoting  
21 competition which appears in good faith is  
22 starting to materialize, we should consider a  
23 grant of more time.

24 COMMISSIONER CAMERON: Is there a

1 downside that you can either one of you can  
2 articulate about providing an extra month?

3 MS. ZIEMBA: I think the only  
4 downside would be if one or more of the  
5 potential applicants were counting on meeting  
6 the deadline and that somehow the additional  
7 time would somehow impact the competition in  
8 that regard.

9 COMMISSIONER ZUNIGA: It's  
10 competition versus fairness, right? We've  
11 talked about fairness as well. We've had this  
12 date out there for a while. We've extended  
13 deadline twice among other things.

14 CHAIRMAN CROSBY: Do you have any  
15 sense of that? Can you give us -- Is there  
16 somebody that is very likely counting on that  
17 date that we would unfairly prejudice?

18 MR. ZIEMBA: I don't know. I think  
19 in some conversations that I've had, people are  
20 proceeding and they think that they will be  
21 able to meet the RFA-1 date. I don't know the  
22 extent of whether or not how substantially  
23 complete they may be at the current moment  
24 versus what they anticipate to be by December

1 1. So, there's a lot of unknowns  
2 unfortunately.

3 COMMISSIONER MCHUGH: How is  
4 extending a deadline unfair, this initial  
5 deadline? Somebody spent a lot of time and  
6 effort to meet the deadline. That's great.  
7 And they have an expectation that the deadline  
8 was real. That's a given.

9 Now we say competition we've always  
10 been a competitive -- We've always been  
11 interested in competition. We know there's  
12 competitors out there. So, we're going to  
13 extend the deadline to allow the competitors to  
14 come in. What might be in some lexicon viewed  
15 as unfair is we've deprived those who were able  
16 to meet the deadline of a monopoly.

17 MS. ZIEMBA: Exactly.

18 COMMISSIONER MCHUGH: Right?

19 MS. ZIEMBA: Yes.

20 COMMISSIONER MCHUGH: Is the  
21 monopoly of the pool that would have existed,  
22 be it a pool of one or a pool of two that would  
23 have existed had we held fast to this deadline.  
24 We've said okay that pool, we're going to



1 expand the pool. We don't think that it's big  
2 enough given the fact that we know there's  
3 other people out there ready to jump in if we  
4 give them a little bit more time.

5 I can understand how somebody would  
6 feel disappointed by that. But I don't know  
7 that it is unfair.

8 The goal we're trying to serve, the  
9 master or mistress we're trying to serve is the  
10 best deal we can get for the Commonwealth  
11 within an articulated framework. And if we  
12 have to modify the framework somewhat in order  
13 to achieve that goal, it seems to me it's not  
14 unfair to do it.

15 COMMISSIONER CAMERON: And the one  
16 factor which you have continually talked about  
17 was the referendum. And that just was decided  
18 this week. So, that was an obstacle that just  
19 changed. So, I think that lends itself to  
20 maybe another month if in fact others were  
21 holding off because they just didn't want to  
22 invest in something that may not be real.

23 COMMISSIONER MCHUGH: Could I ask  
24 another question now that's tied to this

1 because we have extended the deadline a number  
2 of times now and we're contemplating doing it  
3 again. What happens if the deadline comes and  
4 we are still not -- Suppose hypothetically we  
5 had no applicants by the time of the new  
6 deadline?

7 MS. ZIEMBA: That is a possibility.

8 COMMISSIONER ZUNIGA: No  
9 substantially complete applicants.

10 CHAIRMAN CROSBY: By the new  
11 deadline.

12 COMMISSIONER MCHUGH: By the new  
13 deadline.

14 COMMISSIONER ZUNIGA: Or this  
15 deadline.

16 COMMISSIONER MCHUGH: Yes, okay or  
17 by this deadline, what do we do? Say we've  
18 closed Region C?

19 COMMISSIONER ZUNIGA: We could  
20 always repeat Region C at a future time.

21 COMMISSIONER MCHUGH: Yes, the  
22 answer is we change the deadline.

23 CHAIRMAN CROSBY: We might change  
24 more than the deadline. We might decide to do

1 what Commissioner Zuniga has been talking about  
2 which is change the capital investment  
3 requirements. That's the other thing that's  
4 within our control that would likely --

5 COMMISSIONER MCHUGH: Yes, but we  
6 would also have to change the deadline.

7 CHAIRMAN CROSBY: Correct.

8 COMMISSIONER MCHUGH: So, at a  
9 minimum we would have to change the deadline,  
10 which is what we are proposing to do here.  
11 We're not proposing that's the idea being  
12 floated at the moment. So, one way or another,  
13 if we don't get something that satisfies us,  
14 our alternative and our remedy is to extend the  
15 deadline, maybe something else but an extension  
16 of the deadline.

17 COMMISSIONER ZUNIGA: Why don't we  
18 wait until that deadline comes? Why do we have  
19 to continue to extend it for a third time?

20 COMMISSIONER MCHUGH: We don't have  
21 to but if we extended it for a month say -- We  
22 could certainly hold fast and see what turns up  
23 by December 1. We're getting good intelligence  
24 that there are -- No, it's always good

1 intelligence. It might not be accurate but  
2 it's good intelligence.

3 COMMISSIONER STEBBINS: It's good  
4 intelligence as of right now.

5 COMMISSIONER MCHUGH: -- that a  
6 slight extension would be meritorious. And it  
7 seems to me that to extend it a month is a  
8 viable sensible option, it's not a major.

9 COMMISSIONER ZUNIGA: I think I'm  
10 going to counter that point. And I'm going to  
11 repeat myself from prior meetings. But I think  
12 what's at play here, the lack of activity or  
13 however much activity you can see right up to  
14 the deadline may be indicative of a smaller  
15 market with a unique dynamic of the potential  
16 of the Tribe, and a capital investment as we  
17 have heard from at least one applicant who  
18 exited this region that said it was a big  
19 impediment to putting a deal together.

20 We've discussed this twice. I tried  
21 to make the point that when we raise the bar  
22 because that's what we did with the minimum  
23 capital investment by excluding a lot of  
24 customary costs, we might have raised it too

1 far for Region C.

2           Region A and Region B, which were  
3 always the bigger markets were able to meet it,  
4 but I think that whatever activity we are not  
5 seeing is closely tied to a smaller market and  
6 a capital investment amount that we have held  
7 constant, and a unique dynamic of competition  
8 in the future, nobody knows when, of a tribal  
9 operation paying no taxes.

10           COMMISSIONER MCHUGH: We did engage  
11 in that discussion before. That's going to be  
12 a very vigorous discussion if we revisit it  
13 again.

14           This may be a product of precisely  
15 that that the capital investment bar is too  
16 high. It may also be a product of what on the  
17 face of it we are hearing in today's report,  
18 i.e., uncertainty about the referendum and the  
19 potential applicants being in a different place  
20 than the other applicants were in terms of how  
21 far they proceeded.

22           If we extended this for a short  
23 period of time, which is all that we're  
24 presently being asked to do, then we would at

1 least eliminate the possibility that the pool  
2 of applicants is extremely small because of the  
3 amount of time between the end of the  
4 referendum and the time -- and the deadline  
5 we've set for the applications. So, if we get  
6 a nice pool after an extension of a month, we  
7 wouldn't have to have that more difficult  
8 conversation.

9 COMMISSIONER ZUNIGA: Where does a  
10 month come from, by the way? Why would a month  
11 be enough? Is that what's being discussed  
12 here?

13 COMMISSIONER MCHUGH: I'm not sure.

14 CHAIRMAN CROSBY: KG asked has for a  
15 month.

16 COMMISSIONER MCHUGH: And did New  
17 Bedford ask for a short extension?

18 MS. ZIEMBA: They did not specify  
19 how much time.

20 COMMISSIONER ZUNIGA: There's no  
21 specification of a month.

22 MS. WELLS: If the Commission is  
23 inclined to do that I would just recommend that  
24 we stick with the preferred process then of the

1 applicants being required to do that scope of  
2 licensing before submitting the IEB. If we're  
3 having some flexibility on the time that's my  
4 preference. It really is a much more efficient  
5 process.

6 CHAIRMAN CROSBY: Absolutely.

7 COMMISSIONER ZUNIGA: As an  
8 alternative to this extension we could remove  
9 this notion of substantially complete. I know  
10 that's not ideal for you, but if there's really  
11 an interest and there's anybody out there  
12 missing one of those three elements would we  
13 rather not find that out sooner rather than  
14 later?

15 MS. WELLS: I think that from my  
16 perspective from doing the investigation,  
17 ultimately what I want to avoid is that  
18 situation where I'm working with an applicant  
19 and said I'll get it to you, I'll get it to  
20 you. Weeks go by, those turn into months.  
21 Then it's months later. And then it's two  
22 weeks before I'm doing -- Where is it? I'm  
23 waiting for it.

24 So, in order to provide more of a

1 professional product for the Commission in  
2 having a complete investigation in a timely  
3 manner, setting a deadline where you have to  
4 have your whole package together, I think it  
5 really makes sense as far as being able to  
6 accurately report out to the Commission.

7 And fairness, say you have three  
8 applicants, if you have two that got all of  
9 their deal together and have the three legs of  
10 the stool and then one was missing one and  
11 delayed, delayed, delayed -- If they're  
12 expected to do this on the front-end, then we  
13 should hold them accountable to that.

14 COMMISSIONER CAMERON: I am  
15 persuaded by the fairness piece. I think that  
16 this isn't a situation where we want a  
17 placeholder. We want a complete application.  
18 And that is an issue of fairness if others were  
19 able to put the whole deal together.

20 CHAIRMAN CROSBY: Just quickly, I  
21 think the month is kind of arbitrary. I think  
22 as a practical matter we might say January 15  
23 if we were to do this because just January 1  
24 isn't a very good day to target because of the



1 holidays and such. It's a little bit  
2 arbitrary.

3 As a practical matter, I would say  
4 what we ought to be considering is maybe mid-  
5 January rather than January 1.

6 COMMISSIONER MCHUGH: I was just  
7 going to offer another potential alternative,  
8 which is to keep the current deadlines but  
9 extend the substantially. So, you'd have to  
10 file an application and the \$400,000 by the  
11 deadline. Set a new substantially complete  
12 date of say January 15 and move the RFA-2 date  
13 back by a month so that we would see who is  
14 here.

15 We would see a substantial  
16 expression of interest represented by a  
17 \$400,000 payment. And we would have the  
18 substantially complete deadline, which the  
19 failing to meet which would result in the  
20 application being denied without further  
21 investigation. And the \$400,000 is gone.

22 CHAIRMAN CROSBY: What's the gain of  
23 that? What would be the benefit of that  
24 approach?

1                   COMMISSIONER MCHUGH: To try to  
2 achieve something we all could agree on.

3                   COMMISSIONER ZUNIGA: Deadlines have  
4 a way of getting the attention of people.

5                   CHAIRMAN CROSBY: There's no  
6 question about that.

7                   COMMISSIONER ZUNIGA: And if we  
8 continue to extend the initial deadline -- This  
9 is an alternative that I really can go along  
10 with the one you just -- I'm disinclined to  
11 extend the first deadline a month or two just  
12 the way it was described before.

13                   I've said already how I feel about  
14 the minimum capital investment. And I think if  
15 we really wanted to open the field that's  
16 something that we should consider but we've  
17 already done that.

18                   COMMISSIONER MCHUGH: I was  
19 obviously being factitious. Functionally, if  
20 there are a pool of applicants out there who  
21 really are hindered in getting the paper  
22 together. They've got an essentially completed  
23 deal. The time to get all of the paper  
24 together, get the application formulated, get

1 the scoping meeting done and do all that within  
2 the time between now and the deadlines that  
3 we've currently set, this would give them an  
4 opportunity to say in essence that I'm there.  
5 I'm serious enough about this. And I believe I  
6 can put the deal together if I've got another  
7 month to do it.

8           So, I'm going to give you the  
9 400,000 and here's my application so much as  
10 I've got completed. And I understand my  
11 obligation is to get the rest of it done by the  
12 next date. So, we could find out who was in  
13 the pool and whether we have to have that more  
14 difficult discussion without extending the  
15 deadline for letting us know what the pool  
16 looked like.

17           COMMISSIONER ZUNIGA: We already  
18 have one applicant in that region.

19           COMMISSIONER CAMERON: That is not  
20 complete.

21           COMMISSIONER ZUNIGA: Which we can  
22 address either after December or by extending  
23 that substantially complete deadline. Like we  
24 did in Springfield, even one applicant can be

1 assessed on the merits of its own application.

2 COMMISSIONER STEBBINS: I like the  
3 proposal or suggestion put forward by  
4 Commissioner McHugh. I want to keep to the  
5 December 1 deadline allows for some of that  
6 completeness of the application and maybe  
7 extend it.

8 I came into today's meeting thinking  
9 if we were going to get to a discussion about  
10 extending the RFA-2 deadline out. I think in  
11 one of our previous submission rounds for  
12 Region C, we almost allowed 10 months between  
13 the RFA-1 application and the RFA-2  
14 application. And I think that would get us  
15 closer in terms of some opportunities for the  
16 community to have more time to negotiate an  
17 agreement, maybe more time to complete the  
18 environmental MEPA ENF. For the RFA-1 process  
19 I'm going to stick with the December deadline.

20 COMMISSIONER CAMERON: How does that  
21 affect the host community agreement if the  
22 clock starts ticking with an incomplete  
23 application?

24 CHAIRMAN CROSBY: We would have to

1 move the RFA-2 deadline. We'd have to move it.  
2 Any one of these, we're going to have to move  
3 the RFA-2 deadline. To me we ought to just do  
4 it one way or the other.

5 To require people to put up  
6 \$400,000, which is real money even for wealthy  
7 folks. That's a lot of money to put up if you  
8 don't know for sure if you've got an operator,  
9 you're not sure you can get the financing  
10 together.

11 What I understood from your feedback  
12 is that this is not just a matter of paperwork.  
13 This isn't people saying, hey, filling out  
14 those personal forms take forever. I need more  
15 time to fill out the personal forms. This is  
16 people getting their deals together and their  
17 principal partners. To my knowledge we don't  
18 to our knowledge have a single deal together.  
19 We don't have one complete group that's saying  
20 give us time to fill out the forms.

21 So, to require people to put up  
22 \$400,000 is just a harsh requirement that  
23 doesn't really serve any interest at this stage  
24 of the game.

1           If we want to -- I agree with you  
2 completely, that we've gone through this many  
3 times. It's the deadlines that gets people to  
4 act. And if we don't have deadlines, they  
5 don't act. That's commonplace in a lot of  
6 places besides here.

7           But in good-faith it does sound like  
8 the referendum was definitive. It was a  
9 significant influence. It does sound like  
10 there's been a lot more happening out there in  
11 the last very, very few weeks and almost days.  
12 So, we should just bite the bullet.

13           The objective is to create a  
14 competitive environment. And to go a half step  
15 and require \$400,000 from people who don't have  
16 their acts together doesn't add anything to the  
17 public purpose that I can see.

18           COMMISSIONER CAMERON: I would agree  
19 with that. I think if we're going to extend, I  
20 would like a substantially complete application  
21 all at once. I think it's cleaner for us that  
22 way.

23           COMMISSIONER ZUNIGA: All at once?

24           COMMISSIONER CAMERON: If we move

1 this deadline then you have to submit a  
2 completed application.

3 COMMISSIONER ZUNIGA: Which one, the  
4 first or the second?

5 COMMISSIONER CAMERON: The scoping  
6 meeting would've had to have been done and it's  
7 got to be substantially complete at the  
8 deadline.

9 COMMISSIONER ZUNIGA: I am trying to  
10 relate it back to Commissioner McHugh's idea of  
11 extending the second.

12 COMMISSIONER CAMERON: I'm saying  
13 I'm agreeing with the Chairman that it's  
14 cleaner for me in my mind if we have one  
15 deadline, if we move it back and then  
16 everything is due. And we know you have a  
17 complete deal. We're not out there saying we  
18 have three applications when two of them aren't  
19 complete.

20 I just think it's cleaner all of the  
21 way around to give people, in light of the  
22 referendum, results giving people a little more  
23 time since at least one or have asked for that.  
24 And then that's it. You have it completed and

1 you submit it and we move on.

2 COMMISSIONER ZUNIGA: Although I  
3 want to put it behind, I think the notion that  
4 a lot -- that there was a serious damper  
5 because of the referendum, I discount compared  
6 to the unique features of this region. The  
7 market size, the capital investment and the  
8 Tribe I think have a much bigger effect than  
9 the referendum in trying to put a deal  
10 together.

11 CHAIRMAN CROSBY: Why would there  
12 now been increasing interest if that's the  
13 case?

14 COMMISSIONER ZUNIGA: So, let's see  
15 it.

16 CHAIRMAN CROSBY: Pardon?

17 COMMISSIONER ZUNIGA: Let's see it.  
18 Let's get to the deadline and see what we get.

19 CHAIRMAN CROSBY: Why is there  
20 increasing interest?

21 COMMISSIONER ZUNIGA: There's also  
22 been decreasing interest in the past.

23 COMMISSIONER MCHUGH: The question  
24 is is there increasing interest or is this just



1 a buzz? Is the interest real? Is the interest  
2 real or realistic? That's the question.  
3 That's a question. I'm not sure it's the  
4 question, but it's a question. And part of the  
5 issue is how do we best find out?

6 CHAIRMAN CROSBY: Anymore thoughts?  
7 Do we want to put one or two options on the  
8 table and see where we come down?

9 COMMISSIONER MCHUGH: Yes.

10 CHAIRMAN CROSBY: Do you want to put  
11 yours, Commissioner?

12 COMMISSIONER CAMERON: I would be in  
13 favor of due to the referendum, and that has  
14 been a concern articulated by potential  
15 applicants, we allow a short extension but then  
16 stick to our substantially complete application  
17 requirements.

18 CHAIRMAN CROSBY: With the scoping  
19 in advance, would you be willing to put January  
20 15?

21 COMMISSIONER CAMERON: Yes, January  
22 15.

23 CHAIRMAN CROSBY: One technical note  
24 under our current process, we require two weeks

1 prior to the deadline for the scoping meeting.  
2 And one week prior to the scoping meeting, they  
3 have to submit all of their materials to enable  
4 the IEB to review prior to the scoping session.

