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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
213th PUBLIC HEARING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Bruce W. Stebbins

Enrique Zuniga

Gayle Cameron

March 30, 2017, 10:00 a.m. to 1:52 p.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, Massachusetts

PROCEEDINGS

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3 CHAIRMAN CROSBY: We are calling to
4 order Public Meeting Number 213 on March 30th
5 at the Mass. Gaming Commission at ten o'clock
6 a.m. Commissioner Macdonald is out today, so
7 we maybe would ask the treasurer to do the
8 approval of minutes.

9 COMMISSIONER ZUNIGA: Oh, yes.
10 I'll be happy to move, Mr. Chairman, that the
11 Commission meeting minutes from March 16 be
12 approved as presented in the packet subject
13 to corrections and small other nonmaterial
14 typographical errors, one of which is I had
15 noted is IGT is spelled IGA, but that --

16 CHAIRMAN CROSBY: I got it. I gave
17 it to them. Yeah.

18 COMMISSIONER ZUNIGA: That's one of
19 those typographical errors.

20 CHAIRMAN CROSBY: She just did that
21 to make sure we were reading the minutes, I
22 know, see if anybody caught it.

23 COMMISSIONER CAMERON: Second.

24 COMMISSIONER STEBBINS: It just

1 said under the 10:57 a.m. hour, we talk about
2 two changes that we made in regs from
3 comments that we got. I'm just wondering if
4 we had space to put in what the -- there were
5 only two, but they were ones that we actually
6 incorporated into the regulation changes. I
7 didn't know if we had enough room to make
8 note of what those changes were.

9 MS. BLUE: That would occur when
10 you've approved them finally.

11 COMMISSIONER STEBBINS: Okay.

12 MS. BLUE: When we go through the
13 hearing process and then we deliver to you a
14 final regulation with all the comments
15 incorporated.

16 COMMISSIONER STEBBINS: Okay.

17 MS. BLUE: There probably will be
18 more.

19 COMMISSIONER STEBBINS: Okay.

20 MS. BLUE: That I think that's
21 probably the best place to make that comment.

22 COMMISSIONER STEBBINS: Okay.

23 Thank you.

24 CHAIRMAN CROSBY: Further

1 discussion? All in favor aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER CAMERON: Aye.

5 CHAIRMAN CROSBY: Opposed? The
6 ayes have it unanimously. That would be four
7 to zero.

8 First up next up is the racing
9 division. Director Lightbown.

10 MR. BEDROSIAN: I think.

11 CHAIRMAN CROSBY: No, I'm sorry.

12 Next up is the administrative update.
13 Executive Director Bedrosian.

14 MR. BEDROSIAN: Thank you. Good
15 morning Commissioners. I just have a couple
16 of items. You may remember on March 2nd, we
17 were in Springfield. MGM presented its
18 operational diversity plan which we put out
19 to public comment which was technically due
20 to end today at 5:00 o'clock. Director
21 Griffin has come and asked that we extend
22 that public comment until April 13th at 5:00
23 o'clock. I would just note some sites that
24 do report on local government meetings have

1 reported that we were having a public meeting
2 on this issue today at 5:00 o'clock. Indeed,
3 we will not be having a public meeting on
4 this issue today at 5:00 o'clock, but we will
5 extend the comment period and we'll work with
6 our director of communications to get all
7 that information out.

8 CHAIRMAN CROSBY: Okay. Good. So
9 that, got that, okay.

10 MR. BEDROSIAN: Yep. And a couple
11 of other issues. In anticipation of some of
12 the racing issues, I just wanted to mention a
13 couple of our long-time racing employees have
14 moved on. Jeff Bothwell, who you may, I'm
15 sure, remember was one of our Legacy
16 employees. In fact, he started working for
17 the Mass. Racing Commission in 1992 as a
18 racing inspector and has worked as an
19 auditor, and when the Commission, this
20 Commission, then took on the responsibilities
21 of racing, he became our license coordinator
22 since 2013. He was the last of our full-time
23 employees from the previous state racing
24 commission, and he worked with our judges and

1 state police and really recently helped
2 launch our fingerprinting program, and he's
3 retired. So we're going to wish him the best
4 in his retirement.

5 CHAIRMAN CROSBY: Great.

6 MR. BEDROSIAN: Similarly, Trooper
7 Joe Sinkevich who was one of the long,
8 long-serving state troopers down there has
9 retired from the Mass. State Police after
10 42 years. He started working for the Racing
11 Commission in 1995. So we wish him well and
12 I think -- I suspect those are two employees
13 that the racing industry and the directors
14 and everyone knows very well. So obviously
15 wish them the best.

16 In the final update I have, and I
17 don't want to steal Commissioner Zuniga's
18 update, but I will tell you due to
19 technology, I was able with the help of Mass.
20 Live and Facebook Live to attend virtually
21 the Springfield topping off ceremony
22 yesterday, and from what I could see as a
23 virtual attendee was quite the event. I'm
24 sure you'll probably hear a little bit more

1 about that during the meeting. That's all I
2 have.

3 COMMISSIONER ZUNIGA: I will
4 provide a update in the Commissioner updates.

5 MR. BEDROSIAN: Thank you.

6 CHAIRMAN CROSBY: Great. Thank
7 you. Anything else for Director Bedrosian?

8 COMMISSIONER CAMERON: No.

9 CHAIRMAN CROSBY: Now Director
10 Lightbown.

11 DR. LIGHTBOWN: Good afternoon,
12 and --

13 CHAIRMAN CROSBY: Your mic.

14 DR. LIGHTBOWN: Our first item --

15 CHAIRMAN CROSBY: Your mic.

16 MS. BLUE: Alex, mic.

17 COMMISSIONER STEBBINS: Turn
18 yourself on.

19 DR. LIGHTBOWN: Good morning again.
20 Our first item on racing is the approval of
21 the Suffolk Downs sale. Chip Tuttle, the
22 COO, is here, as well as Bruce Barnett for
23 any questions, and I'm going to turn it over
24 to our General Counsel Catherine Blue.

1 MS. BLUE: Good morning,
2 Commissioners.

3 COMMISSIONER ZUNIGA: Good morning.

4 COMMISSIONER CAMERON: Good
5 morning.

6 COMMISSIONER STEBBINS: Good
7 morning.

8 MS. BLUE: In your packet today,
9 you have a letter with attachments from
10 Sterling Suffolk, LLC, the owner of the
11 property currently known as Suffolk Downs.
12 And you have a copy of Section 11C of 128A.
13 That is the statute that governs racing in
14 the Commonwealth. The letter from Suffolk
15 Downs is requesting a vote by the Commission
16 to approve the transfer of the property on
17 which Suffolk Downs is located to a
18 third-party purchaser. Such review and
19 approval by the Commission is required by
20 Section 11C. The only matter before the
21 Commission today is the review and approval
22 of the transfer of the property. The
23 Commission is not reviewing or taking any
24 action on any remaining issues for the 2017

1 racing season or the granting of a
2 supplemental license for 2018, and the
3 Commission is not reviewing or taking any
4 action on any racing issue that may arise in
5 2017 or beyond. The Commission will review
6 any such matters at an appropriate future
7 date.

8 Section 11C provides that a
9 non-publically traded entity that holds a
10 racing license and owns a racing facility
11 must request Commission approval if the
12 entity wishes to transfer more than ten
13 percent of the value of the facility.

14 Section 11C provides that the Commission will
15 approve the transfer unless the Commission
16 finds that the consideration for the transfer
17 is inadequate, the transfer is without good
18 cause, the transfer results in an undesirable
19 concentration of racing facilities in the
20 Commonwealth, or that the transfer has an
21 adverse effect on the integrity of racing.
22 The purpose of Section 11C was to give the
23 Commission the opportunity to review the
24 transfer of a racing facility from really

1 from one racing licensee to another. 11C
2 does not fully contemplate the kind of
3 transfer that is before you today. Even so,
4 11C does require that the Commission review
5 and approve the transfer before Suffolk Downs
6 can proceed with the sale.

7 Suffolk Downs has provided a letter
8 describing the transfer of the property, and
9 they addressed each requirement of Section
10 11C in that letter. In brief, Suffolk Downs
11 proposes to transfer the property to a
12 third-party purchaser for redevelopment.
13 That redevelopment does not include a use as
14 a racetrack. Suffolk Downs anticipates it
15 will hold six days of live racing at the
16 property in 2017 pursuant to a lease with the
17 purchaser and may, if it enters into a lease
18 extension with the purchaser and receives the
19 supplemental license from the Commission,
20 engage in live racing in 2018.

21 Also, to be clear, Suffolk Downs is
22 not proposing to transfer the racing license
23 granted to Suffolk Downs. Suffolk will keep
24 the racing license and will remain bound by

1 and responsible for all requirements of a
2 racing licensee. Under Chapters 128A and
3 128C, Suffolk Downs will retain its current
4 staff and will bring a list of racing
5 officials to the Commission for approval
6 prior to the start of live racing.

7 After the review of the letter, it
8 is my opinion that Suffolk Downs has
9 addressed the requirements in Section 11C.
10 As described in the letter, the consideration
11 paid to Suffolk Downs exceeds the assessed
12 value of the property. Suffolk Downs has
13 provided documentation of the assessed value
14 and will release the final consideration
15 after the closing, which is scheduled
16 currently for the end of April. The transfer
17 is for good cause. Suffolk Downs has engaged
18 in arm's length transactions with the
19 purchaser for value who will redevelop the
20 property in accordance with the requirements
21 of the Cities of Boston and Revere. The
22 transfer does not result in the concentration
23 of ownership. The purchaser has no interest
24 in live racing, and will not continue live

1 racing at the property. The transfer will
2 have an impact on racing in the Commonwealth
3 in that it will result in the closure of the
4 only thoroughbred track in the Commonwealth
5 at this time, however, 11C focuses on the
6 impact to the integrity of racing, and the
7 transfer will not impact the integrity of
8 racing. The current racing staff will remain
9 in place. The purchaser will have no role in
10 the operation of the racing facility.
11 Suffolk Downs will be responsible for
12 compliance with the terms and conditions of
13 its racing license as well as the
14 requirements of Chapters 128A and C and the
15 Commission's regulations for as long as
16 Suffolk Downs holds a racing license.

17 We have staff here today as well as
18 Mr. Barnett and Mr. Tuttle to answer any
19 questions that the Commission may have.

20 COMMISSIONER STEBBINS: Sure.

21 COMMISSIONER CAMERON: So I would
22 agree that I don't think this sale affects
23 the integrity of racing. I actually think
24 this is much the same situation when we were

1 in last year. You know, we have horsemen's
2 groups that are pretty split on whether or
3 not this is beneficial. We made the decision
4 in the past -- many of the horsemen do
5 believe some racing is better than none, and
6 I know the breeders firmly believe that, and
7 they -- you know, the Mass. Bred races which
8 are held every year do provide opportunities
9 for the breeders to take some of that money
10 and use it for breeding.

11 So I believe it's very similar. We
12 made the decision last year that some racing
13 was better than none in the Commonwealth.
14 Certainly all of us would love to see a track
15 in which a longer racing season could be had,
16 but there is no opportunity for that at this
17 point. So I think that I'm in favor of this
18 proposal, knowing that the groups are split,
19 but that some racing is better than nothing,
20 but I did have one question for Mr. Tuttle.

21 Now that the property is being
22 sold, does that mean that all other
23 agreements between Suffolk Downs and the
24 casino applicants regarding the use of the

1 property as a casino have been terminated?

2 MR. TUTTLE: We no longer have any
3 agreements with any casino operators. Well,
4 we have -- we no longer have an agreement
5 with Mohegan Sun, which was the prior
6 applicant on the Suffolk Downs property.

7 COMMISSIONER CAMERON: Okay.

8 CHAIRMAN CROSBY: But you do with
9 some other casino operator?

10 MR. TUTTLE: Well, I just want
11 to -- I wanted to be sure how I phrased that.
12 I didn't want to say we have any agreements.
13 We may still have ongoing agreement with
14 Caesars from our separation from the Caesars,
15 you know, there may still be some, but I'm
16 off the top of my head, I don't think so.
17 But we don't have any agreement regarding the
18 use of the property.

19 COMMISSIONER ZUNIGA: Can I build
20 up on that a little bit maybe and step back.
21 So this is a complete transfer? There's no
22 equity stake that Suffolk Downs retains on
23 the entity that this is being sold to?

24 MR. BARNETT: If I'm understanding

1 the question correctly, that is right.
2 Suffolk Downs is not part of the ownership of
3 the buyer of the property.

4 COMMISSIONER ZUNIGA: Of the buyer.
5 And the landlord in the lease that you
6 proposed to execute is a subsidiary, a whole
7 subsidiary, of the HYM Group -- the McLennan
8 partnership?

9 MR. TUTTLE: Yeah.

10 COMMISSIONER ZUNIGA: I want to get
11 this, the name, right. The McLennan Highway
12 Development Company is completely owned by
13 the HYM Group.

14 MR. TUTTLE: I believe it's an
15 affiliate of the HYM Group and a private
16 investor.

17 COMMISSIONER ZUNIGA: Right. But
18 that's not anybody's -- any of the principals
19 at Suffolk Downs?

20 MR. TUTTLE: Correct. Yeah.

21 COMMISSIONER ZUNIGA: Okay. And
22 when is the -- I know there's a couple of
23 moving pieces subject to somewhat
24 disapproval, but when do you generally expect

1 the lease to take effect? Roughly, no exact
2 date.

3 MR. TUTTLE: Well, I think this --
4 the approval of the sale of the Commission
5 was one of the things we were hoping to
6 accomplish before finalizing the lease and
7 entering the lease. It could happen in the
8 next several weeks, and all the conversations
9 with the potential buyer about continuing
10 racing and simulcasting operations have been
11 very positive. In addition to racing and
12 simulcasting operations, we will continue
13 maintenance of the property on behalf of the
14 new buyer during the time that we're still
15 there.

16 COMMISSIONER ZUNIGA: Right. Go
17 ahead Mr. Barnett.

18 MR. BARNETT: If I may just add the
19 lease is -- under the agreement, the lease
20 will be entered into simultaneously or
21 instantaneously after the sale of the
22 property. So when the closing happens, the
23 lease goes into effect.

24 COMMISSIONER ZUNIGA: And

1 generally, roughly, because I know it's hard
2 to predict, you know, when these closings
3 happen, what's the time frame for that?

4 MR. BARNETT: Under the agreement,
5 the current scheduled closing date is
6 April 27th, and we're not aware of anything
7 that's going to change that, but there's
8 still time between now and then.

9 COMMISSIONER ZUNIGA: And I know
10 you mentioned some of this in your remarks,
11 but the sequence of events after the lease is
12 executed would then have you complete your
13 commitment to the racing on 2017 that we had
14 approved prior as the lessor of the premises
15 with same access as that we currently have
16 for the Commission. Is that a fair
17 statement?

18 MR. TUTTLE: That's correct. And I
19 believe Counsel Blue did a nice synopsis of
20 how we have separated in the lease the -- in
21 addition to us continuing to have the same
22 access to the property control of the
23 property, we've actually restricted the
24 landlord from access to sensitive areas such

1 as the money room and other areas that might
2 affect the integrity of racing. So we've
3 tried to look ahead and see whatever concerns
4 the Commission might have proactively and
5 address those in the lease.

6 COMMISSIONER ZUNIGA: And should
7 there be the need to upgrade something on the
8 property, whether it's an operational expense
9 or a small capital improvement to maintain
10 the integrity of racing for that year or
11 potentially the next one, as you intend, who
12 does that responsibility fall to?

13 MR. TUTTLE: The racing premises.
14 Yeah. So if it's anything on the premises
15 required for racing and simulcasting, it's
16 our responsibility.

17 COMMISSIONER ZUNIGA: Okay.

18 CHAIRMAN CROSBY: Anybody else?

19 COMMISSIONER STEBBINS: Yeah. I
20 had had just a couple of thoughts on the
21 lease as its proposed. You don't foresee any
22 changes to the lease after the close? I
23 mean, that can always happen.

24 MR. BARNETT: It's a contract, so

1 it's, I suppose, the parties could agree to
2 change things, but the form of the lease
3 that's in the agreement that's attached to my
4 letter has been agreed to by the parties, and
5 we don't anticipate any changes to it.