5 COMMISSIONER MCHUGH: You're  
6 actually giving them about a one month  
7 extension.

8 MS. WELLS: If we go to January 15  
9 that is correct.

10 COMMISSIONER MCHUGH: You're giving  
11 them a practical one month extension.

12 MS. WELLS: Exactly.

13 MR. ZIEMBA: So, their materials  
14 would need to be in approximately December 23  
15 or so, 24th or so.

16 CHAIRMAN CROSBY: Is there a second?

17 COMMISSIONER MCHUGH: Wait a minute.  
18 Are we fixed on the date yet? If we're going  
19 to do that, somebody has got to get it in on  
20 December 22, why not go to the end of January  
21 if we're going to go this route? Then I take  
22 it part of your motion would also be to move  
23 the RFA-2 date back by two months?

24 COMMISSIONER CAMERON: Yes, the

1 appropriate amount of time that we would need.

2 Yes, this would move the whole process back.

3 COMMISSIONER MCHUGH: So, it would  
4 move the RFA-2 date -- Just if we're trying to  
5 do guidelines for people. -- from the end of  
6 March to the end of May, right?

7 COMMISSIONER CAMERON: Now we're  
8 talking about the deadline going an extra two  
9 months, so it would be the two months. That's  
10 your idea of going to the end of January.

11 COMMISSIONER MCHUGH: Yes.

12 CHAIRMAN CROSBY: You're just saying  
13 move the whole thing two months.

14 MS. WELLS: I'd just put out there  
15 for consideration, once the IEB gets the RFA-1  
16 application, we may get application from prior  
17 entities involved in the process that should be  
18 easy. If I get a completely new application  
19 with foreign entities and all that I may be  
20 coming back to the Commission with a  
21 recommendation on the RFA-2 deadline. Just to  
22 put it on your radar screen, but I don't think  
23 we need to do anything about that today.

24 CHAIRMAN CROSBY: Right. Would you

1 be okay to make it to the end of January?

2 COMMISSIONER CAMERON: I would be  
3 fine with that. I can see the practicality of  
4 December 23, which is -- Even the end of  
5 January, this would require work through the  
6 holiday season, frankly.

7 CHAIRMAN CROSBY: Right.

8 COMMISSIONER MCHUGH: And we're not  
9 going to touch the RFA-2 date?

10 COMMISSIONER CAMERON: We'll move it  
11 the appropriate two months.

12 CHAIRMAN CROSBY: The whole thing is  
13 two months but Karen is just saying she's not  
14 going to really know how much time.

15 COMMISSIONER MCHUGH: I get that,  
16 but at least tentatively we're just going to  
17 move the whole thing back two months. That's  
18 what the motion is. Okay.

19 CHAIRMAN CROSBY: Do I have a  
20 second?

21 COMMISSIONER MCHUGH: Yes, I will  
22 second it.

23 CHAIRMAN CROSBY: Any further  
24 discussion?

1                   COMMISSIONER ZUNIGA: I'm going to  
2 vote against this and insert my little  
3 editorial that I think we are doing the same  
4 thing and expecting different results.

5                   CHAIRMAN CROSBY: That's the  
6 definition of insanity, right? I appreciate  
7 that. And you may well be right. And I think  
8 you may well have been right back a ways when  
9 you first brought up this idea.

10                   For what it's worth I do think --  
11 One bidder said if you'll change the threshold,  
12 include the cost of land, I am in. If you  
13 don't, I'm out. We didn't and they were out.  
14 Other folks have not decided that that was a  
15 bar. Whether that's noise or not, we won't  
16 know until the end of the day.

17                   But I think for what it's worth it  
18 seems to me if that really were a bar, we  
19 wouldn't have people buzzing around. Why  
20 bother?

21                   COMMISSIONER ZUNIGA: Or you would  
22 have a deal put together. There have been a  
23 lot of months to do this.

24                   COMMISSIONER MCHUGH: I am coming

1 around to this notwithstanding my interim, my  
2 alternative proposal because I really think  
3 that the lowering the bar conversation is --  
4 that concept is very, very troublesome to me on  
5 a whole variety of ways.

6 And I would like to really make sure  
7 that we need to have that conversation before  
8 we get into it. So, I think this is an effort  
9 in part to see whether we really need to have  
10 that conversation.

11 COMMISSIONER CAMERON: That makes  
12 sense.

13 COMMISSIONER MCHUGH: I know you're  
14 already there.

15 COMMISSIONER ZUNIGA: We could have  
16 it if the deadline passes and we don't have  
17 anybody or substantially complete. Wouldn't  
18 that be a good opportunity on December 2?

19 CHAIRMAN CROSBY: We wouldn't know  
20 why we didn't.

21 COMMISSIONER CAMERON: Correct.  
22 This way we'll know for sure.

23 COMMISSIONER ZUNIGA: The market  
24 assessment I thought -- maybe I looked at it

1 too much, but I thought we had it early from a  
2 while ago.

3 CHAIRMAN CROSBY: Once again, the  
4 public is getting the benefits of transparent  
5 public decision-making.

6 COMMISSIONER MCHUGH: That's  
7 important. These are important discussions.

8 CHAIRMAN CROSBY: Very important  
9 discussions. Anybody who thinks our outcomes  
10 are predetermined can see what's happening.

11 Anybody else? More conversation?  
12 All in favor of Commissioner Cameron's motion  
13 to move both deadlines, move the whole process  
14 out by two months to I guess that would be  
15 February 1 technically indicate by saying aye.  
16 Aye.

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 CHAIRMAN CROSBY: That was Cameron,  
20 McHugh and Crosby. Opposed?

21 COMMISSIONER ZUNIGA: No.

22 COMMISSIONER STEBBINS: No.

23 CHAIRMAN CROSBY: That was -- You  
24 know who that was, Zuniga and Stebbins.

1 COMMISSIONER ZUNIGA: The naysayers.

2 CHAIRMAN CROSBY: The motion passed  
3 three to two.

4 MS. ZIEMBA: Mr. Chairman, we can  
5 report at the next meeting the exact dates  
6 after going through the scheduling software.

7 CHAIRMAN CROSBY: Right. You all  
8 will obviously convey this to whoever needs to  
9 be conveyed to.

10 It is now 1:10. We are done with  
11 item six. And we will take a 45-minute break  
12 and be back here at 2:00.

13

14 (A recess was taken)

15

16 CHAIRMAN CROSBY: We are reconvening  
17 public meeting 138 at about 2:00. And we will  
18 go straight to item number seven, Workforce,  
19 Supplier and Diversity Development.

20 MS. GRIFFIN: Good afternoon,  
21 Commissioners. I'm here today to recommend  
22 that the Mass. Gaming Commission establish  
23 Access and Opportunity Committee. A formal  
24 committee established to monitor diversity



1 compliance during construction for the Category  
2 1 casino projects and to make recommendations  
3 to advance the goals of inclusion.

4           At the October 9 Commission meeting,  
5 the policy group on Tradeswomen's Issues  
6 highlighted the success of the UMass Integrated  
7 Science complex project in achieving and  
8 surpassing their diversity goals. And they  
9 also highlighted best practices that made that  
10 success possible.

11           The establishment of an access and  
12 opportunity committee was listed by Liz  
13 Skidmore of the New England Regional Council of  
14 Carpenters and Susan Moir of UMass Boston Labor  
15 Resource Center as one of those best practices.  
16 And I might add that they are here today to  
17 offer their support.

18           The establishment of an access and  
19 opportunity committee was later endorsed by  
20 Mark Erlich of the New England Regional Council  
21 of Carpenters and Brian Doherty of the Building  
22 and Construction Trades Council. The  
23 establishment of an access and opportunity  
24 committee is about bringing a higher degree of

1 transparency of effort and accountability  
2 forward. In short, access and opportunity is  
3 about opening doors and removing barriers.

4           The concept is that all stakeholders  
5 casino licensees, construction managers or  
6 general contractors, subcontractors, unions and  
7 community representatives as well as the  
8 Commission will work together to maximize  
9 diversity commitments and other related  
10 workforce and supplier commitment made in their  
11 application and host and surrounding community  
12 agreements regarding resident, minority, female  
13 and veteran workforce participation across the  
14 projects.

15           Furthermore, stakeholders will also  
16 promote full business participation from  
17 minority business enterprises, women business  
18 enterprises and veteran business enterprises.  
19 Collaboration and transparency among all of  
20 these parties is critical to the success in  
21 attainment of these goals. The access and  
22 opportunity committee will bring a focus on the  
23 end goals of providing opportunity to the  
24 diverse population of the Commonwealth to work

1 and do business with the casinos.

2 I have described the membership,  
3 potential membership of the committee in the  
4 document before you. Maybe I'll review that in  
5 a few minutes. Maybe I'll talk about the  
6 duties of the access and opportunity committee  
7 would involve reviewing detailed statistical  
8 reports regarding a number of gender, race and  
9 veteran status of the individuals by job  
10 classifications hired to perform labor as part  
11 of the construction of the gaming  
12 establishment, and reports regarding supplier  
13 diversity as well.

14 The committee would recommend  
15 actions that can be taken to increase the level  
16 of minority business enterprise or women or  
17 veteran business participation as  
18 subcontractors. And they could also make  
19 recommendations to increase the number and  
20 percentage of women, minority and veteran  
21 individuals participating as labor as well.

22 I should also note that both Wynn  
23 and MGM have expressed support and agreed to  
24 participate in this access and opportunity

1 committee.

2           How would this work? The logistics  
3 were something that we thought long and hard  
4 about. The proposal is that the committee  
5 would meet at a minimum every other month, once  
6 in Boston following a meeting in Springfield.  
7 So, in addition to alternating the meeting  
8 between the two cities, we would utilize  
9 technology like Skype to ensure access, open  
10 access.

11           And based on actually recent  
12 feedback from one of the licensees, we do think  
13 there is a need to have local subcommittees  
14 that make up the community groups and some of  
15 the local participation.

16           CHAIRMAN CROSBY: Is that described  
17 in this?

18           MS. GRIFFIN: It is not described in  
19 it. It's a recent recommendation and probably  
20 something that we would change about the  
21 document that you have.

22           CHAIRMAN CROSBY: Go ahead.

23           MS. GRIFFIN: Also, pending your  
24 approval, I have reached out to Ron Marlow who

1     chaired the Division of Capital Asset  
2     Management, the UMass Building Authority access  
3     and opportunity committee. By all accounts  
4     from everyone who has participated, he's done a  
5     superb job in moving the discussion along and  
6     allowing people an opportunity to process the  
7     information.

8             So, he has agreed to participate  
9     pending your approval. Are there questions or  
10    discussion?

11            CHAIRMAN CROSBY: Commissioners?

12            COMMISSIONER CAMERON: I think it's  
13    a great idea. I read the memo. I'm sorry I  
14    missed the presentation when the women  
15    presented a couple of weeks ago, I guess it  
16    was, maybe a month ago now, right? I was  
17    unable to be here and missed that presentation.  
18    Jill, you filled me in though.

19            You've included everyone that seemed  
20    could be helpful on the committee. It seems  
21    like a win-win. It's not something that we're  
22    getting pushback about. If people are willing  
23    to help, I think it's a really good idea.

24            COMMISSIONER STEBBINS: Mr. Chair, I

1 think Jill's done a great job formulating this.  
2 As we all know, this is a little bit different  
3 model than what was used for UMass Boston  
4 project because they were the actual purveyors  
5 of the building. We are merely kind of in a  
6 monitoring role.

7 I guess the one question I had, you  
8 had several spots here set aside for people who  
9 are a member of the current administration or  
10 could be appointed by members of the current  
11 administration. Maybe Mr. Chairman I guess  
12 your point about some type of transition report  
13 that we're going to recommend in terms of  
14 making sure -- Would you see yourself getting  
15 some people named here within the next month or  
16 waiting until going into the following year  
17 with swearing-in of a new Governor to figure  
18 out who some of these people might be? What  
19 are your thoughts?

20 MS. GRIFFIN: I don't anticipate  
21 waiting for the transition. I'd like to get  
22 started and have the first meeting by the end  
23 of this year. I think quite honestly that the  
24 positions or the people who would be involved

1 in rolling up their sleeves that transition may  
2 not happen until the spring. That's my  
3 personal.

4 And if there is transition, we'll  
5 work to get the new representatives up to  
6 speed. But I don't anticipate slowing down,  
7 unless the Commissioners think that that would  
8 be prudent.

9 The one thing I did want to mention  
10 was that we did have as a member of the  
11 committee, a proposed member a representative  
12 from the surrounding community chosen by the  
13 local community mitigation advisory committee.  
14 And that would be something we would request of  
15 them, ask them if they would like to send two  
16 representatives, one from Western Mass. and one  
17 from Eastern Mass. They wouldn't be required  
18 to do that but we would request.

19 COMMISSIONER STEBBINS: I know we  
20 have a little bit of flexibility from the  
21 Commission's standpoint of some additional  
22 faces and appointees. But I was very impressed  
23 with the gentleman you introduced us from  
24 Labor and Workforce Development who focuses on

1 apprenticeship opportunities. And I think he  
2 and/or his successor would be a valuable  
3 addition to that just hearing again on the  
4 radio this morning the decline in the number of  
5 apprenticeship opportunities that are available  
6 out there is something I think we want to keep  
7 focus on.

8 MS. GRIFFIN: You're speaking, I  
9 think, of David Wallace, the Deputy Director of  
10 Apprenticeship Training. He was a participant  
11 in the UMass Building Authority access and  
12 opportunity committee. I think he would add  
13 quite a bit as well.

14 COMMISSIONER ZUNIGA: I have a  
15 technical question. Would this committee be  
16 required to have a quorum? I know it would be  
17 subject to the open meeting, which is great and  
18 there will be minutes. But a lot of members  
19 here are high level or their designees. And  
20 you propose that it meet in Boston and  
21 Springfield, which is a great idea but what if  
22 you can only convene less than half of the  
23 members here?

24 MS. GRIFFIN: We actually didn't put



1 a requirement of a quorum and thought that that  
2 should be left up to the discretion of the  
3 Commission.

4 CHAIRMAN CROSBY: Of the Commission  
5 or the committee?

6 MS. GRIFFIN: The committee, I'm  
7 sorry.

8 COMMISSIONER MCHUGH: I have sort of  
9 a big picture question. That is what are we  
10 gaining by this? We have a carefully -- We are  
11 paying a monitor who makes reports to us.

12 Part of the reporting that we  
13 require from the licensees is diversity. We've  
14 got a diversity plan that's for Penn National,  
15 and I assume for MGM and for Wynn we will have  
16 a diversity plan that's gone through a lot of  
17 vetting that we ultimately approve. And then  
18 we require periodic reports from them to see  
19 how they're doing. And happily with respect to  
20 Penn National, they're way ahead of goals and  
21 the like.

22 We've got remedial provisions in  
23 that plan if they fall below the goals and the  
24 numbers dictate whether they're above or below.

1 At least the first five, four bullets are  
2 already represented in that process. One of  
3 the duties of this committee is to, in section  
4 3A, to review quarterly status reports  
5 submitted to the Commission reflecting the  
6 progress of construction and certifying  
7 compliance with the approved project schedule  
8 for major stages of construction. We are  
9 already doing that through the Pinck folks and  
10 the PMA folks.

11 The goal here is something that  
12 everybody's got their back behind. But I'm  
13 just worried -- I'm just interested in why this  
14 isn't a redundancy in essence of something that  
15 we are already doing that actually may make  
16 achieving things more complicated, achieving  
17 results both in terms of actual construction  
18 progress and in terms of the highly desirable  
19 goal of diversity more cumbersome.

20 MS. GRIFFIN: I think you've raised  
21 some interesting and very good questions.

22 So, in the case of the Plainville,  
23 the Category 2 casino project, the scale is  
24 quite different. There was an existing

1 building, an existing garage. And just the  
2 size was quite different. I think the massive  
3 scale of the resort casino projects, the length  
4 of the construction, the pace of the  
5 construction. In one case, there will be over  
6 4000 construction workers required over the  
7 length of the project. There will be other  
8 public sector projects going on at the same  
9 time.

10 And I think that this offers another  
11 mechanism to ensure diversity and more  
12 importantly to ensure transparency in the  
13 process as well.

14 COMMISSIONER CAMERON: If I could  
15 add, let's talk about the Penn project. They  
16 haven't met their goals when it comes to women.  
17 They are trying and I believe they are making  
18 good-faith efforts but having others who really  
19 have studied this issue and are willing to help  
20 I think is just a tremendous opportunity that  
21 we would be providing.

22 It was apparent to me by listening  
23 to the union folks that they are just starting.  
24 They don't really track. So, outside help I

1 think would really be a benefit. I know that  
2 in the world the I come from policing, outside  
3 help really, really helps. You can have a  
4 great plan. You can make internal efforts and  
5 say you're trying, but the numbers don't change  
6 without others in the community helping you.  
7 That's my experience. So, I think this a very  
8 good idea.

9 COMMISSIONER MCHUGH: What  
10 responsibility under 3A create with this  
11 committee have for certifying compliance with  
12 the approved project schedule for major stages  
13 of construction? What would happen if they  
14 didn't certify compliance with the approved  
15 project schedule? That by itself doesn't seem  
16 to have anything to do with diversity. That  
17 seems to have something to do with whether the  
18 progress is as the Commission has approved it.

19 MS. GRIFFIN: That's actually a  
20 really good point. I think progress in  
21 relation to diversity. So, maybe we could  
22 rephrase that. But I'm thinking one of the  
23 things that we've talked about with an  
24 applicant for example is while they're working

1 on a certain section of construction, making  
2 sure that they do outreach with a particular  
3 union that's involved in that stage of  
4 construction. So, I think the certification  
5 you're talking about maybe the word is too  
6 strong.

7 COMMISSIONER MCHUGH: The  
8 certification as to compliance with targets or  
9 the certification with the approved diversity  
10 plan. Do we plan to go through the same  
11 process that we did with Penn and get a  
12 diversity plan and do all that? I take it that  
13 we do.

14 MS. GRIFFIN: Yes. The licensees  
15 are working on that now.

16 COMMISSIONER MCHUGH: So  
17 certification with that plan in relation to the  
18 progress -- I've already said what the major  
19 premise is. I'm worried about bureaucratizing  
20 this to the point of -- bureaucratizing a  
21 process to the point of the process itself  
22 being a hindrance to progress.

23 COMMISSIONER ZUNIGA: I really think  
24 that that sentence should be compliance with

1 the diversity plan not the project schedule. I  
2 know the intention that it should be at  
3 critical points, right, and major milestones.  
4 And all of that may go without saying. But  
5 it's not compliance with the project schedule.