6 COMMISSIONER STEBBINS: Okay. And
7 just so I'm clear, as I read it, the lease
8 goes through January, into January 2018, but
9 I think there was a note that sometime in the
10 August, September time frame is when you'll
11 have conversations about whether racing will
12 be continued through 2018 or prior to your
13 application to us for the 2018 season.

14 MR. TUTTLE: Exactly. The 2018
15 option would be coordinated around the same
16 time that we're applying for dates for 2018.

17 COMMISSIONER STEBBINS: Okay. And
18 I did -- you know, the piece that stuck out
19 for me in 128C was, obviously, maintaining
20 the integrity of the racing industry, and I
21 was encouraged to see, as you mentioned, that
22 provisions in the lease saying no access by
23 the owner to cash room, anything that is
24 vital to the operation of the racing side of

1 the business. So thank you.

2 CHAIRMAN CROSBY: I didn't think
3 about asking this yesterday. This is totally
4 independent of the Wonderland license, right?

5 MR. TUTTLE: Correct.

6 CHAIRMAN CROSBY: That's not
7 involved in this. Is this SSR the same
8 entity owns the Wonderland license, hold the
9 Wonderland license?

10 MR. TUTTLE: The entities are
11 slightly different, Mr. Chairman. CBW
12 Lending -- CBW Lending owns the Wonderland
13 property, and Sterling Suffolk Racecourse,
14 LLC operates greyhound simulcasting at
15 Suffolk Downs under the Wonderland license.

16 CHAIRMAN CROSBY: So the license is
17 held -- again, I should have asked this
18 earlier. So the Wonderland license is held
19 by CBW?

20 MR. TUTTLE: I don't think so. I
21 think technically the Wonderland license
22 still belongs to the Wonderland entity. The
23 Westwood -- I forget the corporate name of
24 the Wonderland entity, but the Westwood

1 Group. And we have for the last several
2 years, we've operated the license. We've
3 been as an agent and management company for
4 Wonderland and for very limited greyhound
5 simulcasting in part to keep some proceeds
6 going to the Wonderland entity to help with
7 some of its creditors.

8 CHAIRMAN CROSBY: Right. Okay. In
9 Mr. Barnett's letter, there's this slightly
10 obscure paragraph the says, as part of
11 retaining its racing license on page 2, SSR
12 hopes to maintain racing and/or simulcasting
13 operations over the longer term in another
14 location to preserve its work force, et
15 cetera. What's that about?

16 MR. TUTTLE: Well, as the
17 Commission is well aware, the current racing
18 and simulcast statutes expire in July.
19 You've actually proposed a new bill that
20 would allow the Commission to award racing or
21 simulcast licenses with or without any live
22 racing dates. So whether 23K goes into
23 effect at the sunset of the current racing
24 and simulcast laws, whether there's a new

1 version of racing and simulcast laws, whether
2 the bill that the Commission has proposed is
3 approved, we would potentially like to
4 maintain some simulcast and business
5 operations into the future. It's one of the
6 reasons we're selling the property and not
7 the license and the racing and simulcast
8 operation.

9 CHAIRMAN CROSBY: But there's no
10 link. This is kind of a statement of
11 interest. There's no relationship by it.
12 We're not taking an action here which in any
13 way supports or endorses or anything whatever
14 this plan might be or become.

15 MR. TUTTLE: Correct. I believe
16 that's the case. I would agree with
17 Catherine's assessment of that, which is the
18 only matter before you today is actually the
19 sale.

20 CHAIRMAN CROSBY: Right. Okay.
21 Did you want to say something,
22 Commissioner Zuniga?

23 COMMISSIONER ZUNIGA: Well, no. It
24 was along those lines, but can you remind us

1 or clarify the license, the racing -- the
2 simulcasting license from Wonderland, is that
3 a statutory license like Raynham's?

4 MS. BLUE: It is. If you look at
5 128A and C, it's defined as the dog racing
6 licensee located in Suffolk County. So it is
7 in the statute. When dog racing was outlawed
8 by referendum, that license remained. And so
9 the statute is very clear on what it can and
10 can't do, but it has, you know, pretty broad
11 ability to simulcast, as it did when it was
12 live dog racing.

13 COMMISSIONER ZUNIGA: Right. And
14 it's both dog racing and horse racing that
15 they can simulcast.

16 MS. BLUE: Yes. To a certain
17 limit, as they all do. It's not just unique
18 to that license. All the simulcasting
19 licenses have limits on the numbers and times
20 and places of how they can simulcast. But
21 yes, it's in the statute.

22 COMMISSIONER ZUNIGA: Right.

23 CHAIRMAN CROSBY: This brings me
24 something that I wanted to speak to. We got

1 some communications about this issue,
2 including an e-mail from a Mr. Mark Eagan and
3 an e-mail from Steven Howitt. They, and
4 others, appeared to think that we have the
5 authority to pull the simulcast license and
6 offer it up to some other party and, as you
7 know, have urged us to do so. And this is a
8 fairly complicated area, but I think it's
9 worth taking the time to at least make sure
10 the public understands what we think is going
11 on here.

12 There is the Wonderland -- I'm
13 sorry, the SSR licensee that we're talking
14 about now, and in theory, the best we
15 understand it, if we did not award the
16 license to have one or more racing days, that
17 would be an opportunity for us. This may
18 be -- people may debate this point, but our
19 view is that would be an opportunity for us
20 to withdraw effectively the simulcast license
21 because they have to have some live racing
22 days in order to continue to simulcast, and
23 we have to grant the license to simulcast.
24 That may be debatable, but that's our view of

1 that license. But there's also this
2 Wonderland license under which we think that
3 even if there weren't the Suffolk Downs
4 license, the Wonderland license would permit
5 whoever owns it to conduct not only greyhound
6 simulcasts but also horse racing simulcasts.

7 So even if we did withdraw the
8 other license in some way or another, that
9 effectively the same entity would get to
10 continue effectively the same process maybe
11 without any live racing at all, because the
12 mandate for live racing doesn't go to the
13 Wonderland license.

14 So to Mr. Eagan and Mr. Howitt and
15 others, we don't think that we have the
16 authority to effectively pull any opportunity
17 for this or related entities to do simulcasts
18 and offer it up to other folks. So there's a
19 misimpression out there. Am I stating this
20 accurately, General Counsel Blue?

21 MS. BLUE: Under the racing
22 statutes, that would be correct as they
23 currently stand.

24 CHAIRMAN CROSBY: Right. Well, I

1 mean, we fully understand that this is not
2 all black and white and this is complicated.
3 The Wonderland license keeps getting renewed
4 not by us but by the legislature every year.
5 It's a one-year license. If the legislature
6 chooses not to renew it, then that's a whole
7 different situation, but that's been out of
8 our hands. And for the past several years,
9 the legislature has continued to renew that
10 license as it has renewed the license at
11 Raynham.

12 Just for the record, also apropos
13 of some of these e-mails, we have never had
14 any intimation -- we've never been approached
15 by any other entity that suggested an
16 interest in having one or more of these
17 simulcast licenses. We've heard talk, but
18 nobody's ever come to us in any way, formally
19 or informally, and said if there were a way
20 to free up this simulcast license, we would
21 like to have an opportunity to bid on it in
22 order that we could do something here.
23 Nobody has ever said anything like that to
24 us. So that is the fact pattern that we are

1 dealing with as we make this decision on what
2 everybody agrees is an imperfect situation
3 but we have concluded is among imperfect
4 options the best.

5 COMMISSIONER ZUNIGA: That's a
6 great summary, Mr. Chairman, and I want to
7 emphasize something that General Counsel Blue
8 spoke to that I think, you know, is still
9 very relevant presently. We don't have that
10 ability presently with the current legal
11 framework. We have stated this to the
12 legislature I know. General counsel,
13 executive director talked to, you know,
14 people up there whenever they ask us.
15 Certainly, racing is a very complicated
16 matter, but it keeps getting renewed year by
17 year and that does provide some uncertainty,
18 in my view, to the ability of the racing
19 industry to continue in a sustainable way.

20 And the simulcast piece, the live
21 racing piece, and, of course, the Race Horse
22 Development Fund moneys are all important
23 factors that if we had the ability to make
24 those decisions as we had proposed to the

1 legislature, we might be able to or may hear
2 from interested parties if they're out there.
3 We have not heard from them, as you state --
4 as you correctly state, but the notion that
5 all of these factors have been traditionally
6 linked together, the ability to simulcast,
7 you know, with their requirement to conduct
8 live racing, as well as now the Race Horse
9 Development Fund, are levers that I would
10 imagine this Commission could be at least in
11 a better position to affect if that authority
12 came to us. We don't currently have.

13 CHAIRMAN CROSBY: Right. And I
14 think that's what Mr. Tuttle was saying as
15 well, that, you know, it may turn -- it may
16 under future legislation how this gets
17 managed may change, and we have urged that
18 somebody, presumably us, be given the
19 authority to use these levers as you suggest.

20 COMMISSIONER ZUNIGA: Right.

21 CHAIRMAN CROSBY: But at the
22 moment, we don't have that authority.

23 COMMISSIONER STEBBINS: Just it's
24 good to point out, Mr. Chairman, the comments

1 that we did receive and that we all read and,
2 obviously, some of those are from identified
3 horse owners, but Mr. Howitt is actually a
4 member of the legislature, so.

5 CHAIRMAN CROSBY: Oh.

6 COMMISSIONER STEBBINS: It would be
7 great to have his help in making --

8 CHAIRMAN CROSBY: Oh, I see.

9 COMMISSIONER STEBBINS: -- making
10 some of these changes.

11 CHAIRMAN CROSBY: Yeah, I missed
12 that. Thank you. That's a good point. We
13 should follow up on that. Okay. Any further
14 discussion? Do I see you talking about
15 something?

16 MR. TUTTLE: I was just interested
17 in looking at those comments as well.

18 CHAIRMAN CROSBY: Okay. They're in
19 the file.

20 COMMISSIONER ZUNIGA: They're in
21 the packet.

22 CHAIRMAN CROSBY: Do you want to
23 make a motion?

24 COMMISSIONER CAMERON: Yes.

1 Mr. Chair, I move that the Commission find
2 that Sterling Suffolk, LLC has satisfied
3 their requirements described in Section 11C
4 of the Mass. General Laws Chapter 128A as
5 more fully described in the letter from DLA
6 Piper dated March 16th, 2017, found in the
7 Commissioner's packet, and further move that
8 in accordance with Section 11C the Commission
9 approve the sale of property described in the
10 March 16th letter and leaseback of the
11 property to Sterling Suffolk, LLC for the use
12 of a racetrack in 2017 and potentially in
13 2018 subject to the issuance of a license to
14 Suffolk Downs in 2018.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER STEBBINS: Second.

17 CHAIRMAN CROSBY: Further
18 discussion? All in favor? Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER CAMERON: Aye.

22 CHAIRMAN CROSBY: Opposed? The
23 ayes have it unanimously.

24 COMMISSIONER CAMERON: I further

1 move that a condition of the Commission's
2 approval, Sterling Suffolk, LLC is required
3 to abide by all of the terms and conditions
4 of its racing license issued by the
5 Commission and the requirements of Mass.
6 General Laws, 128A and 128C as amended or
7 revised and any other laws applicable to
8 horse racing in the Commonwealth now and in
9 the future.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER ZUNIGA: Second.

12 COMMISSIONER STEBBINS: Second.

13 CHAIRMAN CROSBY: Further
14 discussion? All in favor? Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER CAMERON: Aye.

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

20 COMMISSIONER STEBBINS: Would it
21 also be fair if we could make sure we get a
22 copy of the signed lease at the appropriate
23 point?

24 MS. BLUE: Yes. I mean, I think it

1 would be appropriate if Mr. Barnett would
2 just make a note of that and send it over
3 when it's signed. That would be great.

4 MR. BARNETT: We'll be happy to do
5 that.

6 COMMISSIONER STEBBINS: Thank you.

7 CHAIRMAN CROSBY: Okay. Thank you,
8 gentlemen.

9 MR. TUTTLE: Thank you.

10 COMMISSIONER ZUNIGA: Thank you.

11 CHAIRMAN CROSBY: Director
12 Lightbown, you have some other matters?

13 DR. LIGHTBOWN: Yes. Next we have
14 the Standardbred Breeders, Ed Nowak.

15 MR. NOWAK: Good morning.

16 CHAIRMAN CROSBY: Good morning.

17 COMMISSIONER ZUNIGA: Good morning.

18 MR. NOWAK: Mr. Chairman,
19 Commissioners.

20 DR. LIGHTBOWN: Ed Nowak, president
21 of the Harness Association Breeders Group,
22 SOM.

23 MR. NOWAK: Yeah. It's that time
24 of year again where I come with hat in hand

1 asking to be reappointed as the organization
2 which monitors and manages the breeding of
3 Standardbred horses in Massachusetts and the
4 racing of these horses in the sire stakes
5 program. I believe we sent a letter. You
6 received a letter formally requesting our
7 reappointment a week or so ago.

8 What I would like to do if --
9 before we get into that, unless you have any
10 questions for me, is show you how this
11 program has been working since we've -- the
12 Race Horse Development Fund started and where
13 we are today.

14 CHAIRMAN CROSBY: That would be
15 great.

16 COMMISSIONER CAMERON: Yeah.

17 CHAIRMAN CROSBY: Why don't you
18 give one to Elaine, too. We should add this
19 to the package.

20 MR. NOWAK: This is a brief chart
21 that shows where we were in the year 2014,
22 which is the last year that we've raced and
23 bred Standardbreds before the advent of the
24 Race Horse Development Fund. And as you can

1 see, we had 44 registered broodmares. We had
2 36 yearlings, which would be from the year
3 before. Two and three year olds eligible to
4 race was 72 and our Sire Stakes purses were
5 \$209,000.

6 CHAIRMAN CROSBY: What is the Sire
7 Stakes purse? I'm sorry, I don't know what
8 that means.

9 MR. NOWAK: What is what?

10 CHAIRMAN CROSBY: What is the Sire
11 Stakes purse?

12 MR. NOWAK: That is the money that
13 we receive from the Race Horse Development
14 Fund goes into -- 92 percent of it goes into
15 purses for the Sire Stakes. Sire Stakes
16 is --

17 CHAIRMAN CROSBY: Oh, okay. That's
18 just the purses for Standardbred horses.

19 DR. LIGHTBOWN: That's what they
20 call the Standardbred program, the sire
21 stakes --

22 MR. NOWAK: Well, the Standardbred
23 --

24 DR. LIGHTBOWN: -- the

1 Massachusetts.

2 MR. NOWAK: -- the breeding rights.

3 CHAIRMAN CROSBY: Right. Okay.

4 MR. NOWAK: And we race two and
5 three year olds in this program. By statute,
6 we can only use the money for the racing of
7 these purses in these two- and three-year-old
8 horses, and then eight percent goes into
9 welfare and administration.

10 CHAIRMAN CROSBY: Right.

11 MR. NOWAK: So that was the last
12 year before we had the effect of the casino.
13 In 2015, we had 56 broodmares registered, 48
14 yearlings, two and three year olds eligible
15 to race were 79, total purses went to
16 640,000. Last year 65 broodmares were
17 registered. Now, we won't know how many
18 foals came until May 15th, which is the date
19 by which they have to register their foals
20 with us and in their yearling year, but we're
21 assuming that it's going to be more than it
22 was.

23 And one of the interesting things
24 is we kind of looked at where you had 65

1 broodmares registered by December 1st of the
2 breeding year in this state to become
3 eligible for our Sire Stakes program. Only
4 about five percent did not produce a foal
5 that was capable of racing or being
6 registered as a yearling, which is, I think,
7 an incredible number based on what you see
8 that goes on nationally where just because
9 you've bred a mare doesn't mean you're going
10 to have a foal that's going to be ready to
11 race.

12 But as you can see, last year, our
13 stake purses were \$1,243,000, and that was
14 based on the recalibration of the percentage
15 that the Standardbreds got versus the
16 Thoroughbreds. Originally it was 75/25,
17 Thoroughbred/Standardbred of that nine
18 percent Race Horse Development Fund. A year
19 ago, it was moved to 55 percent
20 Standardbreds, 45 percent Thoroughbreds, and
21 was retroactive to the 1st of the year. So
22 we generated a significantly -- significantly
23 more purse money than we had previously.