6 CHAIRMAN CROSBY: I have some of the  
7 same concern. This feels to me -- You said  
8 this is different from the one that took place  
9 for the Building Authority for UMass. I think  
10 it's different in a lot of ways.

11 My perception, Susan and Liz can  
12 maybe contribute to this, my perception of the  
13 way that committee worked was that it was  
14 really an advocate and what Susan referred to  
15 as a badass champion. My perception was this  
16 was the organization that was cutting through  
17 the BS and saying hey, this is for real. Bring  
18 in your subcontractors and let me see the  
19 makeup of their core force. And that refused  
20 to take I can't find any for an answer.

21 And really put the heat on in a  
22 passionate way the various players, and had the  
23 experience of knowing who the critical players  
24 were to be identified. Not only (A), but (B)

1 and (C) are really just bureaucratic functions  
2 that we're going to be overseeing a lot of  
3 times.

4 I secondly wondered whether and you  
5 maybe you maybe addressed this whether by  
6 making this a statewide committee that we start  
7 to weaken its force. This is going to be  
8 powerful when you've got people close in who  
9 really care about this who have real knowledge  
10 about how construction hiring works, and how do  
11 you mainstream folks into apprenticeship  
12 programs and so forth.

13 And that by setting up this big  
14 statewide thing with all of these people, half  
15 of whom will never show up, you might really  
16 undercut the bite that this organization has --  
17 that this committee has.

18 You have (D) and (E) says may  
19 recommend actions that can be taken to increase  
20 the level of either vendors or individuals.  
21 And those are the two things that I see this  
22 committee as really being about.

23 Yes, you're going to look at the  
24 reports, but we don't need any more people

1 telling us whether the reports are right. And  
2 this organization would not be saying have you  
3 met your diversity goals but have you exceeded  
4 your diversity goals. And why is your  
5 diversity goal only 12? It should be 18.

6 So, that's my perception of the way  
7 the committee worked. (A) is that accurate?  
8 And (B) if it is does that build on what  
9 Commissioner McHugh was talking about that  
10 maybe this structured as too much of a  
11 bureaucratic function and not a real gritty,  
12 down and dirty roll up your sleeves moves the  
13 needle organization.

14 MS. GRIFFIN: So, I think your  
15 characterization is correct in terms of how the  
16 committee functioned. I would say that I used  
17 the rules of procedure from that group to  
18 create Mass. Gaming Commission's access and  
19 opportunity committees. And it mirrors it  
20 except for I did add some of the regular  
21 reports that we would be getting by regulation  
22 from our licensees. And I thought it would be  
23 worth sharing those with this group.

24 For example, the membership is the



1 same actually. The state representatives were  
2 also representatives in the UMass committee. I  
3 think what maybe we need to add to this is the  
4 local badass champions that you referred to.

5 And the difference is that this is  
6 not just one project. It's two. So, we'll  
7 have two local subcommittees. I've talked to  
8 some of the local folks. And they're eager to  
9 participate. We'll have also in some cases  
10 different unions that will be participating.  
11 So, there will need to be probably  
12 subcommittees in Springfield and in Everett.

13 COMMISSIONER STEBBINS: I think the  
14 flexibility we're going to have in naming a lot  
15 of local folks, I wouldn't suggest that their  
16 official title be local badass but --

17 CHAIRMAN CROSBY: Maybe just LBA.

18 COMMISSIONER STEBBINS: But I think  
19 it gets your goal Mr. Chairman. It's probably  
20 understated here, our ability to add local  
21 people. We've talked about this with the  
22 Community College Workforce folks. It's great  
23 to have this group working up here, but it's  
24 really the folks who are around the table who

1 know the neighborhood, who know the grassroots,  
2 who know the organizations that can help drive  
3 people to participate in the process or pursue  
4 those construction careers in this case. I  
5 feel comfortable that's covered.

6 MS. GRIFFIN: Right. And we didn't  
7 want to make it too prescriptive. We have been  
8 getting to know some of those local folks who  
9 have developed an amazing amount of expertise  
10 in monitoring and giving advice and suggestions  
11 regarding increasing diversity during  
12 construction.

13 CHAIRMAN CROSBY: If this body were  
14 empowered to really support the local groups  
15 and to help the local groups, give resources,  
16 make sure they get attention and make sure they  
17 were doing their really on the ground work that  
18 would make some sense.

19 But I do sort of feel like, as Bruce  
20 was saying, it's going to be the people from  
21 the area who are going to know where the bodies  
22 are buried and know how to actually make some  
23 change here.

24 Did Liz and Susan -- Obviously, they

1 were a part of this. How do you guys feel? Do  
2 you want to come up here for a second and talk  
3 about this? This was the team that presented.

4 MS. MOIR: The first thing I said to  
5 Jill this morning was I apologized because at  
6 the last meeting I kind of jumped her and said  
7 oh, I think you have to have four committees.  
8 She was of course a little panicked.

9 CHAIRMAN CROSBY: Four, one for each  
10 location?

11 MS. MOIR: One for each location.  
12 And I think the dilemma you're facing, we're  
13 all looking at, you moved very fast on this.  
14 And you're way ahead of where we have ever been  
15 before. So, we're all kind of catching up. We  
16 don't want you to slow down. We want you to  
17 keep moving fast on it, but I think there are  
18 some questions that we haven't quite answered.

19 So, the example I used with Jill  
20 this morning is so UMass Boston is I think it's  
21 five projects right now, all of them much  
22 smaller than yours and all of them on the  
23 campus. We have a single access and  
24 opportunity committee. It does involve two

1 different agencies DCAMM and UMBA. So, there's  
2 been all kinds of kind of bureaucratic and  
3 jurisdictional governance issues.

4 But the on-site event which happens  
5 there and also was modeled on what happened at  
6 the Kroc Center in Dorchester, which was a very  
7 small project where all of these best practices  
8 were essentially kind of birthed is called the  
9 trailer meeting. At UMass Boston, that happens  
10 once a week.

11 That's a group that looks in more  
12 detail about what's actually happening on the  
13 site. I would say Commissioner McHugh -- I'm  
14 kind of jumping around. -- about your concern.  
15 I don't think we have a great answer about  
16 that. I will say there are many official  
17 members of the access and opportunity  
18 committee, you're absolutely right, most of  
19 them don't show up, because they're official  
20 members. The group itself has been highly  
21 functional. And I think maybe Liz can talk a  
22 little bit more about that.

23 Commissioner McHugh, I would say in  
24 response to your concerns that I think this has

1 brought great efficiency to the goals. When we  
2 say these are proven strategies, it has not  
3 been -- I don't think anybody has been involved  
4 in this process at UMass Boston, now it's  
5 developing in a similar process, it's  
6 developing at the Dudley Square area around  
7 development there.

8           That it has been very efficient  
9 because it has been a single funnel through  
10 which the diversity problems have been  
11 addressed. Otherwise, the diversity problems,  
12 and I would contend without something like this  
13 you will only have diversity problems, you will  
14 not have diversity solutions. Because the  
15 institutional government, industry, labor and  
16 every other level in construction resistance to  
17 this process is so well-established. Everyone  
18 is really clear.

19           We've had these goals for 35 years.  
20 And for 35 years we've been developing  
21 institutional structures to resist the goals.  
22 Now we really are in a place where we are  
23 committed, we're all committed to doing  
24 something different. But we need a mechanism,

1 I think Ron Marlow, one of the things that I  
2 feel like Ron was great at was building trust  
3 among parties with a singular mission that had  
4 very roles in this.

5 So, the efficiency that's built in  
6 here is that kind of trust building,  
7 relationship building. And as you said,  
8 Commissioner Crosby, really identifying where  
9 the expertise is to get it past those  
10 institutionalized problems. You want to say a  
11 little bit about how the committees actually  
12 function or whatever you would like to say  
13 about this?

14 MS. SKIDMORE: It's a pleasure to  
15 see you all again. And we are very, very  
16 excited about this. As I will say, partners  
17 all around the country are very, very excited  
18 about this and inspired by what you're  
19 considering doing here. And are already using  
20 it as a model for other developments in other  
21 parts of the country. So, thank you for taking  
22 this as seriously as you are.

23 I think it seems like at least two  
24 questions on the table. One is this committee

1 redundant. So, what your subcontractor is  
2 doing and then should there be one committee  
3 per project was statewide. I think on the  
4 redundancy question I would agree with Susan.  
5 And I would just say there is no subcontractor,  
6 no matter how fabulous that subcontractor is  
7 that could do this alone.

8           They just can't and for all of the  
9 reasons you've said. You need local partners.  
10 You need labor in the room. You need the  
11 people that actually deal with apprentices,  
12 bring them in who actually know their workforce  
13 and who know their community. So, that's one  
14 piece of it.

15           And then the other piece of it is  
16 having everyone in the room keeps everyone  
17 honest, which I think is what Commissioner  
18 Cameron was talking about is it's easy to get  
19 comfortable. And a little bit of discomfort  
20 around this stuff actually makes it move  
21 forward because everyone is keeping track of  
22 what each other is doing.

23           I think I can't speak to whether or  
24 not there should be a regional committee. I

1 can see the value to that or a statewide  
2 committee. I agree with the comments that have  
3 been made about needing a committee that's tied  
4 to each project for all of the reasons that  
5 you've said.

6           So, I think at minimum you need a  
7 committee per project and then perhaps regional  
8 less often some or other that meets. I do  
9 suspect you're going to develop expertise on  
10 one job that might be a construction schedule a  
11 little bit ahead of the next job that would be  
12 useful to the second project and likewise to  
13 the third.

14           I will slightly disagree with Susan,  
15 which we do sometimes, the UMass Boston access  
16 and opportunity actually a lot of the key  
17 stakeholders did attend all the meetings. The  
18 commissioner of DCAMM was there almost every  
19 single meeting.

20           And whenever things started to  
21 stray, she made it very clear that failure was  
22 not an option and that the Governor and the  
23 whole state agency was taking this very  
24 seriously. And that it was very important.



1                   So, she was at almost every meeting.  
2     Ron Marlow was there at almost every meeting,  
3     top executives from each of the general  
4     contractors were there at almost every meeting.  
5     And I think that participation by leadership  
6     has been one of the things that made this  
7     successful versus some compliance projects  
8     which where there's a compliance person who is  
9     a relatively low person within that contractor  
10    or hiring key. And they don't have any  
11    authority to really do anything. They can kind  
12    of give reports but they can't sort of force  
13    the envelope at all.

14                  So, I think a piece of what made the  
15    UMass access and opportunity committee  
16    successful is there was participation from  
17    senior level leadership both on the government  
18    side and on the contractor side. I guess the  
19    developer side is sort of what relates to we're  
20    really talking about here.

21                  MS. MOIR: A single subcontractor or  
22    contractor compliance officer is what we've  
23    seen as one of the most high risk jobs in this  
24    field. We've seen three people fired in the

1 last six months. If the contractor feels like  
2 or the subcontractor feels like this is  
3 interfering with profit, progress or their own  
4 political views they just fire the compliance  
5 person. It does require that kind of  
6 leadership at the top to really make this.

7 I'm a defender of subcontractors. I  
8 think for your benefit, Commissioner Cameron, I  
9 said in my testimony subcontractors are the  
10 ones that do the hiring. They will do the  
11 diversity hiring. And they are the most  
12 economically vulnerable sector of this  
13 industry.

14 They have very few incentives to do  
15 this. So, it takes those who are above and I  
16 don't like to think of the unions as below, but  
17 the labor suppliers also. It really takes --  
18 It truly takes a multidimensional strategy in  
19 order to make this successful.

20 COMMISSIONER MCHUGH: I can  
21 understand that. And by my questions I wasn't  
22 suggesting that somehow you put compliance  
23 solely in the hands of a subcontractor to the  
24 person whose performance is supposed to be

1 reviewed. That doesn't make any sense at all.  
2 I agree with you. And I was intrigued by your  
3 talk about the weekly meetings in the trailer.

4 But a group of this size and a group  
5 with this kind of a charge just concerns me  
6 about its efficiency. You put a lot of  
7 emphasis on efficiency. And I think to be  
8 effective this has to be efficient. I'm fully  
9 supportive of the goal.

10 And something that was efficient,  
11 something that was at a high level, something  
12 that neither the prime contractor nor the  
13 subcontractors had control over, something that  
14 had buy-in from the owner and from the  
15 Commission, I think all of that is something I  
16 could enthusiastically support. But I don't  
17 see that here. So, it's not the goal, it is  
18 this construct that I'm having difficulty.

19 CHAIRMAN CROSBY: I agree with that.  
20 And I think that in a way, either should there  
21 be one or two, I think there's a clear sense  
22 that there needs to be local organizations.  
23 Does there also need to be an overarching one,  
24 I don't know about that.

1           But I think what's wrong here is the  
2 duties and responsibilities of the committee,  
3 which is what Commissioner McHugh picked up on  
4 right off the bat. The things that you talked  
5 about the commission did, the weekly meetings,  
6 the implementing the best practices you guys  
7 have designed, making sure there's little  
8 discomfort in the room that's not mentioned  
9 here. But that's what that committee was  
10 supposed to do.

11           And if duties and responsibilities  
12 were to assure implementation of the best  
13 practices put together by the organization and  
14 to advocate for increased goals and stuff like  
15 that and then it was a workable on the ground  
16 group that feels more appropriate to me.

17           You are going to need to get to  
18 these reports so you can see what the data is,  
19 but that's got really your job. That's just a  
20 tool to get you geared up to do your job.

21           MS. GRIFFIN: Okay.

22           COMMISSIONER ZUNIGA: I don't mean  
23 this as a really in the weeds question, and  
24 it's going to come across as one, but bear with

1 me.

2           Where it says here in (A) just what  
3 Commissioner McHugh was talking about section  
4 three that the committee would certify  
5 compliance with the approved project schedule.  
6 Was that generally the idea that if a committee  
7 like this does not see progress or good-faith  
8 efforts there would be some kind of stop until  
9 there is such? You cannot go forward if you  
10 have not about to meet those goals? Is that  
11 part of the idea?

12           MS. GRIFFIN: Actually, this was  
13 brought from one of our regulations, our  
14 construction monitoring regulations. And that  
15 was not part of the UMass Building. I think  
16 you're right. I agree that maybe that is not  
17 the correct role of this committee.

18           COMMISSIONER ZUNIGA: Let me  
19 eliminate that question. So, what would be a  
20 realistic hammer or carrot or whatever, the  
21 combination of both that would come to be when  
22 any of the parties of this committee felt that  
23 there were either no good-faith efforts or no  
24 achieving of those goals?

1 MS. SKIDMORE: I can start to answer  
2 a piece of that. I think one of the models for  
3 this is New Haven, Connecticut. They have had  
4 one of the most successful workforce hiring  
5 goals in the country.

6 And what they do is make it  
7 phenomenally clear from the first second you're  
8 in contact with any of the projects that are  
9 covered by this that this is critical. So,  
10 it's repeated.

11 There's a pre-job meeting for every  
12 subcontractor specifically and exclusively on  
13 this subject. It's not one of 20 items on a  
14 pre-job to do with what style windows are you  
15 buying and everything else. So, they have a  
16 separate pre-job agreement.

17 It's very, very clearly delineated  
18 in even the bid documents, which is one of our  
19 recommendations in the best practices. They do  
20 have a fine structure. If you miss the pre-job  
21 meeting, it's a \$1000. If you do this, it's  
22 this one. And that's one of the pieces of  
23 paper they get from the beginning.

24 Their goal is to provide the

1 contractors enough support that that contractor  
2 is successful. And they get a few efforts at  
3 help with being success. So, I think that we  
4 all want to create a wide pathway for people to  
5 be successful and not have to deal with the  
6 stick.

7 I think in terms of the carrot, one  
8 of our recommendations is that past practice in  
9 meeting workforce goals is one of the things  
10 that's evaluated when subcontractors are  
11 chosen.

12 COMMISSIONER ZUNIGA: I remember  
13 some of this on the recommendations.

14 MS. SKIDMORE: Right. And I think  
15 that the more we can get that into industry  
16 practice that becomes the self-fulfilling  
17 process that will sort of provide that  
18 financial incentive for subcontractors to take  
19 this on because it means they'll get more work.

20 And then I do think you're right. I  
21 think that some stick is critical. And there's  
22 possibilities for fines. There's possibilities  
23 for stopping payments. There's possibilities  
24 or sort of compliance review meetings kind of

1 in reverse strength. So, I think, yes, I  
2 certainly would advise having consequences. A  
3 wide clear, well-advertised path to success and  
4 then consequence if you don't.

5 MS. MOIR: I don't think I disagree  
6 with you at this point. We would recommend  
7 that you took out this document, but I think  
8 what we would recommend you put in this  
9 document is that this committee can explore  
10 possible options for sanctions.

11 That should be one of the roles of  
12 this committee. Sanctions are not being used  
13 yet. Sanctions are going to have to be put in  
14 place. Someone is going to have to be first to  
15 the table with that. You have an opportunity.  
16 You've made it crystal clear. It's obviously a  
17 wide pathway.

18 We have talked -- I think we talked  
19 here, unless it was in another meeting, about  
20 we have a tremendous amount of data now. We  
21 can identify bad actors. Your licensees can  
22 hire a bad actor, but if they have how will  
23 that bad actor's acting be improved.

24 One other thing I wanted to pick up



1 on that was mentioned by someone actually from  
2 the panel, we don't use best-faith efforts.  
3 Best-faith efforts are actually the mechanism  
4 that has been used for 35 years to purvey these  
5 goals.

6 We say maximum efforts. And we  
7 describe what those maximum efforts are  
8 including one critical thing that I think Ron  
9 Marlow is an expert on this. It took maybe a  
10 year and a half for the access and opportunity  
11 committee to tease out and discern who is lying  
12 when a subcontractor says I called the hall and  
13 asked for women. They don't have any.

14 Because actually maximum efforts  
15 require the documentation of the ask and the  
16 response. The numbers of women skyrocketed on  
17 those sites where people asked for written  
18 documentation of the ask and the response. So,  
19 that's maximum efforts.

20 That's not -- Best-faith efforts are  
21 I told you I asked for them. They didn't have  
22 any. That's never worked.

23 So, those kinds of again, what you  
24 say yourself that kind of previous experience

1 will be gathered. We're hoping however you  
2 constitute your AOC that's our PGTI one. A lot  
3 of people in the room, the Policy Group on  
4 Tradeswomen's Issues, but a lot of people in  
5 the room have a lot of different experiences on  
6 this build faith and trust and turn that varied  
7 experience into collective knowledge to make  
8 change.

9 I don't really care how you do it  
10 bureaucratically as long really that's how you  
11 see the role of this committee.

12 COMMISSIONER STEBBINS: I think at  
13 least my overall thought that's why we're  
14 calling it access and opportunity as opposed to  
15 watchdog and hit you with a stick committee is  
16 to focus on engaging best practices.

17 We've always talked about we don't  
18 want to set our licensees up for failure, but  
19 understanding that we have one licensee who  
20 hasn't named a GC yet. So, we don't know where  
21 that GC may be coming from, what their  
22 familiarity is with the area.

23 So, the access and opportunity  
24 committee is really to make sure that we are

1 helping our licensees meet their goals or the  
2 goals that they prescribed in their application  
3 and we are trying to help them to meet.

4 I just want to go back because we  
5 talked about it on section 3A. And we've  
6 already talked about rewriting it, but I read  
7 that a little bit differently. Not necessarily  
8 suggesting that the committee do any certifying  
9 in compliance. As I reread it, it said shall  
10 review the quarterly status reports reflecting  
11 the progress of construction certifying  
12 compliance. I read that as the reports certify  
13 the compliance not the committee itself. But  
14 maybe I was just to reviewing it wrong over the  
15 past few weeks.

16 MS. MOIR: Can I make two additional  
17 comments? Quarterly is not enough.  
18 Construction moves too fast.

19 CHAIRMAN CROSBY: I'm sorry. I  
20 didn't hear what you said.

21 MS. MOIR: Quarterly is not often  
22 enough. Construction moves too fast.  
23 Quarterly reports are way out of date. At  
24 UMass, we began by doing monthly and we moved

1 to every other month. Monthly certainly would  
2 have been more effective. We lost ground when  
3 we moved to every other.

4 CHAIRMAN CROSBY: I thought you said  
5 the trailer group was weekly?

6 MS. MOIR: Yes, the trailer group,  
7 yes, was looking weekly. Yes, that is true.  
8 Great. Let's go weekly. Great idea.

9 The other thing I wanted to mention  
10 was something you mentioned, Commissioner  
11 Crosby, is that if I had to pick the one most  
12 critical thing here is that your subcontractors  
13 and your contractors and licensees are all on  
14 board where the goals are actually floors.

15 We actually want this to be true  
16 every single day. We worked a long time with  
17 the UMass folks and they are continuing to have  
18 this problem of getting their subs. Every day  
19 you need whatever they agreed on 6.9 percent,  
20 10 percent. 6.9 has got to be your floor. You  
21 come onto this job with women on your crew.  
22 And then your numbers will start at a great  
23 place and you'll be going up from there.

24 COMMISSIONER MCHUGH: You

1 persuasively told us about that before and that  
2 was echoed by the union representative who we  
3 had before who enthusiastically spoke about the  
4 same thing.

5 But let's come back to the trailer  
6 group for a second. Everybody in 2A didn't  
7 meet in the trailer, did they?

8 MS. MOIR: No.

9 COMMISSIONER MCHUGH: It was going  
10 to have to be the biggest trailer. So, you had  
11 a large committee. Then you had a trailer  
12 group which was sort of an action committee,  
13 right -- or an action group?

14 MS. SKIDMORE: The large committee  
15 was the commissioner of DCAMM, the commissioner  
16 of UMBA, Ron Marlow, folks from each of those  
17 two agencies, the general contractors involved,  
18 community folks, labor folks, etc., etc.

19 The weekly committee was led by the  
20 compliance person for DCAMM who was a  
21 tremendous powerhouse Mukiya Baker-Gomez, and  
22 representative from the general contractor who  
23 is actually doing the on-site walk-on log and  
24 doing the daily compliance. Don't be fooled,

1 every contractor knows every day exactly how  
2 many people are on that job.

3 COMMISSIONER MCHUGH: I understand.

4 MS. SKIDMORE: The weekly group was  
5 a much smaller group. And that was much more  
6 of a working group, writing things, editing  
7 things, designing. They had the best walk-on  
8 log system for walk-on applicants that I've  
9 seen anywhere in the country.

10 And that group worked all of the  
11 kinks out and actually produced the documents  
12 and the tracking system for that. So, you're  
13 right. The weekly group was a much smaller  
14 group.

15 COMMISSIONER MCHUGH: And DCAMM was  
16 in effect the owner of those projects, right?

17 MS. SKIDMORE: At the Integrated  
18 Science Center and then UMBA was on the other  
19 three projects.

20 COMMISSIONER MCHUGH: So, you could  
21 substitute owner's representative for DCAMM if  
22 you wanted to generalize it.

23 MS. SKIDMORE: Yes.

24 COMMISSIONER MCHUGH: So, that

1 sounds to me like a workable sensible effective  
2 kind of thing.

3 MS. GRIFFIN: So, if I could just  
4 clarify. The DCAMM UMBA group had 17 people  
5 and 12 organizations. I think our working  
6 committee will develop our trailer. I think  
7 we have this model where we have engaged a  
8 construction monitor.

9 In the case of Penn National, they  
10 are on the site most days. So, we have kind of  
11 a more flexible. I think we will also have  
12 local folks involved. And we'll have the  
13 flexibility to call people together more often  
14 than every other month if needed. I don't know  
15 that that would be needed all of the time  
16 though.

17 COMMISSIONER MCHUGH: I guess where  
18 I'm coming to is I would be much more  
19 comfortable with this document if it had a  
20 structure like that that was more easily  
21 discernible.

22 MS. GRIFFIN: Okay. That's fair.

23 CHAIRMAN CROSBY: Maybe it's the  
24 local committees that you said you're starting

1 to add. But I think you get a clear sense  
2 everybody thinks that's pretty important.

3 MS. GRIFFIN: Yes, I think that's  
4 agreed.

5 CHAIRMAN CROSBY: So, the two  
6 takeaways I would suggest is one what  
7 Commissioner McHugh just said. And the second  
8 would be to put less of the report getting  
9 bureaucratic stuff and more of the real meat  
10 and potatoes of implementing best practices,  
11 etc., in the role for those committees.

12 COMMISSIONER CAMERON: And it's  
13 listed these things are important in order to  
14 make the proper recommendations.

15 CHAIRMAN CROSBY: Right.

16 COMMISSIONER CAMERON: So, those are  
17 the tools needed the group to have access to  
18 that information in order to make those  
19 recommendations, which really is the key here.

20 And if people are serious about this  
21 they will welcome this. They want to do it  
22 better, they will welcome this help because  
23 they don't have the ability on their own to do  
24 it better. They just don't.



1 MS. GRIFFIN: And it does appear  
2 that we have support from all parties. That  
3 was really pleasing. Our licensees, the  
4 unions, the community groups are all on board.

5 MS. MOIR: Can I ask one more  
6 question, because I'm not sure if the document  
7 -- I just think this will transparency for the  
8 sake of transparency. I think this document  
9 should say that compliance data will be online  
10 and public. That should be part of this  
11 committee is to make that happen and sell it.

12 COMMISSIONER MCHUGH: I think that's  
13 a good idea.

14 CHAIRMAN CROSBY: It probably  
15 already is. This is good place to emphasize  
16 it.

17 COMMISSIONER CAMERON: When you talk  
18 about a stick and I know that's not the goal  
19 here at all to use a stick. But I would not  
20 want to come before this Commission with poor  
21 numbers and having not paid attention to this  
22 committee and followed recommendations.

23 MS. MOIR: What are you going to do  
24 to them?

1                   COMMISSIONER ZUNIGA: One thing that  
2 comes to mind every subcontractor has to be  
3 registered with this Commission, right?

4                   MS. GRIFFIN: That's actually not  
5 the case.

6                   COMMISSIONER ZUNIGA: Depending on  
7 the level of activity.

8                   MS. GRIFFIN: Yes.

9                   COMMISSIONER MCHUGH: There are a  
10 lot of things the Commission can do.

11                   COMMISSIONER CAMERON: Just the  
12 public exposure is really for example, I know I  
13 get back to --

14                   MS. GRIFFIN: Could I just clarify.  
15 Subcontractors need to be identified.

16                   COMMISSIONER ZUNIGA: Registered.

17                   MS. GRIFFIN: Subcontractors need  
18 to be identified. So, subcontractors to  
19 Gilbane fill out an information form.

20                   COMMISSIONER ZUNIGA: That's what I  
21 meant. They have to be registered. Not  
22 registered?

23                   MS. GRIFFIN: Not registered.

24                   COMMISSIONER ZUNIGA: They don't

1 have to be registered.

2 MS. GRIFFIN: They don't have to be  
3 registered. They fill out an information form.  
4 They need to be identified by, for example,  
5 Gilbane.

6 COMMISSIONER ZUNIGA: Either way we  
7 will know what they are in advance.

8 COMMISSIONER ZUNIGA: And if they  
9 know the bad actors then there you go.

10 CHAIRMAN CROSBY: Maybe that's part  
11 of the role.

12 COMMISSIONER ZUNIGA: They review  
13 prior to them showing up.

14 CHAIRMAN CROSBY: Bad actors can get  
15 better but at least if we know the people who  
16 are good and bad, at least if you've got people  
17 who's been bad you bring them in in advance and  
18 you tell them what the rules are. It doesn't  
19 mean you kick them out completely, but you know  
20 you've got to give them special attention.

21 MS. GRIFFIN: I'm actually  
22 encouraged in talking with some of these  
23 construction managers. They have internal  
24 controls and procedures that -- as well as

1 diversity goals as well that it appears they  
2 have consequences. So, that's a good thing

3 CHAIRMAN CROSBY: Thank you guys  
4 very much for your continuing help on this.

5 MR. DAY: A question is is this  
6 something you would want to put out for public  
7 comment or no?

8 COMMISSIONER ZUNIGA: I think it  
9 merits a little bit more editing. Perhaps we  
10 could do a little bit of that in the next --

11 CHAIRMAN CROSBY: If you're talking  
12 about this draft, I would not put that out.

13 MS. GRIFFIN: The revision?

14 CHAIRMAN CROSBY: Yes. Okay, thank  
15 you very much Director Griffin.

16 COMMISSIONER MCHUGH: Yes, that's  
17 very helpful and I look forward to the next  
18 draft because I do think it's going to be a  
19 very useful and helpful tool.

20 MS. GRIFFIN: So, I'll be back.

21 CHAIRMAN CROSBY: We're moving to  
22 item number eight, Research and Problem  
23 Gambling, Mark Vander Linden, director.

24 MR. VANDER LINDEN: Good afternoon,

1 Chairman and Commissioners. On that note, my  
2 first agenda item is an update on the play  
3 management.

4 So, two weeks ago you heard a report  
5 from Judith Glynn and Strategic Science on play  
6 management, the experience of play management  
7 precommitment features in a number of other  
8 jurisdictions.

9 It also included a number of  
10 recommendations that she and her team of  
11 consultants provided to the Commission on how  
12 to proceed with that.

13 Originally, the plan would be that  
14 we would put that out for public comment for a  
15 week and I would have come back to you today to  
16 provide a recommendation from me to you on how  
17 to proceed on this very important issue.

18 It is a very important issue. And  
19 we heard from specifically our licensees that  
20 they wanted an opportunity to more fully  
21 address this issue. And I think that that is  
22 actually very important. We want and have all  
23 along wanted all voices to be heard, not just  
24 on the play management features but all of the

1 responsible gaming measures specifically  
2 identified in the Responsible Gaming Framework.

3 So, kind of in that same spirit, we  
4 have made that accommodation. Extended the  
5 public comment period to November 13, so one  
6 week from today, so extended it a week. And  
7 allowed time on the Commission agenda for two  
8 weeks from now to hear from the licensees on  
9 what their perspective is specifically on play  
10 management features.

11 So, a week from now we should have  
12 those comments in writing. Two weeks from now  
13 at the Commission meeting, we will hear from  
14 our licensees. They will provide verbal  
15 testimony, a verbal statement about where  
16 they're coming from on this issue.

17 The meeting after that point on  
18 12/4, I will take into consideration all of the  
19 testimony that we've received, all of the  
20 written testimony that came in through the MGC  
21 website. I will at that point then make a  
22 recommendation to the Commission. At least  
23 that's the plan at this point. With that is  
24 there any questions or comments on that plan?

1                   CHAIRMAN CROSBY:  Maybe other  
2 information from Judith that she's trying to  
3 work on too.

4                   MR. VANDER LINDEN:  Correct.

5                   CHAIRMAN CROSBY:  Okay, thank you.

6                   MR. VANDER LINDEN:  Next on our  
7 agenda, I'm here with Dr. Volberg.  Amanda  
8 Houpt too was originally on the agenda is not  
9 feeling well.  She is ill and wasn't able to  
10 make the trek into Boston today.  So, Dr.  
11 Volberg is going to kind of hold down this part  
12 of the presentation.

13                   What she's going to talk about  
14 focuses specifically the gambling impact cohort  
15 but also tying that back to how does the differ  
16 and the important ways from SEIGMA, the Social  
17 and Economic Impacts of Gaming in  
18 Massachusetts, and what we hope to learn from  
19 specifically a cohort study on gambling  
20 behavior.  So, with that, I'll turn it over to  
21 Dr. Volberg.  Thank you.

22                   DR. VOLBERG:  Good afternoon,  
23 Commissioners.  It's nice to be back in Boston  
24 although I'll say the ride in through the rain

1 was a bit harrowing.

2           So, I've come before you several  
3 times over the past year and half to talk about  
4 the social impacts, Social and Economic Impacts  
5 of Gambling in Massachusetts, the big study  
6 that we've been carrying out. But today, I'm  
7 here to talk to you about the Massachusetts  
8 Gambling Impact Cohort study. We like to call  
9 it MAGIC.

10           Before I give you an overview of the  
11 cohort study components, I thought it would be  
12 helpful and important to define some key terms.  
13 There are several ways in which the MAGIC study  
14 differs from SEIGMA that we've been  
15 implementing over the past year and a half.  
16 There are differences both in what we hope to  
17 learn from each study as well as in the  
18 research methods that we plan to use to carry  
19 the two studies out.

20           To begin with one of the major ways  
21 that the two studies difference is in their  
22 overall design. SEIGMA is a repeat cross-  
23 sectional study. And what that means is that  
24 we are using two large surveys. One, as you



1 know, was in the field for quite a long time  
2 starting in September 2013. Before the casinos  
3 open, we got a good clean baseline survey of  
4 gambling behavior in Massachusetts.

5 The second survey, the repeat cross-  
6 sectional survey is going to take place after  
7 the casinos have all been open for about a  
8 year.

9 The two surveys draw different  
10 samples of people from the population. And so  
11 we are going to rather than collecting data  
12 from the same people over time, the repeat  
13 cross-sectional is basically two snapshots, one  
14 before casinos and one after casinos.

15 The MAGIC, the longitudinal cohort  
16 study is rather different in that instead of  
17 taking two snapshots of the population, we are  
18 going to take a cohort or a group in the  
19 population. And we'll be collecting a kind of  
20 moving picture of them taking snapshots but of  
21 the same people as time passes.

22 So, in one of the words that people  
23 struggle with is this word etiology. And I  
24 remember when I read the Expanded Gaming Act

1 for the first time after it was published and  
2 passed, I was thrilled to see the word etiology  
3 actually included in section 71. Because what  
4 that meant was that Massachusetts was going to  
5 have to do a cohort study. That's what you  
6 have to do to be able to understand what causes  
7 a particular condition and in this case problem  
8 gambling.

9           Because we're going to be collecting  
10 data from the same group of people over time,  
11 we're going to be able to look at changes in  
12 those individuals over time. Changes in their  
13 gambling behavior, changes in their problem  
14 gambling status, changes in whether they have  
15 co-occurring disorders, whether those come  
16 ahead of or after or concurred with a gambling  
17 problem.

18           And by observing how these new cases  
19 of the condition emerge and progress,  
20 intensify, remit, relapse, however they change,  
21 we're going to learn a great deal about the  
22 causes of problem gambling, and in public  
23 health terms about the risk and protective  
24 factors. And the reason that's important is

1 because knowing the risk and protective factors  
2 is really the foundation for being able to  
3 build effective interventions.

4           And because MAGIC will tell us a lot  
5 about how gambling problems develop over time  
6 that's going to be the information that you  
7 need to structure the types of services that  
8 are put in place, where they're put in place  
9 and what the balance is between say treatment  
10 and public education and other more sort of  
11 education and awareness raising activities.

12           These are a couple of other  
13 important terms in the public health realm that  
14 many people find difficult to sort of get their  
15 heads around. The type of information, the  
16 main type of information that's going to come  
17 out of the two studies, on the one hand SEIGMA  
18 is going to yield data that lets us calculate  
19 the prevalence of problem gambling in  
20 Massachusetts pre-casinos and then post  
21 casinos.

22           This means that we can use SEIGMA to  
23 identify the number of existing cases in  
24 Massachusetts. We'll know how many people at

1 that point in time, i.e. before the casinos,  
2 have a gambling problem. We'll have a somewhat  
3 good idea of how many of those people either  
4 are interested in seeking services or have  
5 sought services and whether that help has been  
6 effective.

7           MAGIC on the other hand will give us  
8 incidence. And incidence is the number of new  
9 cases that arise in a particular period of  
10 time. In this case, we're going to be looking  
11 at it year-over-year. And that means we're  
12 going to learn about people in Massachusetts  
13 who go from not having a gambling problem to  
14 having one and perhaps then subsequently to not  
15 having a gambling problem at some point later  
16 in time.

17           And knowing these things is very  
18 useful for intervention and treatment.  
19 Actually knowing both things. Knowing about  
20 prevalence gives us a sense of the existing  
21 burden that we may have on the treatment system  
22 that we currently have.

23           Knowing incidence gives us  
24 information about how new problem gamblers

1 develop and what kinds of services might be  
2 most helpful to those different types of people  
3 in order to keep them from progressing further  
4 towards more difficulties.

5           The next slide. Okay. This is an  
6 image that we use a lot in public health to  
7 help our students understand the difference  
8 between incidence and prevalence. I'm going to  
9 walk you through it a little bit.

10           Incidence in this case the number of  
11 new problem gamblers, but it can be any kind of  
12 disorder. Incidence is represented by the  
13 drops of water flowing into the bathtub. And  
14 prevalence is the water that you have in the  
15 bathtub.

16           Now if you think about it, it's like  
17 okay there is already the water that was in the  
18 bathtub that being joined by the water that's  
19 flowing into the tub. And in the same way  
20 prevalence includes both new and existing  
21 problem gamblers. When you take that snapshot,  
22 you've got people who recently developed a  
23 problem and people who have had a problem for a  
24 long period of time.