24 The big thing I found this year in

1 2017, we have 111 broodmares that are in the
2 standing in the State of Massachusetts, up
3 from 65 last year, which was our high. And
4 the reason is what's happening on the final
5 column with the purse structure. Horses
6 are -- We had a couple -- a number of large,
7 very large, breeding farms around the country
8 by broodmares, the Harrisburg, Pennsylvania
9 sale, and then make calls appear to find out
10 where they could find stalls to bring those
11 broodmares to have their offspring bred in
12 Massachusetts and become eligible for this
13 program.

14 So people around the country are
15 starting to take us seriously, and they see
16 this program is one that's going to do
17 nothing but grow. We're estimating next year
18 about 1.3 million, and that's we're being
19 conservative. It all depends on the kind of
20 business that they do at the casino or at
21 Plainridge, but we figure we're going to be
22 in the area again.

23 So we see this working wonderfully.
24 I mean, it's doing everything it was supposed

1 to do. We're getting -- And when these
2 horses come in, they have to be here by
3 December 1st, the mares do. And they have to
4 foal their offspring in Massachusetts and
5 stay here until they do. So that means more
6 business for farms, more business for
7 blacksmiths, and the ag business: the feed,
8 the grain, the hay people, the vets.

9 CHAIRMAN CROSBY: So they -- so say
10 that again. What makes a broodmare a
11 Massachusetts registered broodmare? What are
12 the criteria? What are the thresholds?

13 MR. NOWAK: We call this -- this is
14 called a domicile mare program. And if a
15 horse is bred in Kentucky to a Kentucky
16 stallion but is then shipped into
17 Massachusetts before December 1st of the year
18 she was bred, her foal becomes eligible for
19 the Mass. Sire Stakes program.

20 CHAIRMAN CROSBY: And so the period
21 between December 1st and May 15th, I guess,
22 would --

23 MR. NOWAK: Or December -- or could
24 be March, April, or May, whenever the horse

1 was bred. It's an eleven-month gestation
2 period.

3 CHAIRMAN CROSBY: Okay.

4 MR. NOWAK: So if she foals in
5 April -- on April 30th, the horse is here
6 from December 1st through April 30th.

7 CHAIRMAN CROSBY: And then do they
8 typically take the horse and the foal back to
9 their home?

10 MR. NOWAK: They can do -- they can
11 leave it here or they can take it back to
12 Ohio, if they want, wherever they're going to
13 start training this horse when it becomes
14 trainable. And they're then eligible to race
15 in the Kentucky Sire Stakes program as well
16 as the Massachusetts Sire Stakes program.

17 CHAIRMAN CROSBY: So the benefit,
18 although obvious, is pretty modest, because
19 you have a pregnant mare here for some small
20 -- relatively small number of months each
21 time one of these events takes place.

22 MR. NOWAK: Right.

23 CHAIRMAN CROSBY: So it's not like
24 a horse is here now to stay and is bred here

1 and lives here and uses all those resources
2 you were talking about, hay and veterinarians
3 and so forth.

4 MR. NOWAK: Well, in many cases it
5 is because you have Massachusetts farms and
6 Massachusetts horsemen who might breed --
7 send their mare to New York to be bred by a
8 New York stallion and then bring it home by
9 December 1st or earlier, and it stays there
10 until it's ready to race. So, I mean, we're
11 not saying all of these people are coming
12 from out of state.

13 CHAIRMAN CROSBY: Okay.

14 MR. NOWAK: You know, these 82, 86,
15 two and three year olds are all from out of
16 state. There might be 15 or 20 of them. The
17 rest of them are from Massachusetts. So
18 horses do stay here.

19 CHAIRMAN CROSBY: But the domicile
20 program is the ones where they're owned
21 effectively some place else, they're bred
22 someplace else, they come here just for the
23 foaling process.

24 MR. NOWAK: No. It also includes

1 Mass. horsemen, too.

2 CHAIRMAN CROSBY: Oh, that does,
3 the domicile?

4 MR. NOWAK: Oh sure, yeah.

5 CHAIRMAN CROSBY: So it's the same
6 period.

7 MR. NOWAK: If I send my mare to
8 New York to be bred --

9 CHAIRMAN CROSBY: Okay.

10 MR. NOWAK: -- and then I bring her
11 back before December 1st, then that horse is
12 eligible in New York as well as in
13 Massachusetts. So the horse is -- most of
14 them are being bred and come back here and
15 stay here.

16 CHAIRMAN CROSBY: Okay.

17 MR. NOWAK: But as this program,
18 you know, gets bigger and bigger, which we're
19 hoping for and we see no reason why it
20 shouldn't, then they'll -- other people are
21 taking notice of it. They're looking to see
22 how do I get -- take advantage of what's
23 going on in Massachusetts. It's a real
24 program. It's a growing -- we are a growing

1 industry right now.

2 COMMISSIONER ZUNIGA: Well, let me
3 perhaps -- Thank you. And part of the idea,
4 of course, is that a program like this
5 coupled with the other moneys that flow to
6 the horse race --

7 MR. NOWAK: Right.

8 COMMISSIONER ZUNIGA: -- from the
9 Race Horse Development Fund for purses, just
10 regular purses, has the ability to increase
11 the field of eligible horses that will then
12 want to come to race at Plainridge.

13 MR. NOWAK: Exactly. And after
14 their three-year-old season where they're
15 racing for Sire Stake money, that will be
16 encouraged to stay in Massachusetts and
17 continue to race because the purses are
18 increasing on the --

19 COMMISSIONER ZUNIGA: Are
20 increasing.

21 MR. NOWAK: -- on the other side of
22 the business.

23 COMMISSIONER ZUNIGA: Right. Which
24 then, you know, at least in theory gets

1 more of the betting public interested and,
2 you know.

3 MR. NOWAK: Right.

4 COMMISSIONER ZUNIGA: And that
5 increases the virtuous circle.

6 MR. NOWAK: Exactly.

7 COMMISSIONER ZUNIGA: Is that
8 correct?

9 MR. NOWAK: Yep.

10 COMMISSIONER CAMERON: I know after
11 the 2015 season, you know, purses had
12 increased, but we were still as a state on
13 the lower end for Standardbred racetracks.
14 Now that that has doubled, where are we in
15 comparison to the other racetracks with those
16 kinds of purses?

17 MR. NOWAK: In the breeding
18 program?

19 COMMISSIONER CAMERON: Well, no.
20 Well, we're talking about the Sire Stakes
21 here.

22 MR. NOWAK: Okay.

23 COMMISSIONER CAMERON: But where
24 are we compared to other states that have

1 very successful Standardbred --

2 MR. NOWAK: I don't have those
3 numbers, but I can get them.

4 COMMISSIONER CAMERON: Okay.

5 MR. NOWAK: Yeah, that's an
6 interesting question. We should know that.

7 COMMISSIONER CAMERON: Okay. Thank
8 you.

9 CHAIRMAN CROSBY: Anybody else?
10 This is -- I was going to ask this exact
11 question, so that's very helpful. Thank you.
12 Do you want to keep this up?

13 DR. LIGHTBOWN: Yeah, my
14 recommendation is that the Commission approve
15 the request of the Standardbred Owners of
16 Massachusetts to be the recognized group
17 representing the Standardbred Breeders in
18 Massachusetts to administrate the
19 Standardbred breeding program.

20 CHAIRMAN CROSBY: Okay. Do I have
21 a motion?

22 COMMISSIONER CAMERON: So I move,
23 Mr. Chair, that the Commission approve the
24 request for the Standardbred Owners of

1 Massachusetts to be recognized as the group
2 representative Standardbred Breeders to
3 administer the Massachusetts Standardbred
4 breeding program and Sire Stakes races in
5 2017.

6 CHAIRMAN CROSBY: Second?

7 COMMISSIONER ZUNIGA: Second.

8 CHAIRMAN CROSBY: Further
9 discussion? All in favor? Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER CAMERON: Aye.

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

15 MR. NOWAK: Thank you.

16 COMMISSIONER CAMERON: Thank you.
17 Good luck this season.

18 CHAIRMAN CROSBY: Yeah.

19 MR. NOWAK: Thank you.

20 CHAIRMAN CROSBY: All right. Item
21 C.

22 DR. LIGHTBOWN: To our next item is
23 the beginning of the racing season at
24 Plainridge, and Steve O'Toole will be coming

1 up. And as he makes his way up, I'll just
2 give a little background on what the Racing
3 Division's been doing to get ready. We ended
4 up getting new computers this year.

5 CHAIRMAN CROSBY: Getting new what?

6 DR. LIGHTBOWN: New computers.

7 CHAIRMAN CROSBY: Oh.

8 DR. LIGHTBOWN: Which for purposes
9 with our old licensing system and all, we've
10 had to stay on some very antiquated ones. So
11 it was very nice this year to get moved over
12 to those and get updated. Now we're on the
13 intranet and all that. Our employees down
14 there can get on the same things that
15 employees up in Boston can get on.

16 We've had meetings with the
17 horsemen. Commissioner Cameron's been down
18 several times going over medication issues
19 and those type of things. We've got
20 orientation or our seasonal people that
21 includes the HR department coming down and
22 the legal team coming down for the ethics
23 training. We'll do a walkthrough with Steve
24 and his crew and the judges sometime next

1 week just to go over the whole facility,
2 basically, make sure everything's safe and in
3 working order and that everybody's got what
4 they need. We'll also schedule a meeting
5 with the security and the judges and Steve
6 and myself to go over expectations.

7 We had a meeting a couple of weeks
8 ago with the Department of Agriculture to go
9 over the health certificates and Coggins
10 certificates type things that the horses
11 need. This year, we're going to have a true
12 what they call a race-and-go program where
13 instead of normally you'd have to get a
14 health certificate every 30 days, and you
15 know, that can get costly and cumbersome
16 trying to get a veterinarian out to your
17 property to have one done and, you know, if
18 you've got multiple horses you forget when
19 one's going to expire versus the other.

20 So now they can come in on one
21 health certificate within the last 30 days,
22 and then basically, that's good for the meet,
23 and you know, they can come in and race and
24 leave back to whatever their home state is

1 without having to get one every time. And
2 we've got, you know, a program for the horses
3 that are actually going to be stabled on the
4 grounds where, you know, same thing. They
5 get their 30-day health certificate. We
6 tried to do some things like that.

7 We overhauled our license
8 applications. George Carifio, who's our
9 inspector out at Plainridge, Suffolk is very
10 good at that, and Jeff Bothwell, who just
11 retired, also proofread those for us. For
12 the first time, we have a true renewal
13 license application, so instead of the, you
14 know, eight- or ten-page one, there's a
15 shorter one that they can fill out if they
16 were licensed in the previous year.

17 And I guess now I'll turn it over
18 to Steve, and he can -- he's got a slide show
19 to show you some of the things they've been
20 doing.

21 COMMISSIONER CAMERON: Before you
22 do that, I just want to comment on it's nice
23 to see, certainly, the growth at the track,
24 higher purse, more breeding. But our

1 professionalism and the way that we've up
2 graded, you mentioning computers, training
3 for staff, licensing, I mean, it really is a
4 very, very high quality, professional
5 operation out there now. Just out there and
6 observing the differences over the last
7 couple of years, it's very nice to see that
8 all of racing, including the regulatory
9 process, has improved tremendously.

10 DR. LIGHTBOWN: Thank you.

11 COMMISSIONER CAMERON: And that's
12 due to your leadership, Doctor.

13 DR. LIGHTBOWN: Thank you. I'll
14 turn it over to Steve O'Toole.

15 MR. O'TOOLE: Thank you,
16 Commissioners, for the opportunity to present
17 today. Before I get started, I just wanted
18 to comment on one that I think Alex has done,
19 and that was our meeting with the Department
20 of Agriculture. For what she briefly
21 explained, the 30-day health certificate,
22 which is a state -- I guess it's a policy
23 that every time a horse ships, it has to have
24 one of those 30-day health certificates.

1 They can be --

2 CHAIRMAN CROSBY: Is your mic on,
3 Steve?

4 MR. O'TOOLE: They can be more
5 cumbersome than Alex said in her brief
6 comment about it. And that really helps out
7 the horsemen because, as she said, especially
8 guys that race, you know, a dozen horses or
9 so, to keep track of those, it's easy when
10 you know you're going to a new place and you
11 have all your paperwork, but when you
12 start -- when horses start coming and going
13 and traveling into New York and Maine and New
14 Jersey, you know, these guys could forget,
15 come to the track and not have it and get
16 scratched. So I think they have -- you know,
17 we're appreciative of that so that we don't
18 suffer scratches out of our events, and I
19 know the horsemen are appreciative of that as
20 well. So I'd like to thank Alex for making
21 that happen.

22 CHAIRMAN CROSBY: Great.

23 MR. O'TOOLE: So what I'd like to
24 show you today is similar to what Ed Nowak

1 was telling you about was the growth of the
2 product and the industry in Standardbred
3 racing in Massachusetts. What you see on the
4 screen now is -- that's actually an image
5 that is going on our front entrance sign to
6 promote the racing April through November
7 this year. So that will be going up very,
8 very soon. It wasn't up yesterday, I know
9 that, when I was at the property, but it's
10 going up very soon.

11 Who changes the slides?

12 MR. SANGALANG: You have a remote
13 there.

14 CHAIRMAN CROSBY: Help is coming.

15 MR. O'TOOLE: There we go.

16 CHAIRMAN CROSBY: Oh, there we go.

17 MR. O'TOOLE: Got it. Got it. So
18 as you well know, the growth in days due to
19 the legislation that we operate under, the
20 remarkable number here is 125 from 80 days
21 just three short years ago in 2014. Time
22 flies when you're having fun. And but a
23 56 percent increase in days is quite the
24 undertaking by my staff and the horsemen as

1 well. And the numbers that I'm going to show
2 you subsequent to this slide, you'll see that
3 even though with the growth in days, we
4 haven't suffered as much as I thought we
5 would as far as field size. We still could,
6 you know, be a little bit healthier there,
7 but I actually thought that we'd have a
8 decrease with that many more days and it's
9 actually up a tick.

10 CHAIRMAN CROSBY: It'll be
11 interesting -- I mean, this is ahead of
12 ourselves a little bit. But soon after this
13 season is over, we're going to start thinking
14 about how many, because if I'm right, we
15 decide how many racing days going forward,
16 right? This is by statute, but from here on,
17 we'll determine how many racing days, and
18 that'll be something that we're going to
19 really be interested in having --

20 COMMISSIONER ZUNIGA: Small caveat.

21 MR. O'TOOLE: Correct.

22 CHAIRMAN CROSBY: What?

23 COMMISSIONER CAMERON: Go ahead.

24 COMMISSIONER ZUNIGA: Isn't

1 there -- it's all -- is this part of the
2 horse racing committee?

3 MS. BLUE: No.

4 COMMISSIONER ZUNIGA: No. We do
5 decide on that?

6 COMMISSIONER CAMERON: Yeah. But
7 it would be very nice for the horsemen and
8 the track operators to get together and have
9 an agreement before it gets to us. That
10 would be very, very helpful to do some work
11 together so that we're not left with that
12 without the good work of groups working
13 together.

14 CHAIRMAN CROSBY: Right. I mean,
15 we're ahead of ourselves. I know you've got
16 our hands full right now, but that'll be an
17 interesting one, and we will have to figure
18 out how do we make a really informed decision
19 on that so everybody's participation will be
20 helpful. Go ahead.

21 MR. O'TOOLE: It will. In the last
22 couple of years, we've kept track of how
23 often horses race back as well as, you know,
24 the field size. Sometimes if horses are

1 racing a little bit too quick, that's not
2 healthy either.

3 CHAIRMAN CROSBY: Right.

4 MR. O'TOOLE: And sometimes they
5 have to race back quick to fill the cards.
6 You know, so all those factors will be taken
7 into consideration.

8 CHAIRMAN CROSBY: Right.

9 MR. O'TOOLE: This year with the
10 125 days, we start off in April going three
11 days a week, and pretty much for the rest of
12 the meet, it's four days. And so we'll see
13 how -- it was taxing last year when we had
14 the four days. Three days we're comfortable,
15 but the fourth day adds a little bit of a
16 stress, especially to my race secretary.

17 So when we get to the numbers of
18 purses, and Ed was telling you about the Sire
19 Stakes program, as well as our overnight
20 purses that make up the total purse account
21 offered at Plainridge, our purses for the
22 overnight races last year was 6.7 million.
23 The -- we estimate next -- this coming season
24 to be about 7.4 million, and the reason that

1 we have a little bit of a bump there is
2 because we kept a little bit in the bank for
3 that extra 25 days that's coming up this
4 year. So if you look in the right-hand
5 column for the daily average purse, we're
6 right around -- we'll be able to offer right
7 around the same purse per day that we offered
8 last year.