1                   And it's a little difficult to  
2 distinguish them one from the other, but they  
3 actually are somewhat different types of  
4 people. And we can talk about that in a  
5 minute.

6                   So, the illustration also shows  
7 water flowing out of the tub. Everybody wants  
8 a bathtub that has got a drain, right? And the  
9 water that is leaving the bathtub or the people  
10 that are leaving the population of problem  
11 gamblers that can happen for a number of  
12 different reasons.

13                   They can have recovered on their  
14 own. Or they can have sought professional help  
15 and recovered with some help from professional  
16 mental health or substance counselor. They  
17 could have moved out of the state. They could  
18 have been incarcerated or institutionalized.  
19 Or sadly sometimes they may have died.

20                   So, prevalence can go up or down  
21 just like the water in your bathtub. Or it can  
22 stay the same depending on the flow of water  
23 into the tub and the flow of water out of the  
24 tub. I'm not going to go into the details of

1 what can change the level, but one of the  
2 things that it's important to remember that  
3 even if the prevalence is unchanged, if the  
4 water level stays the same or potentially could  
5 even go down based on the removal of these  
6 cases, there is still a larger proportion of  
7 people in the population who may have recovered  
8 but who will be vulnerable to a gambling  
9 problem in the future because of the fact that  
10 they have had a problem in the past. And  
11 that's a known risk factor for developing a  
12 gambling problem is to have had one in the  
13 past.

14           Enough of the bathtub. So, in the  
15 slides that follow, I want to just share with  
16 you some of the research questions that are  
17 going to be guiding our work, and how we plan  
18 to apply the findings from MAGIC in assisting  
19 the Commission with helping people who might  
20 get into difficulties here.

21           So, there are two overarching aims  
22 to MAGIC. One is to determine the incidence of  
23 problem gambling in Massachusetts.  
24 Internationally, problem gambling prevalence

1 has remained fairly constant over time. In  
2 some cases it's reduced. The assumption that's  
3 often made is well it's a good thing if the  
4 prevalence goes down but you don't always know  
5 exactly why the prevalence may have gone down.  
6 And as I just mentioned, it's possible that  
7 you've just created a much larger pool of  
8 people who are more vulnerable than they were  
9 before.

10 So, there's sort of two important  
11 possible explanations for why prevalence would  
12 stay stable or would go down. One is that  
13 there are ongoing problems in the same group of  
14 people. So, you're not adding any new problem  
15 gamblers, but you're not removing any of them  
16 through treatment or having them recover.

17 Or the rate of new cases is roughly  
18 equal to the rate of recovery and removal so  
19 that the level is staying the same. But it's  
20 actually the water is changing faster than you  
21 would think. Each of these explanations has  
22 different implications for prevention and  
23 treatment.

24 In the first scenario with lots of



1 people who have had problems for a long time  
2 you would want to commit more resources to  
3 treatment. In the second scenario, you would  
4 probably want to devote more resources to  
5 prevention and recovery support because those  
6 would be the kinds of problem gamblers that  
7 you'd have in the population.

8           The second bullet of the cohort  
9 study is to develop a full etiological model of  
10 problem gambling. Now there's a lot of  
11 research some of which I have done that has  
12 established correlates of problem gambling that  
13 is things that co-occur with problem gambling  
14 in a population survey taken at one point in  
15 time.

16           But we know very little about  
17 whether these correlates develop concurrently  
18 with problem gambling, as a consequence of  
19 problem gambling or whether they cause problem  
20 gambling.

21           So, as an example, we know that many  
22 problem gamblers also have clinical depression.  
23 And we don't know if the depression led them to  
24 gamble in ways that started to give them

1 problems. If they are depressed because they  
2 have a gambling problem and it's a very  
3 depressing thing to have happen. Or if they  
4 sort of have some third thing going on that  
5 caused both the depression and the problem  
6 gambling at the same time.

7           And longitudinal research or  
8 etiological research is really the only way to  
9 sort of tease out those chicken and egg  
10 problems, which is why we are very excited  
11 about this particular study.

12           I'm not going to spend too much time  
13 on this slide. This is sort of the detailed  
14 questions that emerge from these two sort of  
15 overarching aims of the project, the question  
16 of incidence and the question of etiology.

17           The one point that I do want to make  
18 is that the second wave of MAGIC, we actually  
19 already have the first wave in hand, because  
20 all of our respondents, as I'll show you in a  
21 minute, all of our respondents for MAGIC are  
22 going to draw from our general population  
23 survey. So, we actually already have a full  
24 set of measures on all of these people.

1                   By completing the second wave of  
2                   MAGIC prior to any venue opening in  
3                   Massachusetts, this is going to give us two  
4                   measurement points needed to establish the  
5                   natural incidence or the incidence without  
6                   expanded gaming prior to the opening of any  
7                   casinos in the state.

8                   Subsequent waves of MAGIC will occur  
9                   after the casinos open.

10                  COMMISSIONER ZUNIGA: I'm sorry.  
11                  So, there's a second sampling that you intend  
12                  to do prior to the opening of casinos?

13                  DR. VOLBERG: Yes. We are  
14                  proposing, and I'll get there in a minute,  
15                  we're proposing to go into the field in January  
16                  with our first wave of MAGIC -- well, our first  
17                  wave under the MAGIC project that will actually  
18                  be the second wave of data collection with this  
19                  group of people.

20                  COMMISSIONER ZUNIGA: The same  
21                  sample that we already have from SEIGMA, a  
22                  subsample.

23                  DR. VOLBERG: We're taking a  
24                  subsample from there.

1                   COMMISSIONER ZUNIGA: From SEIGMA as  
2 the first wave of MAGIC.

3                   DR. VOLBERG: Yes. So, it's going  
4 to give us two pre-venue opening measures. So,  
5 that we'll have an incidence rate that is  
6 people who change from being non-problem  
7 gamblers to problem gamblers. That rate is  
8 going to be before casinos open in  
9 Massachusetts.

10                  COMMISSIONER ZUNIGA: If I could use  
11 an analogy that you've used in the past, the  
12 difference between two pictures and a movie. A  
13 movie is also made up of pictures essentially,  
14 right? So, you'll begin the movie by the first  
15 couple of pictures. Is that a fair statement?

16                  DR. VOLBERG: Yes. That's correct  
17 and then we're going to look for changes in the  
18 pictures after the casinos open or as the  
19 casinos open and after they open with this same  
20 group of people to see what happens to them  
21 over time.

22                  CHAIRMAN CROSBY: When did the  
23 SEIGMA sample come completely out of the field?

24                  DR. VOLBERG: I want to say May 31.

1           CHAIRMAN CROSBY: Right. So, that  
2 would mean some of your sample will only have  
3 been -- only be six months or seven months.

4           DR. VOLBERG: Yes.

5           CHAIRMAN CROSBY: Couldn't you do it  
6 later than January? I don't know how long it  
7 will take. The first casino won't open until  
8 June. Couldn't you do it much later in the  
9 spring in order to give people -- almost  
10 everybody would've had a full year or more?

11          DR. VOLBERG: I'm a little reluctant  
12 to get as far down in the weeds as that  
13 question goes, but what we're going to do is we  
14 are going to look at each of the individuals  
15 that we draw for this sample, we're going to  
16 look at the date on which they completed their  
17 interview.

18                 And my feeling is, although I have  
19 to check with a number of my colleagues and co-  
20 investigators, my feeling is that we want to  
21 get as close to a year between the two  
22 assessments as possible because we're asking  
23 people about the past year of behavior. And  
24 you're trying to have as little overlap as

1 possible.

2 CHAIRMAN CROSBY: Right. That's  
3 what I was getting at too. Anybody that you've  
4 had 12 months, you're going to start ASAP.

5 DR. VOLBERG: We started in  
6 September. So, it was a very long fieldwork  
7 period. So, our original plan was to start  
8 data collection for MAGIC in September 2014,  
9 but of course we had to wait until we knew  
10 whether we were going to have a study at all.

11 CHAIRMAN CROSBY: Until today, yes.  
12 I forgot the consequence of having to delay it.  
13 That's too bad.

14 COMMISSIONER CAMERON: And these  
15 individuals obviously have to be willing to  
16 participate?

17 DR. VOLBERG: Yes. And fortunately  
18 we at the end of the interview that we did with  
19 each of our close to 10,000 folks in the  
20 baseline survey, we asked about their  
21 willingness to be re-contacted to participate  
22 in another survey or another study, and 90  
23 percent or so of them said yes.

24 COMMISSIONER CAMERON: That's a very

1 high number, right?

2 DR. VOLBERG: Yes, it is. It's  
3 called an opt-out system rather than an opt-in  
4 system of gaining consent.

5 CHAIRMAN CROSBY: Great.

6 DR. VOLBERG: In terms of the next  
7 slide, etiology, the second set of questions  
8 relates to our second important goal of  
9 creating an etiological model for problem  
10 gambling.

11 So, when we think about predictive  
12 variables, variables that predict someone  
13 moving into problem gambling, this includes  
14 individual characteristics but also things like  
15 people's attitudes, casino proximity,  
16 advertising, media coverage. There's a lot of  
17 things that we're going to be tracking in  
18 addition to these individuals.

19 We're also very interest in  
20 variables that predict recovery from problem  
21 gambling, because there is very good evidence  
22 that many people recover on their own or with  
23 less than formal professional treatment. And  
24 we're interested in finding out what those

1 dynamics might be.

2 All of this, as I said, is going to  
3 be very useful in efforts to optimize  
4 prevention and treatment services for problem  
5 gamblers in Massachusetts. One very  
6 interesting area that we are looking forward to  
7 exploring is to look at whether there are safe  
8 levels of gambling involvement similar  
9 guidelines that have been developed for safe  
10 consumption of alcohol. Safe limits, they're  
11 different for women than for men, whether these  
12 could be used to create guidelines similar to  
13 those that have been created for alcohol, use  
14 those for gambling.

15 COMMISSIONER ZUNIGA: Would that by  
16 the way have to include relative wealth and  
17 income, I would imagine?

18 DR. VOLBERG: Yes. So, there's some  
19 work that's been done in Canada on safety  
20 gambling guidelines. And Rob Williams, my  
21 Canadian colleague is very familiar with that  
22 work. I think we're going to be looking at a  
23 broader array of factors than they actually  
24 looked at with the data that they have in



1 Canada.

2 COMMISSIONER MCHUGH: Why have you  
3 chosen safe levels rather than unsafe levels to  
4 look for?

5 DR. VOLBERG: I had a response to  
6 that, Commissioner. So, in terms of the  
7 question of safe levels, what we're looking for  
8 is what is the level of involvement that a  
9 person can have with gambling that is not going  
10 to tip them over, so, before they sort of tip  
11 over into having difficulties.

12 We're looking for the amount of time  
13 that someone spends gambling, or the amount of  
14 money that someone spends gambling. We want to  
15 identify the indicators that are not just most  
16 reliable but also sort of easiest for people to  
17 remember.

18 In the same way that it took a long  
19 time for alcohol research to get to the point  
20 where they were like any drinking at all is --  
21 They sort of went from if you have an alcohol  
22 problem you must be abstinent for the rest of  
23 your life, which was really difficult for a lot  
24 of people, to sort of saying well if you're

1 going to drink, don't drink beyond the level  
2 that's not safe. I think we're sort of trying  
3 to get there -- We're hoping to get there with  
4 gambling as well.

5 COMMISSIONER MCHUGH: But depending  
6 on what it is you're you looking for the  
7 inability to find it has different consequences  
8 right? If you are looking for a safe level and  
9 you can't find a safe level demonstrably, then  
10 it is fair to conclude from your effort that  
11 there is no discernible safe level, i.e. all of  
12 whatever behavior it is is unsafe.

13 DR. VOLBERG: Right, so it is for  
14 tobacco.

15 COMMISSIONER MCHUGH: Yes. And this  
16 was at the heart of the tobacco problem.  
17 Conversely, if you're looking for an unsafe  
18 level and you can't find it, you are left with  
19 the consequence that there is no discernible  
20 unsafe level. Therefore, everything is not  
21 demonstrably, people extrapolate that and say  
22 everything is therefore safe.

23 So, that choice it seems to me is a  
24 major choice in trying to figure out what the

1 target is and why.

2 CHAIRMAN CROSBY: I'm not getting  
3 something. I would have thought that the major  
4 problem, the major challenge with finding  
5 either safe or unsafe levels is the  
6 idiosyncrasy of all individuals. Some people  
7 can gamble a lot, some people can't. Some  
8 people can spend a lot of time on a machine,  
9 some people can't.

10 What you're going to look for, as I  
11 understand it, is are there generalizable  
12 principles that can be applied basically  
13 completely across the universe of gamblers?

14 And I would have thought the major  
15 -- It isn't if you can't find one, it's unsafe  
16 for everybody. The question is I would think  
17 it's more likely that you won't be able to find  
18 generalizable principles because it depends.  
19 And that doesn't mean there's no level of  
20 gambling that's safe. It just means you can't  
21 come up with a standard that could be applied  
22 across all people.

23 DR. VOLBERG: Yes. In fact, my  
24 concern is more around the different gambling

1 formats in that there may be different  
2 guidelines or there may be different sort of  
3 recommendations that you would want to make  
4 based on people's lottery participation versus  
5 online gambling versus playing table games or  
6 slot machines at a casino.

7           It's a very intriguing effort, but I  
8 have to say that it's only one of the four  
9 questions that we have. And I certainly think  
10 that going forward, it would be great to have  
11 Commissioner McHugh come out, work with us on  
12 figuring out exactly how we might be able to do  
13 the kind of identification that we are hoping  
14 to do.

15           COMMISSIONER MCHUGH: I'd be happy  
16 to do that. I have no expertise in this area,  
17 but I do know that of all the questions on this  
18 slide, the one that is most directly connected  
19 to a regulatory regime is that question. And I  
20 also am aware, as we all are, that for years  
21 the inability to demonstrate a connection  
22 between smoking and cancer retarded the effort  
23 to regulate cigarette consumption.

24           Whereas if the burden of proof had

1 been the other way around, you may have had  
2 different results earlier. And we are aware of  
3 a regulatory regime in Europe about genetically  
4 modified foods that puts that burden right on  
5 the other way around with a consequence that  
6 there is a different regulatory regime.

7           So, I think it's a big question.  
8 I'm not sure I have the expertise to decide  
9 which choice it should be, but I do think it  
10 has consequences particularly for a regulatory  
11 approach. And I'd be happy to help think  
12 through to the extent that I can be helpful how  
13 that question should be approached without  
14 taking away from the difficulty of figuring out  
15 what the answer is because of idiosyncrasies  
16 regardless of which of the two you choose.

17           DR. VOLBERG: Seminar at Amherst.

18           COMMISSIONER MCHUGH: Maybe I ought  
19 to take it.

20           CHAIRMAN CROSBY: Or give it.

21           MR. VANDER LINDEN: Rachel, can I  
22 ask you a question? Do you feel like under the  
23 alternative unsafe levels of gambling has been  
24 better defined through science, through

1 research, through the work that's been done in  
2 defining in the DSM? And is that different  
3 than looking at it from this angle saying safe  
4 levels of gambling?

5 DR. VOLBERG: Yes. The focus for so  
6 many years in my work has been on people who  
7 get into trouble. And very relatively little  
8 attention has been paid on the many, many  
9 people who don't get into trouble with  
10 gambling. And what it is that they are doing  
11 whether it's budgeting ahead of time or not  
12 taking their credit cards or whatever it is  
13 that they're doing.

14 We know very little about how people  
15 sort of maintain a level of gambling even if  
16 it's a very high level of gambling without sort  
17 of tipping over into having these loss of  
18 control and the harmful consequences.

19 So, I think that's sort of where our  
20 interest was in, although I take your point and  
21 agree that from a regulatory perspective it's  
22 very important to understand what those unsafe  
23 levels are.

24 CHAIRMAN CROSBY: For the record,

1 I'm a little skeptical about this question just  
2 in general. There's a big difference between  
3 the effect of nicotine on your body and the  
4 effect of gambling. Just leave it at that.

5 But I think it's great to be able to  
6 try to ask the question, but just for the sake  
7 of the record, I'm a little skeptical about  
8 anybody would be able to come up with no matter  
9 which way you come at the question.

10 DR. VOLBERG: I think it's something  
11 that we're going to probably be wrestling with  
12 as we move forward. When you start a project  
13 like this, you have your set of research  
14 questions. And a year or two or four years in,  
15 you have to look at your research questions and  
16 say well, we were able to answer one, two and  
17 three but not four. And then the question  
18 becomes what do we need to do if we want to  
19 answer four.

20 CHAIRMAN CROSBY: Or what's five and  
21 six too.

22 DR. VOLBERG: Five and six too.  
23 Okay. I'm mindful of the time.

24 So, taking the findings from the

1 research questions. This is just to give you  
2 an idea of how we think what we're going to  
3 learn from MAGIC can be applied. Targeting  
4 resources of course is very important. Knowing  
5 the number of new problem gamblers will let us  
6 estimate need for services across the state.  
7 We'll be better able to target prevention  
8 campaigns and develop interventions and perhaps  
9 develop some guidelines for awareness.

10           So, now that we have a shared  
11 understanding of some of the key terms and  
12 you've all become public health professionals,  
13 I want to briefly describe the research methods  
14 that we're going to be using for the MAGIC  
15 cohort strategy.

16           We lost our color. There was some  
17 nice graphics. You can probably see it on the  
18 slides you have in your packet. So, the cohort  
19 for MAGIC, as I indicated, is going to be  
20 pulled from the baseline population survey for  
21 SEIGMA. This is key both because it gives us a  
22 clear baseline for these individuals and also  
23 because SEIGMA, the baseline survey is a  
24 representative sample of the Massachusetts



1 population.

2           So, from our sort of SEIGMA baseline  
3 sample, which is about 10,000 people, we're  
4 going to take a random sample of 1300 of them.  
5 Out of the remaining 8700 or so, we are going  
6 to identify those at highest risk. We're  
7 basically going to take everybody and rank them  
8 in terms of risk. And we're going to take the  
9 top 1300.

10           The study is going to follow both  
11 the general population sample and the high-risk  
12 sample over the entire course of the study to  
13 see how each of the two groups changes over  
14 time.

15           COMMISSIONER ZUNIGA: So, the first  
16 13 is almost like the control group, I guess.

17           DR. VOLBERG: Yes. So, if we can go  
18 to the next slide that's exactly what we've  
19 got. Each of the samples has a very important  
20 purpose.