9 So you know, I thank my staff for
10 knuckling down on these numbers and coming
11 out with the right amount of carryover. We
12 carried over about \$800,000 from last year's
13 purse account into this year. So that's good
14 that we can keep that consistent level for
15 125 days next year.

16 DR. LIGHTBOWN: That way, they're
17 not dropping back down to a lower level.

18 COMMISSIONER CAMERON: Correct.
19 Even though they add a day.

20 DR. LIGHTBOWN: Correct.

21 COMMISSIONER ZUNIGA: Right. I'm
22 curious. You know, averages are really good
23 to estimate, you know -- well, averages, but
24 how much variability do you see from, you

1 know, day-to-day?

2 MR. O'TOOLE: Well, it depends on
3 the card that we're offering. I've explained
4 that a bunch of times that, you know, Monday
5 and Tuesday, we try to offer our very strong
6 cards. So we might have \$100,000 offered
7 that day, whereas a day that we know that our
8 signal won't be going to as many outlets and
9 it's not quite as popular and there's a lot
10 of competition, we'll offer our under cards,
11 if you will, our lower class races. And
12 sometimes they're very good races. It
13 doesn't -- you know, the purse doesn't always
14 dictate how good a race can be in a
15 competitive class, but you know, with that
16 being said, you know, you do have to pay the
17 more quality horses, you know, more purse
18 money.

19 COMMISSIONER CAMERON: Are you
20 seeing the signal becoming more popular with
21 the upgraded purses thus the upgraded racing?

22 MR. O'TOOLE: We do. And I have
23 some numbers to actually prove that out. And
24 you know, they are.

1 COMMISSIONER CAMERON: Yeah.

2 MR. O'TOOLE: So for our handle
3 over the last three years, you can see the
4 growth just in the overall handle going in
5 2014 from seven and a half million all the
6 way to this year of 18 million; however, in
7 2014, we did A/B days. So again, the daily
8 average there is what really tells the story.

9 So last year, 18 million was
10 29 percent greater handle over 2015; however,
11 to get a true increase, I used the daily
12 average and that was \$156,000 a day over the
13 132 is 18 percent growth. So that's the real
14 growth when you take in the number of days
15 that we race as well.

16 Our simulcasting, you know, since
17 2014 for this past year was up 11 percent
18 over last year was up 23 percent. There was
19 some contract disputes with the -- that we
20 made you aware of with Marnak that kind of
21 dipped that number as well as a massive
22 construction overhaul to the property in
23 early 2015 getting ready for the opening. So
24 we suffered a little bit there, but we

1 bounced back pretty good.

2 The racing employees, we have 52
3 racing employees, 39 full-time and 13
4 part-time. The part-time really isn't
5 part-time when you think of hours in a week.
6 It's actually part-time because it should
7 really say seasonal. Those are the judges
8 and the people that work in the paddock and
9 the starter and race secretaries and people
10 that actually put the -- that monitor the
11 racing. So in the off months, they don't
12 work so that's -- that reflects that number.

13 As far as the horsemen is
14 concerned -- And I got the information late
15 about the occupational licenses that I wanted
16 to put in there, but I did get the
17 information. So just for last year 1099s
18 went out to 160 more people than they did the
19 year before. So that kind of shows you the
20 increase in owners that received purse money.
21 And Alex's team in 2015 created, well, 1,060
22 occupational licenses and last year it was
23 over 1,600.

24 CHAIRMAN CROSBY: Wow.

1 MR. O'TOOLE: So I'm surprised
2 they're not putting in for raises. That's a
3 65 percent increase in workload, Alex.

4 CHAIRMAN CROSBY: Wow.

5 MR. O'TOOLE: Last year, you know,
6 we did do a lot of promotions and events. We
7 teamed up -- you see on the slide, you know,
8 coffee mug giveaways, hat, key chains,
9 umbrellas, things like that on different days
10 as well as some of events around big race
11 days. As well as doing those promotions, we
12 also teamed up with the Lottery. We had the
13 Lottery out a couple of times in the racing
14 area doing different types of giveaways.
15 Yuengling was a corporate sponsor of ours for
16 advertising. They own the rights to the
17 winner's circle. So every time a horse comes
18 back for the winner's circle, it's the
19 Yuengling winner's. They gave away mountain
20 bikes, benches with big coolers in them.
21 They're pretty nice. And a lot of different
22 things. And Flutie's did Yings and wings.
23 So we -- you know, we kind of spread it
24 around and it was pretty good promotion.

1 They're back again this year even bigger with
2 us. So we're very happy with that.

3 In September we were able to come
4 up with a system for Sport Tech, our tote
5 provider, to read the Marquee Rewards cards
6 and give -- put the points on the casino
7 cards. So a slot player gives the same card
8 to the slot machines that they can in our
9 tote machine and it reads. The only
10 difference being slots is realtime and at the
11 end of the day, when the pari-mutuel wagers
12 are totalized at the end of the night, that's
13 when their points kick in. So it's not
14 realtime as the bet goes, but the next day
15 their points are on.

16 COMMISSIONER CAMERON: How well do
17 you feel like that's going or is it too new
18 to determine how many of -- do you have joint
19 customers, how many? Is it hard -- it's too
20 soon or can you?

21 MR. O'TOOLE: I don't know about
22 the joint customers because it's too soon,
23 but I know our customers, you know, really
24 like it, and it's very good for myself and my

1 team to be able to, you know, rate the
2 players and be able to identify which players
3 we have that are, you know, standout players
4 and they get taken care of not only, you
5 know, for programs or food and things like
6 that, but we can also show them a little love
7 in other ways, you know. Lenny has taken a
8 few of our bigger players over to Slack's for
9 dinners and stuff like that. So it's been a
10 good tool and it works well, you know,
11 integrating racing with the casino customer
12 as well.

13 CHAIRMAN CROSBY: Mark and Marlene,
14 do you guys -- I don't know if you were
15 hearing Steve talking about the use of the
16 Marquee Rewards card for the racing better.
17 I don't know whether -- is there any
18 coordination? Do we have our thinking
19 through whether how Play My Way might relate
20 to the racing side, either of you? Has that
21 conversation taken place?

22 MS. WARNER: I just had that
23 conversation -- (Inaudible.)

24 CHAIRMAN CROSBY: Yeah. Right.

1 Okay. Because as you know, Steve, we're
2 doing a lot of work on promoting responsible
3 gambling and trying to minimize problem
4 gambling, and those resources, we ought to
5 just figure out how to make those things
6 interface and extend these programs as best
7 we can to the racing environment. So if you
8 guys carry the ball on that. Okay.

9 MR. O'TOOLE: We did a presentation
10 on the Hollywood Races for you last summer, I
11 think it was. We did merge our win line
12 operation in December over to Hollywood
13 Races. That gave our win line customers not
14 only the ability to wager on the telephone,
15 but also on the internet and on a mobile app.
16 It's gone over very, very well. The one
17 thing that now that the telephone wagers are
18 being processed through the corporate system,
19 some of the pari-mutuel clerks that were the
20 telephone assisted clerks, we positioned them
21 in other places. So no worker was displaced
22 because of the merge in that of the win line
23 into the Hollywood Races.

24 CHAIRMAN CROSBY: Great.

1 MR. O'TOOLE: Our investment in
2 racing, some of the projects you know about,
3 and I think most of them you know about. I
4 listed here our video board has been a big
5 plus. Our customers really like it. We're
6 in the process right now, now that the -- I
7 say that the weather has broken, but I guess
8 maybe it hasn't. We're in the process of
9 finishing the dress out of that as well as a
10 new fence around the entire infield, not just
11 the pond, and more track equipment to be
12 purchased this year as well as dressing up
13 that area. So a lot has gone on as far as
14 the investment, and we just need the weather
15 to cooperate with us to get this stuff going.

16 For the upcoming season, some of
17 the things that we have scheduled already
18 2016, Plainridge Park Casino was the business
19 partner of the year with the regional -- the
20 United Regional Chamber of Commerce and Jack
21 Lank and very proud of that. I've known Jack
22 for quite a long time and we always worked
23 closely with him. We're having a business
24 after hours on opening day, so the upstairs

1 banquet room will be all the businesses that
2 Jack represents come out and they socialize.
3 They do it once every couple of months, once
4 a quarter. So this is a really good
5 opportunity to expose them to racing. We're
6 sponsoring, some of the other businesses
7 around town are sponsoring. I think the
8 Horsemen's Association is going to sponsor as
9 well, and that would give the horsemen an
10 opportunity to meet some of the business
11 people in the community and get involved.

12 On Patriot's Day, we're having
13 corporate Josh Pearl, who was one of the
14 people that was presented, the Hollywood
15 Races. He's coming out to do signup bonuses
16 and giveaways, things like that the week
17 after. And then for the Pentafecta that we
18 discussed a few weeks ago, we took
19 suggestions for the name of that wager. And
20 call stream it's called the Super Hi-5. So
21 we took some suggestions, and Chris Macklin,
22 when I told Chris Macklin what we thought the
23 best suggestion was, he said, well, even
24 though it's cliché, it does have a pretty

1 good sound to it.

2 COMMISSIONER CAMERON: Wicked Hi-5.

3 MR. O'TOOLE: The Wicked Hi-5 is
4 what we're going to call that.

5 CHAIRMAN CROSBY: Great.

6 MR. O'TOOLE: And we're going to
7 offer that every day and it's going to be on
8 our sixth race every day, and we hope that
9 will create a big carryover jackpot for us.
10 And again, as I mentioned, Yuengling is
11 sponsoring with us, and the Lottery is also
12 on target to come out a couple of times this
13 year as well.

14 When Speaker DeLeo was out to the
15 property last fall, next to the last to the
16 last day of the meet, we were actually having
17 one of the Lottery events, and he was kind of
18 shocked that we included the Lottery. But,
19 you know, we have the agreements in place,
20 even though this isn't part of the agreement,
21 but Lenny Calderon has formed the good
22 relationship with the Lottery. And actually
23 their events go over very well. And I
24 think -- I don't think it hurts us or their

1 sales one bit. You know, they're
2 co-mingling.

3 CHAIRMAN CROSBY: Quite the
4 opposite, I would think.

5 COMMISSIONER ZUNIGA: Steve, what's
6 the relevance of or the significance of that
7 the sixth race? Is it always sixth races a
8 day?

9 MR. O'TOOLE: When we go at four
10 o'clock posts, one of the hottest tracks
11 right now is Northfield Park for handle.
12 They handle very, very well. Their first
13 race -- Northfield Park in Ohio.

14 COMMISSIONER ZUNIGA: Ohio.

15 MR. O'TOOLE: And their first race
16 is at six o'clock. And we noticed that the
17 race before that race is almost like
18 Northfield Park's first race. We are -- our
19 handle goes up significantly. So that's the
20 race that we want to try and capitalize on
21 this.

22 COMMISSIONER ZUNIGA: So it works
23 out to be on your sixth race or is it around
24 six o'clock?

1 MR. O'TOOLE: Our sixth race will
2 go off at five minutes of 6:00, I guarantee.

3 COMMISSIONER ZUNIGA: All right.
4 Right. So you get that sweet spot of --

5 MR. O'TOOLE: Exactly.

6 COMMISSIONER ZUNIGA: -- the people
7 watching.

8 MR. O'TOOLE: The people that are
9 tuning into Northfield waiting around for
10 Northfield's first race.

11 COMMISSIONER ZUNIGA: Right.

12 MR. O'TOOLE: We see a big spike in
13 our handle. And if we position ourselves
14 properly and, you know, we use the right
15 amount of minutes between post time and we
16 can get into a sandwich with them, it helps
17 out the rest of our card as well.

18 COMMISSIONER ZUNIGA: Right.

19 CHAIRMAN CROSBY: It gives a whole
20 new meaning to the concept of drafting.

21 MR. O'TOOLE: Yeah. And then when
22 we go to -- you know, when we drop down in
23 the later part of the season, we have other
24 tracks we play off on as well. Dover Downs

1 as a good signal. And we've tried -- At the
2 USTA meetings last month, we've talked about
3 trying to stay in communication a little
4 better so that we can have that. And then
5 delays come up. You know, horses throw
6 shoes, there's equipment problems, sometimes
7 there's a tote issue or whatever, but for the
8 most part, if we can stay in communication
9 with the tracks that are going at the same
10 time and work out so that we're not on top of
11 each other all the time. It's one of the
12 things that, you know, we try not to do, but
13 if we're not communicating, we're just going
14 off a feel, it's tough. So that's why it's
15 the sixth race. Long answer to a short
16 question.

17 COMMISSIONER ZUNIGA: Well, I tell
18 you, I find -- I learn something new about
19 racing every time I ask these kinds of
20 questions, so thank you.

21 MR. O'TOOLE: And as you know, this
22 year we're -- this will be the inaugural
23 event of the Spirit of Massachusetts Trot.
24 That's going to be on Friday, July 28th for a

1 purse of \$250,000, which is the highest purse
2 ever offered for a harness racing in the
3 Commonwealth and New England. It's for the
4 best open trotters in the country. And The
5 Hambletonian Society is servicing the race
6 for us. They service all the big races. So
7 they have the database to flesh out all the
8 horses that are eligible for this event.
9 It's a Grand Circuit event, so we're glad to
10 be part of the Grand Circuit again.

11 And I reached out -- I haven't
12 gotten an answer back yet. But I don't know
13 if, Commissioner, you won't remember because
14 I think you were in Jersey, but maybe some of
15 you guys remember, but if you remember, the
16 campaign, the Spirit of Massachusetts.

17 CHAIRMAN CROSBY: Sure.

18 MR. O'TOOLE: Campaign by the
19 Massachusetts office of tourism and travel,
20 that catchy song and everything. So I
21 reached out to them, and I haven't made
22 contact yet, but we do want to try to work
23 with them and work this race into things that
24 they do and maybe bring back that catchy

1 commercial and that catchy song they had.

2 COMMISSIONER ZUNIGA: The
3 Commissioner to my right -- to my left, by
4 the way.

5 COMMISSIONER STEBBINS: I don't
6 have to sing it, but.

7 COMMISSIONER ZUNIGA: No. No.
8 Here's somebody who's very interested in, you
9 know, this topic.

10 COMMISSIONER STEBBINS: Yeah. Or
11 at least connecting also with the regional
12 convention visitors bureau down there. But,
13 gosh, I'm drawing a blank.

14 COMMISSIONER CAMERON: About the
15 song?

16 COMMISSIONER STEBBINS: Your friend
17 that filled in for Elaine when she was out of
18 town.

19 COMMISSIONER CAMERON: Hank.

20 CHAIRMAN CROSBY: Hank Shafran.

21 COMMISSIONER STEBBINS: Hank was
22 part of the creative team the came up with
23 that.

24 MR. O'TOOLE: Oh, is that right.

1 COMMISSIONER STEBBINS: The Spirit
2 of Massachusetts.

3 CHAIRMAN CROSBY: But could you
4 help Steve get in touch with the travel and
5 tourism?

6 COMMISSIONER STEBBINS: Yep.

7 CHAIRMAN CROSBY: Because we work
8 with those folks, and it might help cut to
9 the chase, so to speak.

10 MR. O'TOOLE: Sure. That would be
11 great.

12 COMMISSIONER STEBBINS: Happy to
13 help.

14 COMMISSIONER CAMERON: Mr. O'Toole,
15 a little bit about the circuit and getting
16 back on, just educate us.

17 MR. O'TOOLE: So years ago, there
18 was two circuits that came through
19 Massachusetts, and if you want me to go all
20 the way back to the turn of the century.

21 COMMISSIONER CAMERON: You don't
22 have to do that.

23 MR. O'TOOLE: I'd be glad to.

24 COMMISSIONER CAMERON: I've seen

1 the book. We don't have to.

2 MR. O'TOOLE: Okay. But there was
3 racing along the Charles River. There was
4 the Charles River Speedway.

5 CHAIRMAN CROSBY: Really.

6 MR. O'TOOLE: The first -- the
7 two-minute barrier for speed for a mile for
8 harness horses was a barrier that lasted for
9 quite a long time. There was racing in every
10 community in the United States, but
11 Massachusetts was very heavy in harness
12 racing. And the two-minute barrier was a
13 tough barrier to beat, and it was the first
14 time it was beat, both on the pace and on the
15 trot, was at Readville Trotting Park right in
16 Readville, and there was a train station
17 there that all the great horses came off of,
18 Greyhound, Dan Patch, all the great harness
19 horses of that era. And so Massachusetts was
20 where that first happened. And those were
21 all Grand Circuit events. These horses
22 traveled on trains all around the country.
23 And there was a weekend people that raced for
24 fun as well.

1 But back at Foxboro, there was a
2 Grand Circuit events that came through as
3 well Atlantic -- it was called the Atlantic
4 Seaboard series that was the Atlantic
5 Seaboard as well. As the purses and the
6 industry kind of waned a little bit there,
7 20, 30, 25 years ago, it became so expensive
8 to run these events that tracks like Foxboro
9 dropped off. So Massachusetts dropped out.
10 And we haven't had a Grand Circuit event here
11 for at least 30 years that I know of.

12 And so now that we have a Grand
13 Circuit event, you know, there's other
14 opportunities that we can take advantage of
15 as far as marketing with the Grand Circuit.
16 There's the dues that comes with having these
17 events, with the Hambletonian Society and the
18 Grand Circuit, but well worth it because not
19 only is it -- do they help publicize the race
20 nationwide, which helps us with our
21 simulcast, but they also do a lot locally as
22 well as they put out press releases for the
23 races, and then, you know, there's awards at
24 the end of the year which some of the award

1 winners -- That's a picture of Paul Kelley
2 who's father was BU hockey coach, Jack
3 Kelley. And I think he was the Whaler s
4 coach as well or general manager. And so
5 this race could, if Obridago stays healthy
6 enough to race this year -- I think he's six
7 years, seven years old this year -- but if he
8 stays healthy enough and on his mark like he
9 was last year, Paul definitely will be back
10 with that horse. So we will have a local
11 flavor in it, as well as George Ducharme with
12 the Chip Campbell stable. They'll have an
13 entry in there I'm sure. Wings of Royalty is
14 a horse that competes at that class. So
15 we'll have a local flavor in the race.

16 CHAIRMAN CROSBY: Great.

17 COMMISSIONER CAMERON: Yeah.

18 COMMISSIONER ZUNIGA: That's great.

19 CHAIRMAN CROSBY: Where was the
20 Charles River Speedway?

21 MR. O'TOOLE: Right along the
22 Charles River.

23 CHAIRMAN CROSBY: I know, but where
24 on the Charles River?

1 MR. O'TOOLE: I don't know the
2 exact location, but I'll shoot a picture of
3 it. I have a picture of it.

4 MR. SANGALANG: Soldiers Field
5 Road.

6 CHAIRMAN CROSBY: Soldiers Field
7 Road in Brighton.

8 COMMISSIONER ZUNIGA: Oh, yeah.
9 That would make sense.

10 COMMISSIONER CAMERON: Rich
11 history.

12 CHAIRMAN CROSBY: I'd like to see
13 the picture.

14 MR. O'TOOLE: I will. I'll send it
15 to you. Thank you. If you have any
16 questions, I'd be more than happy to answer
17 them.

18 CHAIRMAN CROSBY: No.

19 COMMISSIONER CAMERON: I have the
20 same question. Early -- a couple of years
21 ago, we talked about even though purses
22 had -- so we'll talk overall purses now.
23 Even though they had expanded, we were still
24 near the bottom when we compared ourselves to

1 racetracks around the country. Now that
2 we've more than doubled those, where would
3 you estimate that we are as far as the level
4 of racing?

5 MR. O'TOOLE: So we moved up a few
6 notches. Unfortunately, New Jersey that was
7 probably had the richest purses at one time
8 because of the other states that have -- New
9 York especially, and Pennsylvania, that have
10 added gaming to their pari-mutuel tracks,
11 they're the two hot tracks, the two hot
12 jurisdictions, New York and Pennsylvania.
13 We're nowhere near what they offer for
14 purses. Overnight purses in Pennsylvania is
15 about 35 million. That's at three tracks.
16 New York, Yonkers alone is probably about --
17 they -- they're in another stratosphere.

18 CHAIRMAN CROSBY: What does that
19 mean for a daily average? We're at 58,000 or
20 something like that now. When the
21 stratosphere, what does that mean?

22 MR. O'TOOLE: Yonkers on a Friday
23 night will offer about 400,000, 3 to 4
24 hundred thousand dollar purses.

1 CHAIRMAN CROSBY: Is that daily?

2 MR. O'TOOLE: That's on a Friday
3 and Saturday night. Their daily average is
4 probably about \$250,000.

5 CHAIRMAN CROSBY: Okay.
6 Interesting.

7 MR. O'TOOLE: But that's -- you
8 know, that's okay. We're okay.

9 CHAIRMAN CROSBY: Okay. Right.

10 MR. O'TOOLE: The Maine, we're --
11 you know, which had dwarfed us from the time
12 they acquired gaming in Maine. We're well
13 above them now. So Ohio, you know, was kind
14 of falling off, and then they've got gaming
15 at all their racetracks now, and they've
16 lifted it back up. So we did make some
17 progress. We're not -- I would say we're
18 almost at the middle of the road.

19 COMMISSIONER CAMERON: Okay.

20 MR. O'TOOLE: But we're still in
21 the lower end.

22 CHAIRMAN CROSBY: Lower middle.

23 MR. O'TOOLE: Yep.

24 COMMISSIONER CAMERON: Okay. Thank

1 you.

2 MR. O'TOOLE: But it's okay. You
3 know, for the -- you know, for the area, for
4 one track, you know. For the amount of
5 horsemen that we have, it's okay.

6 COMMISSIONER CAMERON: Okay.

7 COMMISSIONER ZUNIGA: It's all
8 about segmentation. Find your niche.

9 CHAIRMAN CROSBY: Yeah. Great.

10 COMMISSIONER CAMERON: Thank you
11 very much. It's exciting to see.

12 CHAIRMAN CROSBY: Yeah.

13 MR. O'TOOLE: Thank you.

14 CHAIRMAN CROSBY: That's true.

15 COMMISSIONER ZUNIGA: You're all
16 set.

17 MR. O'TOOLE: Thanks for having me
18 back again.

19 CHAIRMAN CROSBY: Yeah. Keep
20 coming.

21 DR. LIGHTBOWN: I would just like
22 to echo Ed's comments about the two people
23 that we have retiring --

24 CHAIRMAN CROSBY: Oh, yeah.

1 DR. LIGHTBOWN: -- that were long
2 term. They've been involved in racing for
3 years. Both of them did an excellent job and
4 were a pleasure to work with, and we'll miss
5 them. And one of the main questions I'm
6 getting right now as the horsemen are coming
7 back is where are they. So everybody -- not
8 only will Commission staff miss them, but you
9 know, the tracks and the horsemen that worked
10 with them, too. That's all I have today.

11 COMMISSIONER CAMERON: Thank you
12 very much.

13 CHAIRMAN CROSBY: Great. Thank
14 you.

15 COMMISSIONER CAMERON: Thank you.

16 COMMISSIONER STEBBINS: Thanks.

17 CHAIRMAN CROSBY: Let's take a
18 brief break while we set up the mic for Dr.
19 Volberg's presentation, and we'll be right
20 back.

21 COMMISSIONER CAMERON: Great idea.

22 COMMISSIONER ZUNIGA: Thank you.

23 (Break taken.)

24 CHAIRMAN CROSBY: Okay. We are

1 reconvening Public Meeting Number 213. Next
2 item on the agenda, Number 5, is Research and
3 Responsible Gaming, Mr. Vander Linden.

4 MR. VANDER LINDEN: Good morning,
5 Commissioners.

6 COMMISSIONER CAMERON: Good
7 morning.

8 CHAIRMAN CROSBY: Good morning.

9 MR. VANDER LINDEN: I'm here with
10 Dr. Rachel Volberg to my right and on the
11 phone, I have Rachel's coprincipal
12 investigator on this project, Dr. Rob
13 Williams.

14 CHAIRMAN CROSBY: Rob, can you hear
15 us all right?

16 MR. WILLIAMS: Yeah. You're coming
17 through loud. Can you hear me?

18 CHAIRMAN CROSBY: Yep, we can hear
19 you fine. Great. Thank you.

20 MR. VANDER LINDEN: As you've very
21 well know, SEIGMA, or the Social and Economic
22 Impacts of Gaming in Massachusetts, is one of
23 the cornerstones of our broad research
24 agenda. And within the SEIGMA study,

1 probably the most important report to date
2 that we've created, or that Dr. Volberg, Dr.
3 Williams have created, is the gambling and
4 problem gambling in Massachusetts, the
5 Baseline Population Survey. And while that's
6 a very interesting report, it was released in
7 2015. It provides description of the
8 characteristics of non-gamblers, recreational
9 gamblers, at-risk gamblers and problem
10 gamblers.

11 What we're presenting to you today
12 is a deeper analysis of this general
13 population report. It will actually give you
14 predictors of memberships of these groups.

15 So why is it important? It's
16 important to me, it's important to the
17 Commonwealth because as we begin to increase
18 our efforts towards building a public health
19 model to address problem gambling and at-risk
20 gambling, it's this very type of report that
21 begins to shape who are our target audiences
22 and what are the strategies that we need to
23 use, what are the resource allocations that
24 need to go towards prevention, what are the

1 resource allocations that need to go towards
2 treatment? And so it's with great interest
3 that I take -- I read these reports, and
4 certainly our partners within the Department
5 of Public Health and hopefully even broader
6 within EOHHS.

7 I'm going to go ahead and turn this
8 show over to Dr. Volberg and Dr. Williams.
9 Thank you.

10 DR. VOLBERG: Thank you. Good
11 morning, Commissioners.

12 CHAIRMAN CROSBY: Good morning.

13 COMMISSIONER CAMERON: Good
14 morning.

15 DR. VOLBERG: It's good to be back
16 in Boston and appearing before you on almost
17 the last day of Problem Gambling Awareness
18 Month. So it's seems like a timely
19 presentation to make.

20 Just before I get started, I want
21 to just acknowledge the process that we went
22 through to produce this set of deeper
23 analyzes was very much influenced by the role
24 of both the gaming research advisory

1 committee and the subcommittee, the RDASC,
2 the Research Design and Analysis
3 Subcommittee. We had a series of
4 back-and-forth conversations, particularly
5 with the RDASC, and my sense is that there
6 are great interest in the results and our
7 interest in taking in their feedback and
8 responding to it in a intellectual and
9 collegial way really resulted in a greatly
10 improved product at the end. So I just want
11 to acknowledge them.

12 CHAIRMAN CROSBY: Just to add to
13 that, just so people know, this is the formal
14 peer-review process that we've established
15 within the research agenda. None of our
16 research comes out of our research team
17 without having gone through the peer-review
18 process, frequently two layered as you said,
19 and we refer to them as the Gaming Research
20 Advisory Committee and the so-called RDASC,
21 Research Design something or another.

22 MR. VANDER LINDEN: Analysis.

23 CHAIRMAN CROSBY: Analysis, right.
24 But it's our peer-review process which the

1 public is more familiar with as a key term.

2 DR. VOLBERG: Okay. So as Mark
3 indicated, the Baseline General Population
4 Survey was completed in between 2013 and
5 2014. The brick-sized report was published
6 in 2015. This new report presents four
7 deeper analyses of the Baseline General
8 Population Survey data with the express
9 purpose of identifying predictors of gambling
10 and problem gambling in Massachusetts. And
11 as Mark indicated, the utility of these
12 analyses is to inform the problem gambling
13 prevention, intervention, and treatment
14 initiatives that are getting up and running
15 in Massachusetts. I did also want to mention
16 that a secondary utility of this set of
17 analyses is to inform subsequent analyses of
18 the cohort study, which is the other piece of
19 work that we're doing for the Gaming
20 Commission.

21 So just to refresh your memory, the
22 Baseline General Population Survey was based
23 on a sample drawn from a list of addresses
24 throughout Massachusetts. Respondents were

1 given the option to complete online, on
2 paper, or by telephone. We were in the field
3 for an extended period of time, and we ended
4 up with a sample of 9,587 respondents age 18
5 and over, all residents of Massachusetts. We
6 then classified them according to their
7 gambling participation levels and as well as
8 the problem and pathological gambling measure
9 that we used to classify people as problem,
10 at-risk, and recreational gambler.

11 This slide shows you in terms of
12 the real numbers in the samples. So these
13 are unweighted numbers. We had about a
14 quarter of our sample were classified as
15 non-gamblers, which means they had not
16 gambled on anything at all in the past year,
17 any of the activities. We had about
18 63 percent of our respondents who were
19 classified as recreational gamblers. They
20 had done some kind of gambling, but they did
21 not endorse any items that indicated they
22 were experiencing harm related to their
23 gambling or loss of control. We had about
24 six percent of the respondents were

1 classified as at-risk gamblers and about one
2 and a half percent were classified as problem
3 or pathological gamblers. So these are the
4 real numbers of the actual people in the
5 sample.

6 We then used weighting techniques,
7 as you'll recall, to adjust the
8 characteristics of the sample to reflect the
9 characteristics of the population in
10 Massachusetts. And the weighted numbers are
11 what we used in the general population survey
12 report. But in the case of the analyses that
13 I'm going to be presenting to you, we used
14 unweighted data because our focus was on
15 identifying differences, relationships within
16 the data independent of the data's
17 relationship or the sample's relationship to
18 the Massachusetts population as a whole.

19 We used recreational gamblers as
20 our reference group in these analyses because
21 this is clearly the normative or modal
22 gambling category in Massachusetts. Almost
23 two-thirds of people in Massachusetts gamble
24 without any problems.

1 COMMISSIONER CAMERON: Is that
2 higher than other states, Doctor?

3 DR. VOLBERG: It's actually a
4 little bit lower, I think. I would have to
5 go back and look.

6 CHAIRMAN CROSBY: Do you mean lower
7 as the number of people who gamble or the
8 percentage of gamblers who are completely
9 healthy gamblers?

10 DR. VOLBERG: It's been changing
11 over time. When I first started in this
12 field, these were about the normal sort of
13 two-thirds of the population had gambled in
14 the past year. It went up for a number of
15 years as different kinds of gambling were
16 introduced in different jurisdictions. It's
17 since been coming down. So gambling
18 participation has really been declining in a
19 lot of jurisdictions over the last ten to
20 15 years.

21 CHAIRMAN CROSBY: But our
22 percentage of healthy at-risk and problem are
23 very similar to others studies national
24 numbers?

1 DR. VOLBERG: Yeah. I would say
2 Massachusetts is probably in the middle of
3 the pack.

4 COMMISSIONER CAMERON: Okay. Thank
5 you.

6 DR. VOLBERG: That's an estimate
7 without having all of the numbers in front of
8 me, Commissioner.

9 COMMISSIONER CAMERON: Okay.

10 DR. VOLBERG: One of the challenges
11 in doing the kinds of analysis that we have
12 done with survey data is that there are often
13 missing values. So, you know, people don't
14 answer a question or there's some reason why
15 or they refuse to answer a question, we code
16 them as having a missing response. And when
17 you're doing these more sophisticated
18 statistical analyses, very often, those
19 values with imputed in a statistical
20 procedure so that you don't lose those cases.
21 Because in a regression procedure, if there's
22 any missing data anywhere in the case, it
23 will drop that case from your analysis. So
24 we had a lot of discussion with the RDASC

1 about the best way to do that imputation, but
2 I just want to let you know that that is
3 there.

4 So the first analysis that we did
5 was to compare non-gamblers to recreational
6 gamblers, and we did what are called
7 univariate comparisons, and then we did these
8 multivariate analyses. And univariate means
9 comparing the group's one variable or
10 characteristic at a time, and multivariate
11 means comparing those groups using several
12 variables simultaneously to account for the
13 fact that some variables are linked and moved
14 together. So, for example, someone who has a
15 lower education will very often also have
16 lower income. And unless you sort of take
17 that into account, you may misinterpret the
18 univariate data.

19 We also did a supplemental analysis
20 looking at the multivariate differences
21 between non-gamblers and all gamblers. So
22 the all gamblers we added the at-risk and
23 problem people to the recreational gamblers
24 to do that supplemental analysis.