21           The general population subsample, as  
22 I said, is going to be randomly drawn and will  
23 be representative of Massachusetts. We're  
24 going to use this group to calculate incidence

1 because it is representative of the population.

2 But we're also going to use them to  
3 examine the development of gambling problems  
4 among a small number of people who don't have  
5 high levels of risk at baseline. There are  
6 going to be a few like that, but not many. And  
7 then we're going to look -- In this group,  
8 we're going to look at the impact of gambling  
9 availability on things besides gambling  
10 problems. Things like attitudes. Things like  
11 other disorders, their recreational activities,  
12 things like that. We are actually going to  
13 have a lot of other information from them  
14 besides just their gambling participation and  
15 problem gambling.

16 COMMISSIONER ZUNIGA: Rachel, one of  
17 the key things about SEIGMA was some of the  
18 analysis that you would do in proximity to the  
19 operations, the targeted samples. How do they  
20 relate or not at all to the samples here?

21 DR. VOLBERG: We're not going to be  
22 able to draw from the targeted samples because  
23 they are not representative of the state. So,  
24 if we were to add them into the mix that we

1 would draw from, it would no longer be a sample  
2 that was representative of the full state of  
3 Massachusetts.

4 It could be -- It would be a sample  
5 that's representative mostly of Massachusetts  
6 but then maybe just of Plainville and its  
7 surrounding communities or Springfield and its  
8 surrounding communities.

9 COMMISSIONER ZUNIGA: Right. So,  
10 the targeted sample is a subgroup of the 10,000  
11 but may or may not be -- is not a subset of the  
12 1300?

13 DR. VOLBERG: Can we go back? So,  
14 we're going to take the full baseline  
15 population survey. We're going to draw 1300 of  
16 them randomly --

17 COMMISSIONER ZUNIGA: I know.

18 DR. VOLBERG: -- from the full  
19 samples.

20 COMMISSIONER ZUNIGA: So, somebody  
21 in that 1300 may be in a targeted sample or may  
22 not.

23 COMMISSIONER ZUNIGA: No. They will  
24 not be in a targeted sample because we have

1 another 1100 people that we surveyed in  
2 Plainville and the surrounding communities.  
3 But we are not adding them into the pool for  
4 MAGIC. Because if we do that the sample will  
5 no longer be representative of Massachusetts.  
6 It will be with this much heavier  
7 representation of people from Plainville and  
8 surrounding communities.

9 COMMISSIONER MCHUGH: In the random  
10 sample, there are going to be some who are at  
11 high-risk?

12 DR. VOLBERG: Yes.

13 COMMISSIONER MCHUGH: So the 1300 at  
14 high-risk in the second sample all of whom who  
15 will be at high-risk --

16 DR. VOLBERG: Correct.

17 DR. VOLBERG: -- will be joined in  
18 terms of risk by some of those in the random  
19 sample?

20 DR. VOLBERG: Yes.

21 COMMISSIONER MCHUGH: Does that  
22 affect the utility of the random sample as a  
23 control group?

24 DR. VOLBERG: No. We would expect

1 to find a small number of people in the random  
2 sample or in the general population subsample  
3 that would have gambling problems or would be  
4 at high-risk for transitioning to a gambling  
5 problem.

6 The challenge in a cohort study of  
7 this kind is that that's going to be a very  
8 small number. We anticipate perhaps 50 of that  
9 1300 would be either already a problem gambler  
10 or gambling at levels that suggest that they're  
11 at high-risk.

12 Fifty people is not enough. It's  
13 not worth following just 50 people over time  
14 because not enough of them are going to be  
15 there to even tell you -- to give you any kind  
16 of like difference between men and women for  
17 example or between different racial and ethnic  
18 groups.

19 COMMISSIONER MCHUGH: No, I  
20 understand that. You couldn't follow the 50  
21 people. So, you need a group of high-risk  
22 people. I understand that.

23 DR. VOLBERG: You need to get enough  
24 people into the cohort who you anticipate will

1 become problem gamblers to be able to see them  
2 do that and to see what happens.

3 COMMISSIONER MCHUGH: I understand  
4 that. I was just wondering whether the  
5 incidence, whether the number of high-risk  
6 people in the random sample over represent in  
7 the overall study the number of people at high-  
8 risk.

9 DR. VOLBERG: It will be  
10 representative of the rate of people at high-  
11 risk in the population because it will be a  
12 random sample from the population.

13 COMMISSIONER MCHUGH: All right.  
14 So, you measure the results from the random  
15 that we know include some high-risk people, the  
16 incidence in that pool and the incidence in the  
17 high-risk pool.

18 DR. VOLBERG: Yes.

19 COMMISSIONER MCHUGH: I got it,  
20 thanks.

21 CHAIRMAN CROSBY: So, am I right is  
22 saying you're actually doing two cohort  
23 studies? You've got two 1300-person cohort  
24 studies.

1 DR. VOLBERG: They're sort of  
2 interrelated in important ways, because you  
3 need both of them to be able to answer the two  
4 questions that actually the Commission posed.

5 CHAIRMAN CROSBY: One cohort to  
6 study incidence and one cohort to study  
7 etiology, two cohorts.

8 DR. VOLBERG: Okay. Did I finish  
9 all of my points in here? So, I just want to  
10 make the one additional point on this slide of  
11 the general population sample I've already  
12 mentioned. We are going to use them for a  
13 number of purposes.

14 But we also are going to use them as  
15 a kind of a control group for our high-risk  
16 sample. And this is particularly important  
17 because we're going to be looking at them over  
18 a substantial period of time. And they're  
19 going to be aging as they go along. So, we  
20 need to be able to see from this representative  
21 of the population group what aging does to  
22 them. Then be able to control for that in our  
23 high-risk group.

24 The high-risk sample is not

1 representative of Massachusetts, but will  
2 include a large number of people who we expect  
3 will become problem gamblers over the course of  
4 the study. We expect it to be about 180 to 200  
5 of the high-risk sample will actually become  
6 problem gamblers over the course of this study.  
7 And that's enough to be able to develop a  
8 comprehensive etiological model.

9           Looking at the high likelihood that  
10 there will be several different problem  
11 gambling subgroups that will have different  
12 trajectories and the relative importance of  
13 sort of those groups in terms of the total  
14 problem gambling population, if you will.

15           Next, this is something that we're  
16 going to be talking about in great detail next  
17 week when we have -- the full SEIGMA team is  
18 coming together. And then we're going to spend  
19 a day working on MAGIC issues.

20           This is what we have right now in  
21 terms of the timing of our assessments. Wave  
22 one, as I've indicated is already in the bag or  
23 out of the field thank goodness with our full  
24 sample.



1                   Wave two, we're anticipating  
2 launching in the very near future. It  
3 replicates the baseline survey. So, that's why  
4 we'll be able to get out of the box pretty  
5 quickly. We are using the exact same interview  
6 that we used in the baseline survey. And we're  
7 going to be giving them the opportunity as we  
8 did in the baseline to complete online or  
9 through a self-administered questionnaire or by  
10 telephone.

11                   Wave three, which we anticipate  
12 launching -- at this point we anticipate  
13 launching in September 2015 is going to include  
14 two changes to our methodology. First, we are  
15 going to increase the length of the  
16 questionnaire to include additional questions  
17 about important variables that we are not able  
18 to measure in full depth in the baseline or the  
19 first two waves. And then second of all, we're  
20 going to eliminate the telephone and self-  
21 administered modalities. We're going to make  
22 things much less complicated by having everyone  
23 complete online.

24                   They're going to be able to complete

1 online at home or at a publicly available  
2 location like my favorite library at  
3 Northampton or at one of two regional offices  
4 that we are going to maintain over the period  
5 of the study.

6 Wave four and subsequently we plan  
7 to launch in September each year using the sort  
8 of new methodology or new method for data  
9 collection that I just outlined for you.

10 COMMISSIONER CAMERON: Quick  
11 question. So, you have 1300 people. What's  
12 your experience with how many people will stay  
13 with something like this year after year? Or  
14 is there a percentage just kind of a ballpark  
15 with these studies?

16 DR. VOLBERG: Yes. Attrition is a  
17 huge issue with cohort studies. And retention,  
18 which is our next slide, retention is very,  
19 very important because when you lose someone  
20 from your cohort study you don't lose just  
21 them. You lose all of the information that you  
22 have from them from before. So, it becomes a  
23 real challenge to your ability to analyze the  
24 data if your attrition rate is high.

1 I guess what I'll say here is that  
2 there a lot of things that we have learned that  
3 you can do to keep people in a study like this.

4 COMMISSIONER CAMERON: Incentivize  
5 them?

6 DR. VOLBERG: You incentivize them,  
7 of course. You conduct your assessment at the  
8 same time every year.

9 CHAIRMAN CROSBY: You give them free  
10 play.

11 DR. VOLBERG: I don't think so,  
12 Chairman. You maintain contact between  
13 assessments. You have multiple means for them  
14 to contact the project.

15 One of the most important things is  
16 to have an easily remembered brand, which is  
17 why I came up with our MAGIC brand very early  
18 on. Maintain a website, all of these things  
19 are things that we are going to be doing.

20 And I can tell you that Rob  
21 Williams, who is one of my co-investigators on  
22 this, the longitudinal study that he completed  
23 last year or the year before in Ontario, they  
24 had a 94 percent retention rate.

1 CHAIRMAN CROSBY: Over how many  
2 years?

3 DR. VOLBERG: Over five years.

4 COMMISSIONER CAMERON: The right  
5 people to recruit and maintain.

6 DR. VOLBERG: Absolutely. There's a  
7 lot of things that you can do. And the good  
8 news is that we have a lot of experience.  
9 Between ourselves, Rob and I have been deeply  
10 involved in four very large cohort studies  
11 around the world. So, we've got some pretty  
12 strong ideas about what we are going to be able  
13 to do.

14 We think that -- I don't know.  
15 We'll sort of see as we go along, but our hope  
16 is to have no less than 1100 of those 1300  
17 people in each of those groups at the end of  
18 the first five years of the cohort.

19 COMMISSIONER STEBBINS: Rachel help  
20 me understand, go back to the previous screen,  
21 that fourth bullet maintaining contact between  
22 assessments.

23 DR. VOLBERG: Sending birthday  
24 cards. All of the things that your operators

1 are planning to do for their player loyalty  
2 programs that's what we are going to do for our  
3 guys too, except loyalty points. They don't  
4 get loyalty points.

5 MR. VANDER LINDEN: The study that  
6 was led by Rob Williams, it had such a high  
7 retention rate. You had mentioned a few of the  
8 things that they had done. I thought that was  
9 really unique and hopefully transferable to  
10 Massachusetts.

11 Can you tell the Commission what  
12 those were? There was something about using --  
13 recruiting retired individuals to call and ask  
14 how people are doing.

15 DR. VOLBERG: Rob actually  
16 incentivized not just his respondents but also  
17 his interviewers. So, the point that he's made  
18 several times or many times to me because we  
19 talk regularly is you have to have really  
20 dedicated long-term staff.

21 You have to have people working on  
22 the project who are really, really into it.  
23 What Rob did with his longitudinal study in  
24 Ontario was he hired three recently retired

1 folks who basically he paid them extra if they  
2 were able to make contact and complete  
3 interviews with people. So, he incentivized  
4 them but they also went above and beyond.

5 They would sit with somebody who  
6 wasn't very comfortable with online or  
7 computer-literate person, and they would help  
8 them complete the interview.

9 CHAIRMAN CROSBY: Thank you again  
10 Bob.

11 DR. VOLBERG: Yes. It's very, very  
12 important to have continuity with your  
13 personnel, the people on the team. I'm really  
14 excited about the fact that we've got all of  
15 the people -- most of the people that are on  
16 the full-time staff for SEIGMA are going to be  
17 spread so we're going to split their time  
18 across SEIGMA and MAGIC.

19 And I think that's going to give us  
20 a lot not just continuity within the two  
21 projects but continuity and synergy across the  
22 two projects.

23 COMMISSIONER STEBBINS: But the  
24 staff -- Kind of help me understand this. The

1 staff are research staff but they can kind of  
2 quickly become a social worker or a case  
3 manager if they're maintaining this constant  
4 contact.

5 DR. VOLBERG: We have this with the  
6 baseline survey as well where the letter that  
7 people got inviting them to participate  
8 actually had our project manager's name and  
9 phone number on it. So, Amanda would come in  
10 every morning, especially after a new batch of  
11 samples had been released, and there'd be four  
12 or five phone calls for her from people going  
13 what is this thing and why did it come to my  
14 house and how did you get me?

15 So, we had a lot of discussions  
16 about how do you handle these people? And what  
17 can you do to sort of encourage them to  
18 participate?

19 COMMISSIONER STEBBINS: Maybe it's  
20 just me, I can kind of see as the relationship  
21 goes forward I call Mark on his birthday, and  
22 Mark's not having a very good day. Now all of  
23 a sudden I'm not really a researcher.

24 DR. VOLBERG: Typically, what we do

1 with the interviewers is we script for them.  
2 We probably would not have someone calling Mark  
3 up on his birthday.

4 I don't think we would let him be a  
5 participant in the survey anyway or in the  
6 study, but assuming that he was I don't think  
7 we would call him. I think we would probably  
8 send him an email or a birthday card.  
9 Something that wouldn't entail finding out  
10 about his love life on the phone.

11 COMMISSIONER STEBBINS: The point  
12 I'm getting at is you're creating relationship  
13 especially with the target population of 1300  
14 people. As we see through with conversations  
15 we had with Marlene and her group that one  
16 contact where they turn back to the researcher  
17 who might be innocently calling and getting an  
18 update or asking a question or what have you  
19 that the call evolves into something different.

20 DR. VOLBERG: We're going to be very  
21 careful to have most of that contact be with  
22 the people at NORC who are actually doing the  
23 data collection.

24 COMMISSIONER STEBBINS: Okay.



1 DR. VOLBERG: Okay. I'm very aware  
2 that you've had a long day. So, I want to just  
3 quickly go through these last few slides. Just  
4 to give you an idea, there actually have been  
5 quite a few small-scale cohort studies of  
6 gambling and problem gambling that have been  
7 done, I think, at least 10 to 15 small-scale  
8 studies starting probably in the 1990s.

9 While these studies have provided  
10 very helpful information, they each have one or  
11 more of the limitations that I've listed here,  
12 which because of these limitations, none of  
13 these existing small-scale studies are really  
14 large enough to be able to figure out either  
15 incidence or to generate a comprehensive  
16 etiological model of problem gambling.

17 Partly as a consequence of all of  
18 these small-scale studies not being able to  
19 answer the questions that people had, there  
20 were four jurisdictions internationally that  
21 elected to go forward with much larger scale  
22 cohort studies. The three jurisdictions are  
23 Alberta Canada, Ontario Canada, Sweden and  
24 Australia.

1 Rob Williams was a PI or a co-PI on  
2 the Alberta and Ontario studies. And I  
3 actually have been deeply involved in the  
4 Swedish and Victorian studies.

5 These studies were extremely helpful  
6 in identifying variables that predict recovery,  
7 relapse and occurrence of new gambling  
8 problems, but they also had a number of  
9 limitations. Those limitations made it very,  
10 very difficult to create a robust etiological  
11 model. And it's based on the knowledge that we  
12 gained from our involvement with those studies  
13 that we proposed the design that we proposed  
14 for MAGIC with this much larger proportion of  
15 people who will be deemed at high-risk for  
16 developing a problem.

17 COMMISSIONER MCHUGH: What does  
18 insufficient oversampling mean?

19 DR. VOLBERG: Insufficient  
20 oversampling means that we didn't get enough  
21 people who became problem gamblers in any of  
22 those studies to be able to have a full -- to  
23 be able to look at subgroups of people who  
24 developed problems to see if there were

1 different trajectories.

2 CHAIRMAN CROSBY: You didn't have  
3 the second 1300?

4 COMMISSIONER ZUNIGA: It's high-risk  
5 people.

6 DR. VOLBERG: It's the insufficient  
7 sampling of high-risk people. So, in Alberta  
8 for example they had 29 percent of their sample  
9 was at high-risk.

10 All of these big studies oversampled  
11 for high-risk people. They each did it in a  
12 different way. None of them ended up with  
13 enough high-risk people. So, what we did was  
14 we went back to the two Canadian studies and we  
15 actually looked at what were the predictors for  
16 people transitioning into a problem and that  
17 was the basis for our selection criteria.

18 COMMISSIONER MCHUGH: So, the 1300  
19 at high-risk.

20 DR. VOLBERG: High-risk.

21 COMMISSIONER MCHUGH: Okay, got it.

22 COMMISSIONER ZUNIGA: What is a  
23 short duration four to six years? I'm going to  
24 ask this question later on as well in the

1 budget notion.

2 DR. VOLBERG: So, four to six years,  
3 all of these studies have been completed and  
4 there's no new data collection that's going on,  
5 except Sweden is still continuing.

6 What happens is over the course of  
7 four, five or six years, you're only going to  
8 get people who develop a problem in that period  
9 of time. And when we look at the broader  
10 addiction literature, only about 50 percent of  
11 people who develop an addiction whether it's to  
12 alcohol or drugs, those are the two main ones,  
13 only about 50 percent of people who develop an  
14 addiction over a period of time do it within  
15 four to six years.

16 If you extend the study to 10 years,  
17 you capture about 90 percent of the people who  
18 develop a problem. And the key difference is  
19 that you are getting people -- If you extend  
20 the length of the study, you are going to get  
21 people whose gambling may not be problematic  
22 for quite a long time and then may become  
23 problematic sort of years after they became  
24 involved with gambling. And you're not going

1 to catch those people if you end the study  
2 after five years.

3 CHAIRMAN CROSBY: Okay.

4 DR. VOLBERG: So, I just want to  
5 close by saying how very, very exceptional the  
6 full research agenda is that this Commission  
7 has created. The reality is that nothing on  
8 the scale of the Massachusetts Gambling Impact  
9 Cohort Study has been done anywhere in the  
10 United States, and I would venture to say  
11 anywhere in the world. So, once again, you are  
12 pioneers in the gambling research field.

13 It's also important to note that in  
14 all of the jurisdictions where we have done  
15 these large-scale scale cohort studies, casino  
16 gambling had already been operating for quite a  
17 few years. And what we're going to have here  
18 in Massachusetts is the ability to look at our  
19 study participants over the course of a very  
20 dynamic change within the state of  
21 Massachusetts.

22 That's not to say that some of these  
23 people aren't already gambling elsewhere at  
24 casinos in Connecticut or in Rhode Island or

1 New York or Atlantic City or Vegas.

2 CHAIRMAN CROSBY: Or the lottery.

3 DR. VOLBERG: -- or the lottery or  
4 all of the above, but they will not be gambling  
5 at a casino in close proximity or in as close  
6 proximity to them as here in Massachusetts.  
7 And this is going to be an opportunity for us  
8 to understand much more clearly and much more  
9 precisely the role of increased availability in  
10 the development of a gambling problem.

11 Finally, I guess what I'd like to  
12 say is that we think there's great value and we  
13 are just completely thrilled to be able to  
14 adding MAGIC to SEIGMA and be able to carry  
15 them out under the same umbrella. We think  
16 that the two studies happening at the same time  
17 and being done by the same team is going to be  
18 very synergistic.

19 We are going to be able to compare  
20 findings from the two cornerstones of your  
21 research agenda. And we'll be able to use the  
22 results from each of the studies to explore  
23 concepts within the other study more  
24 thoroughly. So, we think this is just a great

1 opportunity and we are really, really excited.

2 CHAIRMAN CROSBY: Comments? Thank  
3 you, Rachel. It's really exciting.

4 DR. VOLBERG: That was my last  
5 slide.

6 CHAIRMAN CROSBY: It's really  
7 fascinating and really exciting.

8 COMMISSIONER MCHUGH: It is  
9 fascinating.

10 CHAIRMAN CROSBY: I can't wait.  
11 Next up.

12 MR. VANDER LINDEN: Great. Next is  
13 my recommendation to launch the cohort study.

14 If I could just recap kind of where  
15 we have been with this process of procuring  
16 this. In October of last year, October 2013  
17 actually, October 21, 2013, you, the  
18 Commissioners, with the advice of the Gaming  
19 Research Advisory Committee, the Gaming Policy  
20 Advisory Committee voted and unanimously  
21 approved to add a longitudinal cohort study of  
22 gambling behavior to the research agenda.

23 We went through a procurement  
24 process from November 2013 through March 2013.

1 And at the end of that time, an evaluation  
2 committee including myself selected UMass  
3 Amherst as the group that had the best  
4 proposal.

5 I brought that before the Commission  
6 on April 3, 2014. And again there was a  
7 unanimous approval to accept that proposal but  
8 there was a direction to delay the launch of  
9 this study until a later date in 2014, which is  
10 why it's coming back before you right now.

11 Rachel kind of went through what are  
12 the merits of the study. I think did a  
13 fantastic job. The only thing I could add is I  
14 think that the Expanded Gaming Act has a lot to  
15 offer. And one of the pieces that I don't  
16 think always gets the most attention is the  
17 contribution of research, not just in terms of  
18 what it will provide to Massachusetts and how  
19 it will inform the use of the Public Health  
20 Trust fund, but to the field in general.

21 There is a great opportunity here to  
22 advance information, knowledge that can make a  
23 real difference. A real difference in terms of  
24 how do we prevent gambling disorders, how do we



1 promote responsible gaming and how do we  
2 provide the best possible treatment that we  
3 possibly can. I cannot underestimate or cannot  
4 understate how important that is.

5           This doesn't come without a cost.  
6 And I see this as the second cornerstone of the  
7 research agenda. The first obviously being  
8 SEIGMA, Social and Economic Impacts of Gaming  
9 in Massachusetts. This being the second as a  
10 cohort study. Dr. Volberg had expressed how  
11 the two relate together and what we will gain  
12 from each of them.

13           On the second page before you you  
14 can see what the cost is projected to be with a  
15 launch date of December 1, 2014 for the  
16 remainder of the fiscal year. You can see what  
17 the estimated amount is for fiscal year 2016.  
18 Between the two years, we're looking at  
19 approximately a \$2.1 million expense for the  
20 Commission to have this cohort study.

21           There's obviously an additional  
22 expense of that moving forward and beyond. As  
23 we discussed the longer we can -- as long as we  
24 can keep, retain the cohort, as long as we can

1 keep that going the richer the information  
2 ultimately ends up becoming.

3 So, with that I propose that we  
4 continue with the steadfast commitment to  
5 research and having program, services,  
6 information that is research-based and  
7 evidence-based. And therefore I recommend that  
8 we authorize the University of Massachusetts  
9 Amherst to begin the longitudinal cohort study  
10 of gambling behavior in Massachusetts better-  
11 known has MAGIC and that we move forward.

12 COMMISSIONER MCHUGH: Two questions  
13 I have. The FY'16 figures are likely to be in  
14 the ballpark of the figures for future years,  
15 right?

16 MR. VANDER LINDEN: Actually, as I  
17 understand it, the number goes down and it  
18 would be closer to year one that there is a lot  
19 of expenses -- Actually, the amount that we  
20 have budgeted in fiscal year 2015 is slightly  
21 lower than what actually what we have budgeted.  
22 This is lower than what we budgeted in 2015.  
23 That's partly because of a later start date  
24 that gets bumped to 2016.

1                   So, we see a higher cost in 2016 in  
2 large part because some of the expenses in '15  
3 got bumped.

4                   COMMISSIONER MCHUGH: Say there's  
5 the decrease of some significance. I guess the  
6 point that I'm trying to get to is that doing  
7 this for two years really doesn't yield  
8 anything.

9                   MR. VANDER LINDEN: Correct.

10                  COMMISSIONER MCHUGH: So, if we  
11 spend the \$2 million to get any value, we're  
12 really talking about a five-year commitment  
13 say, right?

14                  MR. VANDER LINDEN: Correct.

15                  COMMISSIONER MCHUGH: And maybe  
16 longer but a minimum of about five years,  
17 right?

18                  MR. VANDER LINDEN: Yes. If I  
19 recall the proposal that we had received had  
20 projected that the ongoing expense of this on  
21 an annual basis would be somewhere in the  
22 ballpark of what we have budgeted in the first  
23 year, so right around 950,000.

24                  COMMISSIONER MCHUGH: So, around

1 900,000 for five years. I recognize these are  
2 ballpark figures. I just wanted to make sure  
3 that we are all aware of what we are doing  
4 here. So, it's not just this, it is a  
5 commitment.

6 MR. VANDER LINDEN: Correct.

7 COMMISSIONER MCHUGH: My second  
8 question is and maybe this is not for you,  
9 there is now or will be shortly about \$10  
10 million or \$9.5 in the Public Health Trust  
11 Fund. Does this come out of the Public Health  
12 Trust Fund?

13 COMMISSIONER ZUNIGA: Out of the 85  
14 million?

15 COMMISSIONER MCHUGH: Out of the 170  
16 million, actually, I used 195.

17 CHAIRMAN CROSBY: Is Public Health  
18 Trust Fund one of the recipients?

19 COMMISSIONER ZUNIGA: Yes.

20 COMMISSIONER MCHUGH: 195 at five  
21 percent is 9.5. And I used the 25 from Penn.

22 CHAIRMAN CROSBY: It's five percent  
23 of operating GGR.

24 COMMISSIONER MCHUGH: No. It's five

1 percent, as I read the statute, five percent of  
2 the license fees. 100 percent of the licensing  
3 fund goes into this whatever it's called.

4 COMMISSIONER ZUNIGA: I'd have to  
5 check that figure. There's a five million  
6 assessment that we make.

7 COMMISSIONER MCHUGH: No, no.  
8 That's the \$5 million annual assessment.

9 COMMISSIONER ZUNIGA: The bulk of  
10 the Public Health Trust Fund that I recall come  
11 from Category 1 licensee GGRs, the 25 percent,  
12 five percent of the 25.

13 COMMISSIONER MCHUGH: Section 59 is  
14 the fund into which -- describes the fund into  
15 which the money from the licensing fees goes,  
16 section 59K says that five percent of those  
17 monies go to the Public Health Trust Fund.

18 CHAIRMAN CROSBY: Okay. I didn't  
19 realize that.

20 COMMISSIONER MCHUGH: If I'm not  
21 contradicted here and we'd have to check.

22 CHAIRMAN CROSBY: It's gross gaming  
23 revenues.

24 COMMISSIONER MCHUGH: But earlier on

1 when it talks about the license fees. It says  
2 put in the section 59 fund. And it's the  
3 ongoing monies that go into -- the five percent  
4 goes into the Public Health Trust Fund plus the  
5 \$5 million unless there's two Public Health  
6 Trust Funds.

7           Anyway, there is a Public Health  
8 Trust Fund into which five percent of the  
9 licensing fees go. So, I raise that because  
10 that is I heard earlier us talking about the  
11 assessments for next year and want to at least  
12 insure that we recognize this may not be  
13 something that we have to use the assessment  
14 for.

15           COMMISSIONER ZUNIGA: We'll  
16 definitely have to check that and that was  
17 always my intention to use all things research,  
18 prevention, outreach, etc. from the Public  
19 Health Trust Fund. As you know, the Secretary  
20 and the Chair have the executive committee an  
21 MOU to use those monies. If that's the case,  
22 we can obviously adjust those assessments.

23           CHAIRMAN CROSBY: Any further  
24 discussion about the proposal?

1                   COMMISSIONER STEBBINS: In the line  
2 item, obviously the biggest chunk of money goes  
3 into I think it's subcontracts.

4                   MR. VANDER LINDEN: Correct.

5                   COMMISSIONER STEBBINS: Just give  
6 me --

7                   MR. VANDER LINDEN: The bulk of it  
8 is NORC. They are the subcontract to this that  
9 does the survey piece of it and the data  
10 collection. That's the bulk of it. The other  
11 piece is as a co-principal investigator Rob  
12 Williams that is paid through a subcontract.

13                   COMMISSIONER STEBBINS: Indirect  
14 costs?

15                   MR. VANDER LINDEN: I'm sorry.

16                   COMMISSIONER STEBBINS: What are the  
17 indirect costs?

18                   MR. VANDER LINDEN: Rachel do you  
19 want to address indirect?

20                   DR. VOLBERG: That's the overhead  
21 that the University of Massachusetts charges as  
22 a state agency.

23                   MR. VANDER LINDEN: I believe that  
24 indirect is seven percent of everything but

1 subcontracts and the first \$25,000 of  
2 subcontracts.

3 DR. VOLBERG: Right. So, the 26  
4 percent is only applied to the first 25,000 of  
5 each subcontractor.

6 CHAIRMAN CROSBY: Any other  
7 discussion before we bring this to a vote?  
8 Commissioner Zuniga.

9 COMMISSIONER ZUNIGA: Sure. I think  
10 this is very exciting as described here. It is  
11 also a big commitment as also discussed here.  
12 But I would move that the Commission approves  
13 the recommendation put forward before us, and  
14 issue a notice to proceed to the team from  
15 UMass to start the MAGIC cohort study.

16 CHAIRMAN CROSBY: Second?

17 COMMISSIONER CAMERON: Second.

18 CHAIRMAN CROSBY: Any further  
19 discussion? All in favor of the motion to  
20 proceed with the MAGIC cohort study say aye,  
21 aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.



1 COMMISSIONER STEBBINS: Aye.

2 CHAIRMAN CROSBY: Opposed? The ayes  
3 have it unanimously.

4 DR. VOLBERG: Thank you very much.

5 CHAIRMAN CROSBY: Thank you very  
6 much.

7 COMMISSIONER MCHUGH: Yes, thank you  
8 very much.

9 CHAIRMAN CROSBY: Is there anything,  
10 Jim, that you want to make sure you get, the  
11 last three items? Okay.

12 Director Wells, you are here. Go  
13 for it.

14 MS. WELLS: On the agenda we have  
15 this afternoon results of suitability  
16 investigating for an additional Penn National  
17 qualifier, Lance Matthew George. Mr. George  
18 has been patiently waiting all day. He is here  
19 this afternoon.

20 CHAIRMAN CROSBY: Hope we don't  
21 disappoint him.

22 MS. WELLS: I told him this would be  
23 brief. In May 2014, Mr. George was appointed  
24 to by Penn National Gaming to be vice president

1 and general manager of the Plainridge Park  
2 Casino in Plainville, Massachusetts.

3 In that capacity he is overseeing  
4 the facility, is currently involved in the  
5 current project of construction. As a result  
6 of this appointment, he was identified to be an  
7 individual qualifier for the Springfield Gaming  
8 LLC, the Penn National license. In addition,  
9 he will also be a key gaming employee  
10 executive. This report of suitability  
11 determination covers both categories.

12 Because Penn National expects to  
13 open that casino in approximately seven or  
14 eight months, we made the decision in  
15 conjunction with them to go forward with the  
16 key gaming employee executive license as well  
17 for him.

18 Mr. George submitted all the  
19 required forms and the supplemental document  
20 request to the IEB. And our investigators  
21 conducted a rigorous background check. As I've  
22 stated on numerous occasions before, areas  
23 covered include the employment history,  
24 criminal record, education, directorships and

1 shareholder interests, civil litigation,  
2 bankruptcies, property ownership, political  
3 contributions, references, media coverage.

4 Investigators also conducted a financial  
5 responsibility evaluation on Mr. George with  
6 positive results.

7 Mr. George attended the University  
8 of New Hampshire and was awarded a bachelor's  
9 of arts in communication. He graduated in  
10 1995. You'll see also in the appendix to  
11 report, there is a listing on his employment  
12 history.

13 Mr. George is someone that worked  
14 his way up in the casino industry. He started  
15 in 1995 at the Turning Stone Resort and Casino  
16 as a cage cashier. That's in New York. He  
17 then worked at the Belterra Casino Resort and  
18 Spa in Indiana as a database analyst, database  
19 marketing supervisor. He then moved on to the  
20 Boomtown Hotel and Casino in Louisiana where he  
21 was a database manager. That was 2004 to 2006.

22 He then was in the L'Auberge du Lac  
23 Casino Resort for Pinnacle Entertainment  
24 Incorporated in Louisiana as well. He was the

1 director of database marketing from January  
2 2006 to October 2006. He then returned to the  
3 Boomtown Casino in Louisiana from October 2006  
4 to December 2007 as the director of marketing.  
5 Then worked at Pinnacle Entertainment in Nevada  
6 as director of relationship marketing from 2008  
7 to 2009, returned to the Boomtown Casino from  
8 2009 to 2011 where he became the vice president  
9 and general manager.

10 He then worked at the Argosy Casino  
11 in Iowa from 2011 to 2014 as the vice president  
12 and general manager before being appointed to  
13 the position he now holds with Penn National  
14 Gaming.

15 Mr. George has been licensed or  
16 registered to participate in some form of  
17 gaming in four jurisdictions. I checked with  
18 Iowa, Louisiana, Indiana and in New York  
19 confirm the following licenses and  
20 certifications and their statuses. The Iowa  
21 Racing Gaming Commission, he had a gaming  
22 license that's currently active. He was given  
23 that in 2011 and that expires in 2014.

24 The Louisiana Gaming Control Board

1 gave him a gaming license in 2004. That has  
2 expired. The Indiana Gaming Commission, he had  
3 a gaming license. That has also expired. And  
4 the New York State Racing and Wagering Board  
5 gave him a license in 1995. That is currently  
6 inactive. All of Mr. George's licenses were in  
7 good standing and all jurisdictions reported no  
8 derogatory information related to Mr. George's  
9 licensure.

10           There were no significant  
11 investigative issues uncovered relative to Mr.  
12 George's application for licensure and  
13 suitability. Overall, Mr. George has  
14 demonstrated by clear and convincing evidence  
15 that he suitable for licensure in Massachusetts  
16 and therefore the IEB is recommending that the  
17 Commission find him suitable, no conditions.

18           COMMISSIONER STEBBINS: I also  
19 understand he is our first key gaming executive  
20 licensee, which is another milestone for us to  
21 hit, maybe not for him but for us.

22           MS. WELLS: That is correct.

23           COMMISSIONER STEBBINS: So, we'll  
24 call you 001.

1 CHAIRMAN CROSBY: Any other  
2 questions, thoughts, comments?

3 COMMISSIONER MCHUGH: No. I looked  
4 at the report. It's thorough, as usual. And  
5 absolutely no issues arise.

6 COMMISSIONER CAMERON: I would agree  
7 that it's a very clean investigation report and  
8 I would move that we approve Mr. George for  
9 suitability.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER MCHUGH: Second.

12 CHAIRMAN CROSBY: Further  
13 discussion? All in favor, aye.

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 CHAIRMAN CROSBY: Opposed? The ayes  
19 have it unanimously. Congratulations.

20 MS. WELLS: Just so the record is  
21 clear, that's for both licenses correct, for  
22 the suitability qualifier and the key gaming  
23 employee.

24 CHAIRMAN CROSBY: Yes.

1 MS. WELLS: Thank you.

2 COMMISSIONER CAMERON: Thank you.

3 COMMISSIONER MCHUGH: Can I just  
4 clarify something as we're switching speakers  
5 and that is my thoughts about the Public Health  
6 Trust Fund being available to pay the MAGIC  
7 study were wrong. They're not available. It's  
8 an assessment that we'll use.

9 COMMISSIONER CAMERON:  
10 Congratulations, Mr. George.

11 CHAIRMAN CROSBY: Mr. Glennon, our  
12 CIO.

13 MR. GLENNON: Thank you, Mr.  
14 Chairman and Commissioners. I'm here to talk  
15 about security today.

16 I want to thank Compass IT  
17 Compliance, LLC, especially Jonathan Hughes who  
18 did the heavy lifting in pulling together the  
19 nine policies you have before you. I want to  
20 also thank CFAO Lennon for handling the  
21 engagement with Compass IT and Maria Bottari  
22 from Derek's staff for working on the policy  
23 development team.

24 Thanks to Kevin Burns, the

1 Commonwealth's Chief Information Security  
2 Officer and his staff. Not only did they  
3 review these policies, but we adopt by  
4 reference maNy of the Commonwealth's security  
5 policies which are based on the government's  
6 best practices.

7           Of all the deterrents that folks in  
8 the security field have to combat the  
9 persistent daily threats, an educated user  
10 community is one of the best defenses. MGC  
11 will be working with Kevin and his team to  
12 provide awareness training in the first quarter  
13 of calendar year 2015.

14           In your packet you have a series of  
15 nine policies for your review and approval.  
16 Access control policy, business continuity  
17 management policy, communications and  
18 operations management policy, information  
19 security policy, IT acquisition and security  
20 policy, IT asset and risk management policy,  
21 physical and environmental policy, point of  
22 interaction device policy and the security  
23 incident response policy.