1 The second analysis we did was to
2 look at levels of gambling participation. As
3 I mentioned, we had a lot of gambling
4 participation information from our
5 respondents. We asked them questions about
6 ten different gambling types. We also asked
7 them about their frequency of gambling on
8 each of the types that they had done in the
9 past year, and we asked questions about
10 gambling expenditure. And so each of those
11 characteristics of gambling participation was
12 included in our analysis of level of gambling
13 participation. Again, we used a multivariate
14 regression approach. It was a little bit
15 different from the other three analyses
16 because we were dealing with continuous
17 variables as the outcome variables rather
18 than binary. So a logistic regression is
19 what you use in a binary case. Multiple
20 regression models are used when you have a
21 continuous outcome model or outcome variable.

22 And I swear that's all I'm going to
23 say about statistics today.

24 CHAIRMAN CROSBY: Thank you very

1 much.

2 COMMISSIONER CAMERON: Yeah.

3 DR. VOLBERG: So we -- The third
4 analysis that we did was to compare
5 recreational gamblers to at-risk gamblers.
6 Again, it was univariate and multivariate.
7 We did a supplemental analysis in this case
8 looking at the contribution of the individual
9 gambling form after controlling for the
10 number of gambling forms that an individual
11 had engaged in.

12 The reason for that is that at-risk
13 and problem gamblers are, as you might
14 expect, hardly surprising, very enthusiastic,
15 often very heavy gamblers. And in order to
16 be able to tease out whether there were
17 particular types of gambling in Massachusetts
18 that are causing gambling -- that are more
19 likely to cause gambling problems than other
20 types, we controlled for the number of
21 gambling types that a person did to see if we
22 could tease out those relationships a little
23 bit more clearly.

24 And then finally, the fourth

1 analysis was to compare recreational gamblers
2 with problem and pathological gamblers. We
3 did a couple of supplemental analyses here.
4 We looked at whether there were differences
5 between problem gamblers and pathological
6 gamblers and really found very few
7 differences between them. The main
8 difference is that pathological gamblers had
9 more evidence of harm and more evidence of
10 impaired control.

11 We did a second analysis looking at
12 the contribution, again, of individual
13 gambling forms after controlling for a number
14 of gamble formats. And again, just to remind
15 you that this is all based on unweighted
16 data.

17 This slide shows you the variables
18 that we fed into the multivariate models. So
19 we had ten different demographic factors. We
20 had 11 health related factors, not just
21 general health and mental health, but also
22 substance use and abuse. And a couple of
23 questions asking people about how happy or
24 unhappy their childhood had been. And a

1 question about extreme sports, because
2 probable gamblers and pathological gamblers
3 tend to be quite enthusiastic risk takers, so
4 we wanted to see if that was associated with
5 problem gambling in Massachusetts.

6 We also had 11 gambling related
7 factors. In comparing non-gamblers to
8 recreational gamblers, we only used the
9 involvement of friends and family because the
10 non-gamblers hadn't done any gambling in the
11 past year, but in the case of the other
12 analyses, we were able to use all ten of the
13 gambling formats as variables in the models.

14 These are the types of gambling
15 that we asked people about. And then the
16 levels of gambling analysis just tells you
17 the features of gambling involvement that we
18 included as outcome models, outcome variables
19 in our modelling.

20 CHAIRMAN CROSBY: Rachel, I want to
21 point out one thing, if you go back to that
22 slide. The Lottery, Mike Sweeney, the
23 executive director of the Lottery, pointed
24 out this to us that under gambling

1 activities, there are three of those marks
2 which are the lottery. So there's three
3 times that you can pick lottery gambling,
4 whereas for casino, for example, you could
5 have said slots, poker, other table games,
6 whatever you said, just casino.

7 DR. VOLBERG: Right.

8 CHAIRMAN CROSBY: In his mind, that
9 predisposed the survey to talk you know, more
10 about lottery gaming than it might have
11 about, for example, casino gaming. I think
12 you agreed with that analysis to some extent
13 and thought that, you know, when this was
14 done there was no casino gambling in
15 Massachusetts.

16 DR. VOLBERG: Right.

17 CHAIRMAN CROSBY: It was only
18 outside. There's lots of lottery gambling,
19 but it is something that you're going to
20 address downstream. Am I correct about that?

21 DR. VOLBERG: Yes. And we actually
22 have addressed it in the cohort study where
23 we ask separately, for example, about
24 different types of gambling at the casino.

1 We ask separately about slot machines.

2 CHAIRMAN CROSBY: Right.

3 DR. VOLBERG: And table games, for
4 example.

5 CHAIRMAN CROSBY: Okay. Good.

6 DR. VOLBERG: Yeah. Okay. So this
7 is a graphic presentation of the results of
8 the multivariate model that compares
9 non-gamblers to recreational gamblers. So --
10 and they're ordered from the largest
11 difference to the smallest difference. And
12 what you can see here is that one of the main
13 characteristics that distinguishes
14 non-gamblers from recreational gamblers is
15 that they have fewer friends and family who
16 are regular gamblers. They are significantly
17 less likely to have used alcohol in the past
18 year. They tend to have higher education.
19 They are more likely to be students,
20 homemakers, disabled, or retired than
21 employed. They are more likely to be either
22 un --

23 CHAIRMAN CROSBY: Unemployed.

24 Okay. All right.

1 DR. VOLBERG: Sorry. Than
2 employed.

3 CHAIRMAN CROSBY: Yeah. Got it.

4 DR. VOLBERG: So recreational
5 gamblers are more likely to be employed.
6 Non-gamblers are more likely to be in these
7 other employment categories.

8 CHAIRMAN CROSBY: Okay.

9 DR. VOLBERG: There are some age
10 differences. Non-gamblers tend to be younger
11 or older than recreational gamblers.

12 Non-gamblers are more likely than
13 recreational gamblers to be born outside the
14 United States, to not acknowledge having
15 drunk in a binge fashion, which is even if
16 you don't drink on a regular basis, binge
17 drinking is when you do drink, you drink a
18 very large amount of alcohol in one sitting.
19 So it's an indicator of having a drinking
20 problem.

21 Non-gamblers tend to have lower
22 household income. They're less likely to use
23 tobacco. They tend to have less happy
24 childhood. They're less likely to have

1 served in the military. They're more likely
2 to be nonwhite, and they tend not to have
3 problems with drugs or alcohol.

4 COMMISSIONER ZUNIGA: Can you --
5 Let me understand. So non-gamblers tend to
6 have less happy childhood?

7 DR. VOLBERG: Right. So they tend
8 to be somewhat unhappier background than
9 people who are recreational gamblers.

10 COMMISSIONER ZUNIGA: Okay.

11 MR. WILLIAMS: It's Rob Williams
12 here. Just in answer to that question that,
13 non-gamblers actually tend to comprise two
14 different groups. One group are just people
15 who are complete abstainers, but another
16 group are actually the sons and daughters or
17 relatives of people who have had problems
18 either with gambling or alcohol. So the sons
19 and daughters of alcoholics tend to have much
20 higher rates of nonuse of alcohol just
21 because they've seen it in their parents.

22 And so I think that's what that
23 less happy childhood is picking up. It's
24 picking up this subgroup of sons and

1 daughters of people with addictions who have
2 chosen to abstain from alcohol, tobacco, and
3 gambling because they know the potential
4 harm.

5 COMMISSIONER ZUNIGA: Thank you,
6 Rob. But just so I understand the graphic
7 here. However, that difference is not as
8 smart as the ones towards the top, right?
9 It's almost like a sorted --

10 DR. VOLBERG: Right.

11 COMMISSIONER ZUNIGA: -- problem.

12 MR. WILLIAMS: Yeah. And it's a
13 fairly weak factor.

14 COMMISSIONER ZUNIGA: Right.

15 MR. WILLIAMS: And that reflects
16 the fact that this subgroup of sons and
17 daughters of people with addictions comprises
18 a minority of that non-gambler group.

19 COMMISSIONER ZUNIGA: Yeah. That's
20 interesting.

21 COMMISSIONER CAMERON: I think I'm
22 a little surprised at the 65 plus, because
23 just observing at a casino sometimes you do
24 see some folks that are -- that have some

1 years of life. So I just am surprised at
2 that.

3 DR. VOLBERG: Yeah. We were
4 actually talking about that earlier this week
5 with Mark. I guess there's some interest in
6 looking at older adults in Massachusetts
7 because they do tend to sort of turn up in
8 casinos in proportions that seem larger than
9 they would be just given the population. And
10 so we actually have been thinking about doing
11 an additional set of analyses. We provided
12 Mark with some information from the baseline
13 survey that looked at age and gender
14 together, but we're planning some additional
15 analyses to look at that.

16 Shall I go on?

17 CHAIRMAN CROSBY: Yeah.

18 DR. VOLBERG: Okay. So this slide
19 shows the variables that predicted higher
20 gambling involvement. And, again, the
21 portion of family and friends that are
22 regular gamblers is, once again, the
23 strongest predictor in this analysis. Having
24 lower education, being male, acknowledging

1 binge drinking, having poorer health status,
2 and using tobacco were also independent
3 predictors of higher gambling involvement,
4 but I should emphasize that the predictive
5 power of this analysis was relatively modest.
6 It was not a huge explainer of differences.
7 And we think that's probably because, you
8 know, the recreational gamblers are a very
9 large group, and so there's a lot of
10 variability in there. So it's going to be
11 hard to explain a lot about them using this
12 kind of approach.

13 COMMISSIONER ZUNIGA: But they're
14 all statistically significant, right?

15 DR. VOLBERG: Yes, they are all
16 statistically significant.

17 COMMISSIONER ZUNIGA: If it's
18 mentioned here, however small difference,
19 it's important enough for us to notice.

20 DR. VOLBERG: Yes.

21 COMMISSIONER ZUNIGA: Or take note.

22 DR. VOLBERG: That's right. Yeah.

23 We wouldn't put nit here unless it was
24 statistically significant.

1 COMMISSIONER ZUNIGA: Right.

2 DR. VOLBERG: And there were enough
3 people that answered the question both ways
4 that we were confident that we were observing
5 a difference.

6 COMMISSIONER ZUNIGA: Right.

7 MR. WILLIAMS: The same point
8 applies, actually, to the previous analysis.
9 All of those predictors differentiate
10 non-gamblers versus gamblers were
11 significant, but the percentage of variate
12 explain, which is a rough index of how good a
13 model you have or how strongly those groups
14 are really separable was relatively weak,
15 meaning there are an awful lot of similar
16 similarities between gamblers and
17 non-gamblers and that largely has to do with
18 the fact that to be classified as a gambler,
19 all you have to do is buy a lottery ticket
20 once in the past year or a raffle ticket. So
21 you expect a lot of similarities. We were
22 able to identify statistically significant
23 differences, but the magnitude of the overall
24 differences between gamblers and non-gamblers

1 was relatively modest.

2 COMMISSIONER ZUNIGA: And just to
3 emphasize on that point, to be classified as
4 a gambler, you'd have to at least purchase
5 one lottery ticket in the past year, right?

6 DR. VOLBERG: Yes. Which means you
7 have to remember that you purchased that
8 lottery ticket. A lot of people don't.

9 COMMISSIONER ZUNIGA: Right. True
10 enough.

11 DR. VOLBERG: Okay. So moving on
12 to the variables that predict differentiating
13 at-risk gamblers from recreational gamblers,
14 there are greater differences between these
15 two groups and the amount of variance that
16 was accounted for was a good bit higher at
17 22 percent. But in order of importance,
18 people who were at-risk gamblers were
19 significantly more likely to have gambled at
20 a casino in the past year; once again, to
21 have a greater portion of friends and family
22 that are regular gamblers; to have played
23 instant lottery games, daily lottery games;
24 be male; have gambled online in the past

1 year; be born outside of the United States;
2 private betting; lower education; played
3 bingo; not purchased raffle tickets; lower
4 household income; have mental health
5 problems; and have not used alcohol in the
6 past 30 days.

7 So you can see that when you add
8 those ten casino or -- I'm sorry, ten
9 gambling formats to the model, many of them
10 pop out as differentiating at-risk gamblers
11 from recreational gamblers.

12 So the next analysis that I'm going
13 to show you --

14 CHAIRMAN CROSBY: So just go back
15 one. So the at-risk gamblers are more likely
16 to not have used alcohol in the last 30 days
17 than --

18 DR. VOLBERG: Yes.

19 CHAIRMAN CROSBY: -- recreational
20 gamblers?

21 DR. VOLBERG: And Rob and I have
22 discussed this. Rob, do you want to mention
23 what we think is going on there?

24 MR. WILLIAMS: Yeah. I think

1 it's -- we don't know for sure, but our guess
2 is that the same explanation about the less
3 happy childhood for non-gamblers. That
4 at-risk gamblers might have a more adverse
5 childhood as well and so are less likely to
6 use alcohol because of having seen adverse
7 consequences in their parents. So it's just
8 speculation, but we think it might be related
9 to the same phenomenon as the non-gamblers.

10 CHAIRMAN CROSBY: Yeah.

11 COMMISSIONER ZUNIGA: However,
12 that's the smallest difference still?

13 DR. VOLBERG: That is the smallest
14 difference.

15 MR. WILLIAMS: Yeah.

16 DR. VOLBERG: Yes.

17 COMMISSIONER ZUNIGA: Of these
18 five.

19 COMMISSIONER CAMERON: Yeah. And
20 how could you characterize how big a
21 difference is it between men and women?

22 DR. VOLBERG: That is another piece
23 of analysis that we have not done yet, but
24 we -- I actually have a young woman. She

1 came to me and asked if she could do an
2 independent study course class with me this
3 year, and she is in the process of analyzing
4 gender and age differences in terms of
5 gambling participation. And so I think we're
6 going to have that information relatively
7 soon. I don't have it right now.

8 COMMISSIONER ZUNIGA: Now --

9 MR. WILLIAMS: Some our results,
10 the odds ratios in the report give a rough
11 index of relatively how much more common each
12 of these factors is in the two groups. For
13 that particular one -- I'm just looking at
14 the report now -- Let's see. Alcohol use.
15 Actually, it's I'm having a hard time finding
16 it in the report. It's a fairly long report.
17 But it's relatively modest difference. But
18 there is a table in the chart that gives an
19 odds ratio, which odds ratio is the likely
20 clue to this variable, the percentage people
21 in the at-risk group having this
22 characteristic relative to people in the
23 recreational group having that
24 characteristic. And the...

1 CHAIRMAN CROSBY: Okay.

2 DR. VOLBERG: I think we can
3 probably send you an e-mail and point you to
4 the place in the report that'll have that
5 information, and we can move on.

6 MR. WILLIAMS: Yeah.

7 COMMISSIONER ZUNIGA: Rachel, just
8 so I understand this graphic set or what this
9 means, so if any one person has, let's say,
10 seven out of these 12 or so factors, in
11 whatever order, versus somebody that has two
12 or one, does that necessarily mean that they
13 are at a higher risk of problem gambling
14 within being this, you know, at-risk gambler?

15 DR. VOLBERG: You mean if somebody
16 had like three or four of these
17 characteristics versus only one or two?

18 COMMISSIONER ZUNIGA: Yes.

19 DR. VOLBERG: Are they more likely
20 to be an at-risk gambler? I think the answer
21 is yes. But the important thing to
22 understand is that the model -- the
23 multivariate modelling approach basically
24 controls for each of these variables so that

1 each one that comes into the model is
2 contributing independently of the others. So
3 you know, if you're a casino gambler and an
4 instant lottery player and a daily lottery
5 player and an online gambler, you're more
6 likely to be in there, but it's because
7 you've done each of those things
8 independently rather than because you've done
9 all of them.

10 MR. WILLIAMS: The essential point
11 is true, the more of these factors you have,
12 the more likely you're going to be in that
13 category, in this case that an at-risk
14 gambler. I did identify that chart. So
15 people who did not use alcohol in the past
16 30 days are 32 percent more likely to be an
17 at-risk gambler compared to a recreational
18 gambler.

19 CHAIRMAN CROSBY: Wow.

20 COMMISSIONER ZUNIGA: That is very
21 counterintuitive.

22 MR. VANDER LINDEN: Right.

23 CHAIRMAN CROSBY: Okay.

24 DR. VOLBERG: Okay. All right. So

1 this was the supplemental analysis that we
2 did to examine the contribution of individual
3 forms of gambling to at-risk gambling status
4 after controlling for the number of gambling
5 formats that someone had done. The reason
6 for this is the strong relationship between
7 problem and at-risk gambling and engaging in
8 a variety of forms of gambling, and it's
9 partly due to the fact that some of the more
10 problematic forms, online gambling, for
11 example, tend to be patronized by individuals
12 who already have high levels of gambling
13 involvement. So online gambling is typically
14 something that an individual adds to an
15 existing repertoire of gambling experience
16 that they have.