24           These policies are a necessary



1 component of the controls that need to be put  
2 in place to meet payment card industry, PCI,  
3 guidelines. I want to note that this morning  
4 as a part of the MGC policy manual that you  
5 approved, the information technology user  
6 policy, which covers much of the individual  
7 responsibility that every MGC staff member has  
8 for responsible use of information technology  
9 assets was included in that. So, it's a  
10 separate policy that we have written long  
11 before these other ones.

12           During the internal and external  
13 review process, a number of thoughtful comments  
14 were submitted that I want to briefly discuss.  
15 In the access control policy, one of the  
16 questions was related to level of access. How  
17 do people know what level of access they have?  
18 Right now, we pretty much have a consistent  
19 level of access for everybody to email and  
20 systems. We have some folders on our shared  
21 drive which are secured based on units.

22           But as we go forward, we will have  
23 multiple levels of access. In the licensing  
24 management system, there will be administrative

1 and there will be roles and responsibilities.  
2 And we will let people know what their level of  
3 access is. And it will be handled through an  
4 HR process from the beginning.

5 From the onboarding, we'll set up a  
6 profile what should that person have access to.  
7 If that changes, there will be an approval  
8 process. And then of course when somebody  
9 leaves the Commission, the rights and  
10 credentials will be revoked for those systems.

11 The second question was related to  
12 thumb drives and virus protection. The  
13 information user policy covers issues of use of  
14 portable devices, data in motion and things  
15 like that. We are very conscious of the issues  
16 related to a thumb drive and the vulnerability  
17 of a device being put into the network and  
18 possibly infecting it with viruses. So, the  
19 user policy covers that issue. That was one of  
20 the questions that came up.

21 And then the policy related to  
22 interaction -- point of interaction devices is  
23 specific to the devices that we use to  
24 interface with the credit card industry. It's

1 very prescriptive in terms of the actual  
2 physical device.

3 At this point, I would entertain any  
4 questions and ask for your approval of the  
5 policies in the packet pending any changes or  
6 modifications.

7 COMMISSIONER MCHUGH: Are we going  
8 to have some kind of a training or something,  
9 exercise so that people understand what they  
10 need to know about these policies?

11 MR. GLENNON: I think as a part of  
12 the training that Rick mentioned this morning  
13 for the HR manual, we've got over 100 policies.  
14 Again, security policies is our best weapon for  
15 people to be aware. So, yes. The answer is  
16 yes, we will have a security specific training.

17 COMMISSIONER MCHUGH: And these too  
18 will live on the Intranet.

19 MR. GLENNON: Yes, these policies  
20 along with the ones this morning will be on the  
21 Intranet for people to reference. I think it's  
22 important to note that a policy is only as good  
23 as how it's used. These are not made for shelf  
24 ware. They really do need to be understood by

1 people, especially when it comes to escalation  
2 of incidents.

3           Because if we do have anomalies or  
4 something that happens to our users, it's  
5 important they report it because in aggregate  
6 these are the type of things that security  
7 people look for in order to do trending and to  
8 find out about vulnerabilities and threats.  
9 So, we will work very hard to educate MGC  
10 users, our staff.

11           COMMISSIONER ZUNIGA: Are these  
12 state policies as well? Did you model them  
13 after anything from ITD, John?

14           MR. GLENNON: Again, a lot of these  
15 policies in here have links. And we adopt by  
16 reference the Mass. IT policies, which are  
17 comprehensive and based on best practices for  
18 government entities.

19           So, we really did in our work with  
20 Compass we exposed the Commonwealth's policies.  
21 And we said we want to look to these first and  
22 then any deviation would obviously have to be  
23 justified, because the Commonwealth has a  
24 comprehensive set of security policies and

1 practices.

2 COMMISSIONER CAMERON: I was  
3 interested, what is unique to MGC? What  
4 deviation from ITD?

5 MR. GLENNON: I think just the  
6 specifics around the management of information.  
7 How we manage information relative to the  
8 payment card industry. How do we take  
9 information in. How do we protect it. It's  
10 pretty standard operating procedures. I would  
11 say these are pretty boilerplate for compliance  
12 for PCI audit.

13 CHAIRMAN CROSBY: Anybody else? Do  
14 we have a motion to adopt? Commissioner  
15 Zuniga.

16 COMMISSIONER ZUNIGA: Sure. I would  
17 move that we adopt the policies, the  
18 information technology policies as presented  
19 here today in the packet.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER STEBBINS: Second.

22 CHAIRMAN CROSBY: Any further  
23 discussion? All in favor, aye.

24 COMMISSIONER MCHUGH: Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 CHAIRMAN CROSBY: Opposed?

5 COMMISSIONER MCHUGH: Thank you  
6 very much.

7 COMMISSIONER CAMERON: Thank you.

8 CHAIRMAN CROSBY: Director Acosta  
9 and Director Glennon.

10 MR. GLENNON: Thank you, Mr.  
11 Chairman, members of the Commission. Director  
12 Acosta and I want to provide you with a status  
13 update of the licensing management system  
14 project. I want to acknowledge the hard work  
15 and effort of those involved. Director Acosta  
16 and his team, Investigations and Enforcement  
17 Bureau Director Wells and Detective Lieutenant  
18 Brian Connors, the IEB staff and the troopers  
19 and our integration partner NTT Data as well as  
20 software vendor EMC whose documentum product is  
21 the enterprise content platform for the LMS  
22 system.

23 The first chart is just an example  
24 to show that in the software development

1 lifecycle if you specify the requirements for  
2 what you're going to build early on and define  
3 them during the concept and design there is a  
4 much lower cost than if you change after you've  
5 gone down the road. And I think what we're  
6 going to talk about a little bit today is the  
7 fact we were impacted by change late in the  
8 process.

9                   Next slide, please. This slide  
10 depicts three timelines. The original timeline  
11 for the project which was started in December  
12 2013. We expected to finish our deployment in  
13 June. In March of this year, we executed a  
14 change order to account for changes in  
15 requirements. And also MGC's failing to  
16 deliver a development environment as we had  
17 committed to in the statement of work. And  
18 then in the ensuing months a number of factors  
19 have contributed to additional delays in the  
20 development lifecycle.

21                   We requested additional changes. We  
22 also experienced some issues with the platform,  
23 the newest version of the EMC platform. When  
24 the development team went to move from one

1 version to another there was some problems with  
2 porting that caused delays.

3 All of this contributed to a delay  
4 totaling on the project of about 21 weeks. We  
5 negotiated with NTT Data and we agreed to split  
6 the cost of this. Not a small dollar amount  
7 but some of the change was our fault, and some  
8 of the change was risk in the platform that we  
9 had undertaken. So, I think it was a fair  
10 outcome.

11 We are on track now to launch live  
12 internally on 24 November. If you go to the  
13 next chart please. These are the milestones  
14 which we now have before us. The team, IEB and  
15 Licensing are now doing user acceptance testing  
16 in the second phase of that. It's really  
17 beating on the system on all paths that can be  
18 taken, looking for bugs and NTT is remediating.  
19 Again, our internal launch date is the 24th,  
20 which will start a 90-day warranty under which  
21 we will continue to identify any problems. And  
22 NTT is obligated to fix those.

23 At some point during that 90 days we  
24 will expose the application externally to allow



1 our people that want to apply for licenses both  
2 businesses and constituents to use it. And I  
3 think that that really depends on our ability  
4 to handle the support that will be required to  
5 help those individuals to use the licensing  
6 management system.

7 So, again I think mixed news. I  
8 would say in terms of project management, there  
9 was some accountability mistakes made on both  
10 sides in terms of notification and the  
11 obligation to notify us in a timely manner that  
12 there was going to be an increase in cost. I  
13 personally take some accountability for that.  
14 I think it's shared with our vendor.

15 But I think we have a way forward.  
16 And I don't know if Director Acosta if you have  
17 anything to add to that other than -- You're  
18 much closer to the testing and what's going on  
19 these days than I am.

20 MR. ACOSTA: I don't know if I can  
21 explain this more coherently than the director  
22 just did. We're currently in the middle of  
23 testing and hopefully we start going live  
24 internally in another two weeks.

1           CHAIRMAN CROSBY: You had a lot of  
2 user testing on going on last night I know.  
3 Have you had feedback on how it's going?

4           MR. ACOSTA: There's a number of  
5 bugs that have been discovered. And as they  
6 are being discovered, they're being addressed  
7 by the typical folks in the office. There's a  
8 number of people who we've already identified  
9 several staff members who we refer to as high-  
10 end users because they've become quite  
11 proficient with the software.

12           There's still some things that need  
13 to be fixed. Hopefully, they'll be addressed  
14 by the 24th.

15           MR. GLENNON: I would also say that  
16 we have the opportunity because we are rolling  
17 this out internally to if there is something we  
18 can put off to a subsequent build. So, once we  
19 go live we'll continue to identify defects in  
20 the software that we will fix and probably  
21 issue new releases in the software every two  
22 weeks or so.

23           So, there may be some things that we  
24 choose to postpone into that warranty period in

1 order to go live on the 24th and begin using a  
2 production instance. That's the word that I  
3 got from the NTT team today.

4 So, they did find some problems but  
5 there's nothing that's a show stopper. I asked  
6 specifically. I said I'm going before the  
7 Commission. I'm reporting out. Is there  
8 anything that you see that would cause us not  
9 to be able to go live on the 24th and there was  
10 nothing given.

11 So, I fully expect us to start using  
12 it internally on the 24th. And I continue to  
13 fix problems because no application is error-  
14 free on day one.

15 COMMISSIONER MCHUGH: By using it  
16 internally we're going to get them,  
17 applications and other things on a paper form.  
18 We're going to do the data entry internally.  
19 And then when we make it public facing, we can  
20 get it directly from the applicant through the  
21 system?

22 MR. GLENNON: So, we're essentially  
23 going to use the workflow and we're going take  
24 the responsibility for committing the documents

1 in the system initially, yes, that's true.

2 COMMISSIONER CAMERON: I have a  
3 question about your statement 'MGC failed to  
4 deliver the design requirements as promised'.  
5 That's a strong statement without an  
6 explanation.

7 MR. GLENNON: So, we had a  
8 consultant who we had engaged and was on board  
9 when I started last year. He had committed to  
10 build the initial environment that NTT would  
11 use, the initial documentum environment to  
12 start the development. That was Jonathan  
13 Russell.

14 And Jonathan was for whatever reason  
15 unable to deliver on that commitment. So, it  
16 was part of the statement of work that we  
17 signed with NTT to have that environment  
18 available. And we prior to the date failed to  
19 deliver it.

20 We fixed it. We built an  
21 environment and we were able to move on, but  
22 this was an issue that we addressed back in  
23 March, our inability to provide the environment  
24 that we had committed to.

1                   COMMISSIONER ZUNIGA: We started  
2 with this effort on a roughly \$1 million  
3 effort, but it included also a document  
4 management system piece that has now been put a  
5 little bit for a later date; is that correct?

6                   MR. GLENNON: So, the documentum  
7 foundation is a platform on which we can do  
8 document management. And we're going to build  
9 out that capability on that platform. And  
10 we're looking at the smaller projects. There  
11 are actually three of them that we're looking  
12 at right now. One is the HR piece and handling  
13 onboarding and the applicant process.

14                   COMMISSIONER ZUNIGA: When we  
15 approved this particular at \$1 million, what  
16 was the scope?

17                   MR. GLENNON: The foundational  
18 hardware, the foundational software and  
19 enterprise content management platform and the  
20 engagement of a system integration vendor to  
21 build a licensing management system.

22                   COMMISSIONER ZUNIGA: So, now that  
23 engagement has put us twice or doubled the  
24 amount that we initially projected? Only the

1 engagement which was a subset of the \$1 million  
2 is now costing us another \$1 million? Is that  
3 what I'm reading here correctly?

4 MR. GLENNON: No, I don't think  
5 that's correct. I think the incremental -- Can  
6 you go to the next slide, please?

7 COMMISSIONER ZUNIGA: Costing us  
8 540, it's costing NTT 500.

9 MR. GLENNON: So, our full  
10 investment for phase 1 --

11 COMMISSIONER ZUNIGA: 540?

12 MR. GLENNON: So, there is an  
13 incremental cost due to the changes and the  
14 problems that we've encountered of \$600,000  
15 that's correct, to us to complete all of the  
16 requirements in phase 1 which again have  
17 changed since when we signed the deal.

18 The \$940,000 did not take into  
19 account the changes and the problems that we  
20 ran into. So, the incremental costs were  
21 changes that we made because of changes to the  
22 forms, changes to the business processes.

23 I'll give you an example, one of  
24 them was a checklist that the Investigations --

1 the IEB decided that they wanted to add because  
2 Licensing had added a checklist. It was a  
3 function that made sense. It was added late in  
4 the process. It cost three weeks at whatever  
5 the burn rate was.

6 COMMISSIONER ZUNIGA: I'm curious  
7 about phase 2. Where are we in phase 2  
8 relative to this ideal time for change and  
9 worse time for change?

10 MR. GLENNON: So, I think for phase  
11 2 we are going evaluate what our course forward  
12 is. Are we going to continue to partner with  
13 NTT? Or are we going to rely on internal  
14 resources to build some of the smaller  
15 functionality out?

16 I think that's a conversation I have  
17 to have with Director Day and Director Lennon  
18 about what the most efficient way to do that  
19 is. I'm hiring staff to be able to manage this  
20 environment. And hopefully, we'll be able to  
21 -- definitely we'll be able to maintain what  
22 NTT built and hopefully we'll be able to build  
23 out on our own so we'll have a future  
24 functionality.

1           Having said that we're still going  
2 to work with NTT to take the additional  
3 functionality, which is not the system now that  
4 we're going to require, and figure out what the  
5 effort is to build that.

6           COMMISSIONER ZUNIGA: What is that  
7 functionality that --

8           MR. GLENNON: It will be things like  
9 hearings, the hearing process is not built-in.  
10 I think there's Racing Division forms that is  
11 not a component of this. There is some  
12 functionality which we were unable to put in  
13 because of the cost. We left it off the table.  
14 We parking lotted it and left it to phase 2.

15           COMMISSIONER ZUNIGA: So,  
16 functionality that was originally part of the  
17 million we put off.

18           MR. GLENNON: No, it was not part of  
19 the million. The hearings piece, and correct  
20 me if I'm wrong, Racing was not, the hearings  
21 piece was not, appeals was not, those business  
22 processes were not part of the original  
23 engagement statement of work.

24           COMMISSIONER ZUNIGA: So, what



1 lessons did we learn relative to project  
2 managing to a budget?

3 MR. GLENNON: I think what we  
4 learned is you can't make changes late in the  
5 process and you need to build in a buffer for  
6 unexpected technical problems which could occur  
7 during the course of a project. I think we've  
8 managed this tightly.

9 COMMISSIONER ZUNIGA: Can we start  
10 applying those to phase 2 and start a real  
11 conversation on scope? I for one would like to  
12 understand what that scope is before we make  
13 the next commitment.

14 MR. GLENNON: Absolutely, and I  
15 believe that conversation has already taken  
16 place between myself and NTT.

17 COMMISSIONER ZUNIGA: Carbon copy  
18 me, please.

19 CHAIRMAN CROSBY: Commissioner  
20 Zuniga would like to be part of that  
21 conversation.

22 MR. GLENNON: Absolutely.

23 CHAIRMAN CROSBY: Anything else  
24 anybody? I know we don't have any formal

1 action to take. Okay.

2 COMMISSIONER ZUNIGA: Don't we  
3 approve all financial commitments?

4 MR. GLENNON: The total dollar  
5 amount was covered in the budget item that was  
6 approved for the project. In my conversations  
7 with CFAO Lennon, the 1.5 is covered in the  
8 budget.

9 CHAIRMAN CROSBY: Anything else?  
10 Thank you very much. That's all we have for  
11 formal items. Anything else anybody has on  
12 their mind? Motion to adjourn.

13 COMMISSIONER MCHUGH: So move.

14 CHAIRMAN CROSBY: All in favor, aye.

15 COMMISSIONER MCHUGH: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: All right. Thank  
20 you all very much.

21

22 (Meeting adjourned at 4:38 p.m.)

23

24

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission November
- 3 6, 2014 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission October
- 5 23, 2014 Meeting Minutes
- 6 3. Massachusetts Gaming Commission Human
- 7 Resources Policy Manual
- 8 4. Massachusetts Gaming Commission November
- 9 6, 2014 Memorandum Regarding Applications
- 10 with attachments
- 11 5. Massachusetts Gaming Commission November
- 12 5, 2014 Memorandum Regarding Community
- 13 Mitigation Fund
- 14 6. Massachusetts Gaming Commission Region C
- 15 Application Process Update presentation
- 16 7. The Massachusetts Gambling Impact Cohort
- 17 (MAGIC) Study
- 18 8. Massachusetts Gaming Commission November
- 19 3, 2014 Memorandum Regarding
- 20 Recommendation to Authorize UMass Amherst
- 21 to Begin Longitudinal Cohort Study on
- 22 Gambling Behavior

23  
24

1 ATTACHMENTS:

2 9. Massachusetts Gaming Commission November  
3 3, 2014 IEB Qualifier Report of Applicant  
4 Penn National for Qualifier Lance George

5 10. Massachusetts Gaming Commission November  
6 3, 2014 Memorandum Regarding Information  
7 Technology Security Policies and  
8 Procedures - Drafts for the November 6  
9 Commission Meeting

10 11. Massachusetts Gaming Commission LMS Update  
11 Presentation

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1 GUEST SPEAKERS:

2 Ed Burke, North Passage Associates

3 Robert DeSalvio, Wynn MA, LLC

4 Joan Kuhn, North Passage Associates

5 Michael Mathis, MGM Springfield

6 Susan Moir, UMass Boston

7 Jed Nosal, Brown Rudnick

8 Steve O'Toole, Plainridge Racecourse

9 Liz Skidmore, New England Council of Carpenters

10 Rachel Volberg, UMass Amherst

11 MASSACHUSETTS GAMING COMMISSION STAFF:

12 David Acosta, Director of Licensing

13 Catherine Blue, General Counsel

14 Richard Day, Executive Director

15 John Glennon, Chief Information Officer

16 Jill Griffin, Director Workforce, Supplier and

17 Diversity Development

18 Derek Lennon, Chief Financial and Accounting

19 Officer

20 Mark Vander Linden, Dir. Research and Problem

21 Gambling

22 Dean Ventola, HR Business Partner

23 Karen Wells, Director IEB

24 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 10th day of November, 2014.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018