17 Entering the number of gambling
18 formats as an additional variable helps in
19 determining whether there are specific types
20 of gambling that provide additional power to
21 predict at-risk gambling after the number of
22 gambling formats enters the model. And what
23 you can see is that when you entered number
24 of gambling formats, that becomes the

1 strongest predictor of being an at-risk
2 gambler. The more gambling formats you do,
3 the more likely you are to be an at-risk
4 gambler. But that's followed, then, by
5 having a larger portion of friends and family
6 that are regular gamblers. And then you can
7 see that the other types of -- the many types
8 of gambling that were in the previous model,
9 quite a few of them fall out. But we still
10 have not purchasing raffle tickets, being a
11 casino gambler, and I think that's it. The
12 other things are demographics or health
13 issues.

14 COMMISSIONER CAMERON: So your
15 chart is different than our chart here.

16 DR. VOLBERG: Is it?

17 COMMISSIONER CAMERON: Right.

18 COMMISSIONER ZUNIGA: No.

19 COMMISSIONER CAMERON: Do you have
20 that difference?

21 DR. VOLBERG: So this is
22 distinguishing at-risk from recreational
23 gamblers controlled for number of gambling
24 format.

1 COMMISSIONER CAMERON: Yes. But my
2 sheet says different things than the one up
3 there.

4 DR. VOLBERG: Does it?

5 COMMISSIONER CAMERON: For example,
6 the number of two.

7 CHAIRMAN CROSBY: No.

8 COMMISSIONER ZUNIGA: No.

9 CHAIRMAN CROSBY: It's a different
10 chart.

11 COMMISSIONER ZUNIGA: You're on the
12 wrong one.

13 COMMISSIONER CAMERON: Oh, oh, oh.
14 Okay. So you have the same chart -- well,
15 the same title on two different --

16 CHAIRMAN CROSBY: No. It's a
17 different title.

18 COMMISSIONER CAMERON: Okay. Never
19 mind. I see it.

20 COMMISSIONER ZUNIGA: At-risk
21 versus recreational.

22 COMMISSIONER CAMERON: Yes, I see
23 it. Thank you. I was on the wrong chart.

24 DR. VOLBERG: Okay.

1 COMMISSIONER ZUNIGA: Well, it's a
2 multivariate.

3 DR. VOLBERG: It's a multivariate.
4 There's many variables.

5 COMMISSIONER CAMERON: Okay.

6 DR. VOLBERG: Okay.

7 COMMISSIONER ZUNIGA: Can I just
8 ask. I can't quite get how when controlling
9 for the number of gambling formats, the
10 number of gambling formats is at the top.
11 And I know you sort of explained it, but
12 could you explain it one more time?

13 DR. VOLBERG: So it's a complicated
14 issue. It's basically that number of
15 gambling formats is a characteristics in and
16 of itself of being an at-risk gambler or
17 having a gambling problem. Because you're
18 doing a lot of different types of gambling,
19 adding number of gambling formats is actually
20 a predictor of the status. So that's why it
21 comes in so strongly when you're -- when you
22 add that as a variable into the analysis.

23 COMMISSIONER ZUNIGA: But the title
24 says you're controlling for the number of

1 gambling formats.

2 DR. VOLBERG: Right. So that was
3 entered as a new independent predictor into
4 the model.

5 COMMISSIONER ZUNIGA: Oh.

6 DR. VOLBERG: It was a new variable
7 that we put into the model after the previous
8 model where we did not control for number of
9 gambling formats.

10 COMMISSIONER ZUNIGA: Oh. So
11 this --

12 MR. WILLIAMS: And as you can see,
13 it becomes easily the most powerful variable
14 in this analysis because it's part and parcel
15 of being an at-risk gambler, just the
16 extensiveness of your gambling. So the
17 question here, is there -- when you take that
18 into account, are there still additional
19 gambling formats that have additive
20 predictive power beyond extensiveness in
21 predicting at-risk, and what this says is
22 yes, casino gamblers still has predictive
23 power and not purchasing raffle tickets still
24 has predictive power.

1 COMMISSIONER CAMERON: What's the
2 idea behind this not a great fan of raffle
3 tickets, it's just not a form of gambling
4 that --

5 DR. VOLBERG: We actually comment
6 on that in the report.

7 COMMISSIONER CAMERON: Okay.

8 DR. VOLBERG: Purchasing raffle
9 tickets is, as quite a number of people have
10 told me over the years, is generally not
11 something that people do in order to win
12 money. They're doing it to support a
13 charitable cause or to, you know, make a
14 contribution to an organization that they
15 care about. So they're engaging in what is
16 technically a gambling activity, but they're
17 engaging in that activity for reasons that
18 are different from the reasons that they
19 would go to a casino to gamble or purchase
20 lottery tickets.

21 CHAIRMAN CROSBY: Right.

22 DR. VOLBERG: Yeah. It's an
23 interesting finding, but we think we have a
24 good explanation.

1 COMMISSIONER STEBBINS: Rachel, a
2 quick question.

3 DR. VOLBERG: Yes.

4 COMMISSIONER STEBBINS: Because
5 it's highlighted as a characteristics and it
6 somewhat intrigues me is the being born
7 outside the United States. I don't know how
8 deep you went, but I mean, is there a
9 difference between somebody who was born
10 outside the United States and in a country
11 that doesn't have gambling versus born
12 outside in a country that does have gambling?
13 I mean, obviously, someone coming from Asia
14 has more exposure to it than maybe another
15 jurisdiction. They come here and get excited
16 because the opportunities available to them
17 for the first time.

18 DR. VOLBERG: Yeah. We don't have
19 that information from our Massachusetts
20 survey. I don't think we asked people
21 specifically what country they were born in,
22 or if we did, we haven't analyzed those data.
23 I can tell you from some experience that I
24 have in some other jurisdictions that it

1 almost -- So when we looked at this issue of
2 immigrant status in New Zealand, for example,
3 there are many, many people who immigrate to
4 New Zealand from China and other Asian
5 countries. And we saw even in New Zealand
6 where most of the immigrants are Asian that
7 they had a much greater risk of developing
8 gambling problems in New Zealand. In
9 contrast, in Sweden where we were doing some
10 work back in the 1990s, we also found that
11 immigrants were particularly vulnerable or a
12 particular at-risk group in terms of
13 developing gambling problems, but in that
14 case, the immigrants were from mostly Islamic
15 and Middle Eastern countries. And so my
16 sense is that it has more to do with the
17 status of being an immigrant or a stranger in
18 a new country rather than the specific
19 country that you come from.

20 MR. VANDER LINDEN: Commissioner,
21 just as you know, we have an RFP out right
22 now that we want to focus in on specific
23 groups that would be considered high risk
24 where we can begin putting some more clarity

1 to that very issue, and immigrants are one of
2 the special population groups that we're
3 particularly interested in.

4 COMMISSIONER STEBBINS: That was
5 the purpose of my question was giving you a
6 marketing opportunity.

7 MR. VANDER LINDEN: Thank you.

8 DR. VOLBERG: Okay. So let's move
9 on to the final set of analyses, which were
10 models to distinguish problem and
11 pathological gamblers from recreational
12 gamblers. In this case, the amount of
13 variates that was accounted for was quite
14 good, although still moderate at 31 percent.
15 In order of importance, people who were
16 problem and pathological gamblers were
17 significantly more likely to play daily
18 lottery games, again, to have a greater
19 portion of friends and family that are
20 regular gamblers, to be black or African
21 American, to be a casino gambler, male, an
22 online gambler, play instant lottery games,
23 have behavioral addictions, lower educational
24 attainment, be born outside the United

1 States, and have less happy childhood. And
2 then when we controlled for the number of
3 gambling formats. Again, that variable moves
4 right up to the top for the same reason that
5 we saw with the at-risk gamblers. But the
6 not purchasing raffle tickets stays in, and I
7 don't think we have any specific -- oh,
8 engaging in private betting is still in the
9 model, but the other forms of gambling have
10 fallen out.

11 COMMISSIONER CAMERON: When you say
12 black, are you referring to African Americans
13 or -- you said -- the way you explained it
14 was black or African Americans.

15 DR. VOLBERG: I'm sorry. In the
16 academic setting, it's considered more
17 appropriate to refer to people as African
18 American, but there's debate about what the
19 best way to refer to people of color are.

20 COMMISSIONER CAMERON: But what is
21 what -- you're not specific to --

22 DR. VOLBERG: This is what people
23 told us in the survey when we said, you know,
24 what racial or ethnic group do you belong to,

1 are you black or African American, and they
2 could have said yes to that.

3 COMMISSIONER CAMERON: Okay.

4 CHAIRMAN CROSBY: So they're
5 interchangeable on our survey.

6 COMMISSIONER ZUNIGA: Right.

7 COMMISSIONER CAMERON: I see.

8 DR. VOLBERG: Okay. I think we're
9 getting to the end of this. This is a
10 summary of the various predictors. This is
11 the group of demographic variables, and I
12 need my glasses to see it on my page here.
13 What we've done here is we've tried to sort
14 of summarize across all of these different
15 multivariate models what were the most
16 significant demographic variables to look at.
17 Clearly, male gender is a strong predictor of
18 gambling involvement, being an at-risk
19 gambler and a problem or pathological
20 gambler. The age difference is only
21 significant for the non-gambler compared to
22 recreational gamblers and falls out across
23 the other models. Race, ethnicity is
24 important at the non-gambler comparison with

1 recreational gamblers, and then the
2 comparison of problem and pathological
3 gamblers to recreational gamblers.

4 CHAIRMAN CROSBY: This reflects the
5 fact that in our study, Asians in particular,
6 did not show up as a heavy gambling group at
7 all, right?

8 DR. VOLBERG: Right. That's
9 correct.

10 CHAIRMAN CROSBY: And is included
11 in our nonwhite.

12 DR. VOLBERG: Right.

13 CHAIRMAN CROSBY: And that's
14 something we were -- our further survey is
15 looking at, but that's counter anecdotal, at
16 least, if not counter informational.

17 COMMISSIONER CAMERON: Is it --
18 were Asian individuals representative
19 population -- part of the population --

20 DR. VOLBERG: We did have --

21 COMMISSIONER CAMERON: --
22 percentage with what this states?

23 DR. VOLBERG: We did have a
24 somewhat under sample of Asians that was

1 corrected for in the weighting procedures.
2 But there -- as I've -- We've had this
3 conversation about, you know, why the results
4 from our Asian respondents seem sort of
5 counterintuitive based on conventional
6 wisdom, and my contention is that I think
7 it's very hard in a -- in doing a survey,
8 Asians are probably less likely to report
9 honestly about gambling problems in
10 particular because acknowledging or being
11 self-aware of a gambling problem not only
12 reflects on them as an individual, but
13 reflects on them as a family. And so that
14 importance of the individual as a member and
15 representative of a family, we've seen in
16 many other surveys that I've done, including
17 in California where we had, I think it was,
18 12 percent of our respondents were Asian
19 American, that you get much lower reporting
20 of gambling participation and gambling
21 related problems. That's not to say that
22 they don't exist. It's just that a survey is
23 probably not the best way to get at that
24 information.

1 MR. VANDER LINDEN: Right. And
2 again, the RFP that's a part of our research
3 agenda is to open it up to take a closer look
4 at that and take a look at what is the
5 sampling and survey methodology, and perhaps
6 there's a different way to go about answering
7 that question. So again, one of the groups
8 we're interested in taking a closer look at.

9 DR. VOLBERG: So the other
10 demographic variables that really pop out are
11 education and household income in terms of
12 explaining why people belong to one or
13 another group of gamblers. These are health
14 related variables. And the main ones here
15 are tobacco use, which explains non-gambling
16 as well as higher gambling involvement;
17 alcohol use and binge drinking; drug or
18 alcohol problems; behavioral addictions;
19 mental health problems; and childhood
20 unhappiness. And again, it's interesting to
21 see that both the non-gamblers and the
22 problem gamblers were significantly more
23 likely than recreational gamblers to feel
24 that their childhoods were particularly

1 unhappy.

2 COMMISSIONER ZUNIGA: Can I go --
3 can I stay with this for a minute?

4 DR. VOLBERG: Um-hmm.

5 COMMISSIONER ZUNIGA: And I know
6 that our partners at DPH are looking at these
7 or, you know, we forwarded these reports to
8 them, and we'll be interested in some of the
9 findings here. But if I take the behavioral
10 addictions and the mental health problems,
11 perhaps together, could we start to draw the
12 following insights: That we might be better
13 off doing prevention on the mental health
14 arena, whereas we might be better off doing
15 treatment with a state that is not with the
16 Gaming Commission on the substance abuse
17 arena. And I'm thinking -- I'm coming from
18 the way the state is organized, there's a
19 Bureau of Substance Abuse at DPH and there's
20 a Department of Mental Health, you know, and
21 we're trying to figure out, you know, if --
22 if we're trying to figure out some of these
23 differences, is that a good insight to draw
24 from taking them together?

1 DR. VOLBERG: Yeah. I think the
2 challenge is that when people seek treatment,
3 they're not always completely self-aware of
4 what they're seeking treatment for, and
5 they'll say, oh, I have -- you know, my wife
6 told me I had an alcohol problem, so I'm
7 going to go find an alcohol counselor. Well,
8 then as that person is in treatment and
9 things start to get unpacked, maybe it turns
10 out that that person also has a gambling
11 problem. Now, if the treatment provider
12 doesn't know anything about problem gambling
13 or doesn't routinely screen for it, that may
14 not sort of come up as an issue in that
15 person's treatment. And so then they get
16 their alcohol problem under control, and they
17 go back out, you know, to not receiving
18 treatment, but they still have that
19 underlying gambling problem. I think in a
20 sense, it's -- there's a lot of sort of
21 education and information sharing and
22 awareness building amongst treatment
23 providers to be comfortable screening for a
24 gambling problem in either the mental health

1 setting or in a substance abuse setting.

2 COMMISSIONER ZUNIGA: Or if I take
3 that, you know, that point or both, right?

4 DR. VOLBERG: Or both, yes.

5 COMMISSIONER ZUNIGA: If they're
6 showing up in both at-risk and problem
7 gambling.

8 MR. VANDER LINDEN: To me, it
9 really speaks to kind of where are problem
10 at-risk and problem gamblers going, and it's
11 pointing to behavioral addictions and mental
12 health problems, that those are areas that we
13 need to pay attention to, to provide the
14 training and resources to equip them to
15 better understand issues around gambling
16 disorders. People typically seek treatment
17 for whatever is on fire, and if it's not on
18 fire, it falls to the back burner. And so
19 it's -- these are complex conditions that
20 sometimes, even with a simple problem
21 gambling screen that is there, aren't teased
22 out for quite some time. And it's usually a
23 pretty skilled clinician to really get a full
24 understanding of the complexity of the

1 condition that somebody's presenting with.

2 CHAIRMAN CROSBY: But these data
3 are self-reported. This doesn't come from --

4 DR. VOLBERG: Yeah.

5 CHAIRMAN CROSBY: -- treatment
6 people.

7 DR. VOLBERG: Yeah.

8 CHAIRMAN CROSBY: And I think
9 Commissioner Zuniga's insight is really
10 interesting and goes all the way back to why
11 the secretary of health and human services,
12 not the Commission or the Department of
13 Public Health is a key player in the Public
14 Health Trust Fund, and it is something, as
15 we've already talked about this, I think, you
16 know, that this really re-raises that issue
17 of making sure that there's cross-agency
18 involvement in these issues and it's not --
19 because there's -- I think there's a sort of
20 a conventional wisdom that drug and alcohol
21 abuse correlate probably more with problem
22 gambling than behavioral or mental health
23 issues. And it's really drug and alcohol
24 abuse is the comorbidity that you would tend

1 to anticipate and deal with, and for what
2 it's worth, your data suggests that is not
3 the most severe comorbidity. So that's
4 something that we've got to make sure. Are
5 you presenting to our Public Health Trust
6 Fund executive committee? No.

7 MR. VANDER LINDEN: Not --

8 DR. VOLBERG: I believe I'm on
9 travel the next time they meet.

10 CHAIRMAN CROSBY: Is this report on
11 our agenda?

12 MR. VANDER LINDEN: It's going to
13 be an update. I'm bringing it to them, but
14 it's not -- we don't have specific time set
15 aside --

16 CHAIRMAN CROSBY: Okay.

17 MR. VANDER LINDEN: -- to dive as
18 deep as what we're doing right now.

19 CHAIRMAN CROSBY: Okay. Well,
20 we'll send it to them and talk about it, but
21 it's -- your insight is really good. The
22 whole idea of this is to guide policymakers
23 in dealing with whatever the issues are that
24 arise out of casinos. And this is beginning

1 to do that, beginning to shed light on where
2 we should put our attentions which is really
3 interesting.

4 COMMISSIONER CAMERON: Good.

5 DR. VOLBERG: Okay. Finally, these
6 are the gambling related predictors, and as
7 you can see, we've shaded the most powerful
8 predictor in each of the models. Wait. The
9 strongest predictor -- the strongest
10 individual predictor in each of the analyses,
11 you can see that family and friends, either
12 fewer family and friends gambling or more
13 family and friends gambling is an independent
14 predictor of each of the gambling groups.
15 It's the strongest in the case of the
16 non-gamblers and higher gambling involvement.
17 It's the second strongest in the case of
18 at-risk gamblers and problem and pathological
19 gamblers. In the case of at-risk gamblers,
20 having gambled at a casino in the past year
21 is the strongest predictor, and in the case
22 of the problem and pathological gamblers,
23 having played daily lottery games is the
24 strongest predictor.

1 MR. VANDER LINDEN: To me, further
2 support for GameSense strategies where we
3 specifically we have tailored strategies
4 towards at-risk gamblers, including Play My
5 Way, but certainly many more that is
6 something for us to pay attention to.

7 DR. VOLBERG: Yeah. And you can
8 see that the casino gambling was a
9 significant predictor in the case of problem
10 and pathological gamblers. It just wasn't
11 the strongest predictor.

12 Okay. So here's our takeaways.

13 CHAIRMAN CROSBY: Here we go.

14 DR. VOLBERG: The lack of marked
15 differences in the mental -- in the health
16 and mental health status of non-gamblers
17 versus recreational gamblers suggests to us
18 that efforts to prevent harm from gambling
19 should probably not be directed at gambling
20 in general but more specifically to excessive
21 levels of gambling or at-risk gambling.

22 The portion of friends and family
23 that are regular gamblers was, as I noted,
24 the strongest overall predictor of

1 non-gambling and level of gambling
2 participation and the second strongest
3 predict or of at-risk gambling and problem
4 and pathological gambling. The power of this
5 specific predictor makes it clear that, first
6 of all, gamblers need to be aware of the
7 normalizing effect that their social group
8 has on their own gambling behavior. Second,
9 friends and family of regular gamblers need
10 to be aware of the facilitative role that
11 they have on that person's gambling. And
12 finally, all gamblers need to be aware that
13 problem gambling and presumably heavy
14 gambling actually has a substantial genetic
15 component. This is based on other research,
16 not this particular survey. And if they have
17 a positive family history of problem
18 gambling, they need to be particularly
19 vigilant to the risks of excessive gambling
20 engagement.

21 In terms of demographic groups,
22 there are some demographic groups that have
23 the -- that appear to be particularly
24 vulnerable and merit special attention. This

1 include men, those with lower education,
2 immigrants, African Americans, people who use
3 tobacco, binge drink, and have poorer general
4 health also merit special attention. There
5 also appear to be some particularly risky
6 forms of gambling that Massachusetts adults
7 engage in. These include continuous forms of
8 gambling such as casino gambling, instant
9 lottery games, and daily lottery games or
10 those with greater convenience and
11 availability such as online gambling. And I
12 just want to finish by noting that the
13 predictors identified here are correlational
14 rather than causal. So they correlate with
15 each other because we collected them, all of
16 the variables, at the same time in a single
17 survey.

18 We're going to obtain information
19 about causal predictors; that is, what
20 variables precede the development of an
21 at-risk status or problem gambling status at
22 time to from MAGIC rather than from SEIGMA,
23 but the present information gives is very
24 helpful to us in identifying variables that

1 we're going to pay particular attention to in
2 analyzing the data from the cohort study.

3 And then finally, I believe the
4 information we've presented here is going to
5 be of great use to the development of
6 services -- of problem gambling services in
7 Massachusetts with intervention and treatment
8 potentially focusing on individuals already
9 experiencing substance abuse and other mental
10 health problems and screening for problem
11 gambling in drug and alcohol treatment
12 settings particularly needed.

13 CHAIRMAN CROSBY: Why did you
14 mention those? We just got through saying
15 that drug and alcohol seem to be less of a
16 predictor than behavioral problems and other
17 mental health problems, but you highlighted
18 drug and alcohol.

19 DR. VOLBERG: I probably misspoke
20 then. I probably needed to say mental
21 health. Mental health settings as well.

22 CHAIRMAN CROSBY: Okay. So that
23 sentence isn't in the report?

24 DR. VOLBERG: No. That was me

1 writing my comments last night.

2 CHAIRMAN CROSBY: Okay. All right.
3 Because it's important. I mean, all of them
4 matter, obviously, but the very point we were
5 talking about is to make sure that our social
6 service agencies incorporate this data and
7 that it affects their participation in this,
8 and if we inadvertently are reinforcing a
9 conventional wisdom which maybe is wrong, we
10 don't want to be doing that. So I want to
11 make sure that the report says what the data
12 seems to say rather than what you just now
13 said.

14 DR. VOLBERG: Okay. We'll go back
15 and check the report again.

16 CHAIRMAN CROSBY: Okay. Other
17 questions, comments?

18 COMMISSIONER STEBBINS: Well, I
19 appreciate the report. You know, I do just
20 raise some flag of caution, especially in the
21 third bullet about certain demographic groups
22 merit special attention. You know, we are
23 opening two casinos in towns or cities that
24 have very diverse population base. I think

1 both Springfield and Everett have around
2 18 percent of their population are black or
3 African American. So it's a considerable
4 warning flag to go up, but hopefully helps
5 those who use this data to think about
6 strategies and programs for intervening with
7 those individuals.

8 CHAIRMAN CROSBY: Go back to that
9 last slide.

10 COMMISSIONER ZUNIGA: Well, we
11 actually do use a lot of that and have in
12 GameSense, I think, you know, a very
13 promising mitigating effort as well as, you
14 know, Play My Way, which we're still testing,
15 that directly, in my mind anyway, addresses
16 at-risk gambling. But that's a point well
17 taken.

18 CHAIRMAN CROSBY: Could you put up
19 the last slide, Rachel.

20 DR. VOLBERG: This one?

21 CHAIRMAN CROSBY: Yeah.

22 DR. VOLBERG: Oh, okay.

23 CHAIRMAN CROSBY: I just wanted to
24 point this out. You sort of anticipated what

1 I was going to ask. The last bullet point
2 says certain forms of gambling. We know
3 you're referring to daily lottery and casino
4 gambling, also merit attention as they pose
5 an elevated risk. That suggests causality
6 rather than --

7 COMMISSIONER ZUNIGA: Correlation.

8 CHAIRMAN CROSBY: Correlation,
9 right. Just the choice of the words. And I
10 was about to say, that's suggesting that
11 those are the riskier games. And I think
12 you're saying we're not drawing that
13 conclusion. We're saying there is a
14 relationship between where people who have
15 problems go, which games they play. You're
16 not necessarily saying that those games are
17 riskier for people.

18 DR. VOLBERG: I think that's right
19 in the current case. There is quite a lot of
20 research suggesting that some forms of
21 gambling are more risky than others. And the
22 ones that I identified in my remarks, the
23 casino gambling, the instant lottery games,
24 and the daily lottery game, which actually is

1 primarily the monitor game. So even though
2 it's called a daily lottery game, most people
3 are playing the monitor games, which are a
4 new game every five minutes.

5 COMMISSIONER ZUNIGA: It's the keno
6 game?

7 DR. VOLBERG: The keno game. And
8 those types of gambling are characterized by
9 what's called rapid cycling. So they're
10 continuous in the sense that an individual
11 can make a bet and have a decision very, very
12 quickly about the result of their bet and
13 then be able to make a bet, make another
14 wager, very quickly again. So they have a
15 very rapid cycling of the wagering structure.
16 And we know from many, many other
17 jurisdictions and quite a few studies that
18 have looked at causality in large
19 populations, not in the United States but
20 elsewhere, that those continuous forms of
21 gambling are particularly risky for people.

22 CHAIRMAN CROSBY: Right. I
23 understand that, but that's not what this
24 study is about and that's not what this study

1 says. You know, you're bringing in --

2 DR. VOLBERG: Right.

3 CHAIRMAN CROSBY: -- other data,
4 and you know, so that bullet point ought to
5 reflect this study, you know.

6 DR. VOLBERG: Okay.

7 CHAIRMAN CROSBY: Not your
8 exogenous experience.

9 DR. VOLBERG: Okay.

10 CHAIRMAN CROSBY: I mean, it's a
11 minor point, but it just makes an implication
12 which is not the point we're trying to make
13 yet, and I don't want us to be making it
14 until we're ready to make it.

15 DR. VOLBERG: Okay.

16 MR. WILLIAMS: Yeah. That point's
17 well taken, Steve. I think you're right.
18 The other thing relevant to this is the
19 online panel report. So if you remember, we
20 asked all the problem gamblers if there was a
21 particular form of gambling that they
22 actually attributed as causing more harm than
23 others. And there were two takeaways from
24 that. One is that the large majority of

1 problem gamblers didn't identify any
2 particular type; however, of those that did,
3 they continuously identified instant lottery
4 as being more problematic. So that point is
5 for inferential. It's partly based on online
6 panel stuff and stuff from other
7 jurisdictions. But you're right that this
8 particular analysis is derived from the
9 baseline general population survey, and the
10 sample size for the self-reports of harm were
11 too low to really derive any reliable
12 estimates. So this set bullet point was
13 largely inferential.

14 CHAIRMAN CROSBY: Right. Okay.
15 Good. Any other questions, thoughts?

16 COMMISSIONER CAMERON: No.

17 CHAIRMAN CROSBY: This is great
18 stuff.

19 COMMISSIONER ZUNIGA: Very good.

20 CHAIRMAN CROSBY: We're slowly
21 beginning to produce what we want, which is
22 direction for us, and it's really data driven
23 direction for how we move forward, and it is
24 great.

1 MR. VANDER LINDEN: Right. And
2 again, it's a baseline, and so when we come
3 back out, we can -- in the field after
4 casinos are open, we can see does this
5 maintain or do we see differences that are
6 emerge that we need to pay attention to as
7 well.

8 CHAIRMAN CROSBY: Right. Great.

9 MR. VANDER LINDEN: Thank you.

10 COMMISSIONER CAMERON: Thank you.

11 COMMISSIONER ZUNIGA: Thank you.

12 CHAIRMAN CROSBY: Mark, do you have
13 the slides and the report in a separate PDF
14 somewhere?

15 MR. VANDER LINDEN: I have them,
16 yes.

17 CHAIRMAN CROSBY: Could you just
18 forward them to my e-mail in one e-mail?

19 MR. VANDER LINDEN: Yes.

20 CHAIRMAN CROSBY: Okay. I want to
21 send them off to the Public Health Trust Fund
22 Executive Committee with a cover note.

23 MR. VANDER LINDEN: Okay.

24 CHAIRMAN CROSBY: Okay. Thanks.

1 Yeah. Let's take a quick break, and we
2 will -- No. You've got some other items.

3 MR. VANDER LINDEN: I have some.

4 CHAIRMAN CROSBY: Let's finish up
5 your item, sorry. So maybe --

6 COMMISSIONER CAMERON: No, we
7 have --

8 MR. BEDROSIAN: I think if we could
9 at least get the next one out of the way,
10 Mr. Chairman, then you could debate whether
11 you want to take a short break or a longer
12 break, but we have some folks who probably
13 need to travel after the next one.

14 CHAIRMAN CROSBY: Yeah. And we
15 can -- Rob, are you finished?

16 MR. WILLIAMS: Yeah. I'm all done.

17 CHAIRMAN CROSBY: All right. Thank
18 you very much. Appreciate your checking in.

19 COMMISSIONER CAMERON: Thank you.

20 MR. WILLIAMS: Yeah. Not a
21 problem.

22 CHAIRMAN CROSBY: See you.

23 MR. VANDER LINDEN: Bye, Rob.

24 CHAIRMAN CROSBY: Okay. We're

1 going to take a very short break while Mike
2 does some stuff.

3 (Break taken.)

4 CHAIRMAN CROSBY: I guess we're
5 back to Director Vander Linden.

6 MR. VANDER LINDEN: All right.

7 Yes. I'm back. So next on the agenda is a
8 discussion of responsible gaming planning for
9 our Category 1 facilities. The only context
10 I could put is that there's a heck of a lot
11 going on in terms of the construction of
12 these two facilities that is incredibly
13 impressive. So our discussion of their
14 responsible gaming planning is something that
15 we want to make sure, as a Commission,
16 remains a priority.

17 So there's a few specific questions
18 that I wanted to ask. And before I go any
19 further, I want to make sure that I introduce
20 our guests. To my right is Mike Mathis,
21 president of MGM Springfield. Bob DeSalvio,
22 president of Wynn Boston Harbor and Jacqui
23 Krum, senior vice president and general
24 counsel of Wynn Boston Harbor. I've also

1 been working very closely with Director
2 Glennon on this specific topic as well.

3 So the two issues that we want to
4 bring before you, one is the planning
5 preparation and possibly development of
6 responsible gaming platform or play
7 management platform at our Category 1
8 casinos. A little bit of context for that.
9 As you know, Play My Way, which is the play
10 management tool that is in place at
11 Plainridge Park Casino is a test -- has been
12 implemented on a test basis. It's largely
13 the results of our evaluation that's being
14 conducted by Harvard Medical School Cambridge
15 Health Alliance that will determine whether
16 or not that is an advantage to our Category 1
17 casinos most likely in the form of a
18 regulation. Because we do not have the
19 preliminary findings from that evaluation, we
20 still wanted to make sure that it remains an
21 issue that should there be need for planning,
22 that it's being considered by our Category 1
23 licensees. So I'll ask each of them to
24 address that.

1 Second is a review of the
2 responsible gaming space at the casino, the
3 GameSense information center. As you know,
4 within statute, there is a requirement that
5 our licensees provide space for this specific
6 type of service, and so we want to get an
7 update about where that space is in proximity
8 to the gaming floor. It's not only an
9 important piece that's outlined in the
10 statute, but it's also an important function
11 that's key within our responsible gaming
12 framework in providing informed player
13 choice. So with that, why don't I first turn
14 it over to Mr. Mathis. Thank you.

15 MR. MATHIS: Thank you, Mark. Good
16 afternoon, Commissioners.

17 COMMISSIONER STEBBINS: Good
18 afternoon.

19 COMMISSIONER CAMERON: Good
20 afternoon.

21 CHAIRMAN CROSBY: Good afternoon.

22 MR. MATHIS: Since the drawing is
23 up on the screen, maybe I'll take this in
24 reverse order and talk to the location of the

1 PGO office, problem gaming office, in the
2 context of this plan, and then we've got some
3 further detail as well, but this is meant to
4 give you some context.

5 So you're looking at the ground
6 floor of the MGM Springfield, and the space
7 in question is what is the M life desk.
8 Unfortunately, the red laser doesn't show up
9 on the screen. So I'll just orient you
10 towards the garage, which is the large gray
11 structure at the bottom. If you go all the
12 way to the left of that gray structure, and
13 then move immediately above it, you'll see a
14 dark blue and a desk next to it designated as
15 M life. So I don't know if -- it's basically
16 center -- left center of the screen, so.

17 CHAIRMAN CROSBY: So the dark blue
18 is M life?

19 MR. MATHIS: No. The dark blue is
20 our bathrooms. I was just --

21 CHAIRMAN CROSBY: Oh.

22 MR. MATHIS: That's immediately
23 next to it is the M life desk.

24 CHAIRMAN CROSBY: Oh, okay.

1 COMMISSIONER ZUNIGA: That one
2 there.

3 CHAIRMAN CROSBY: That's it. Okay.

4 COMMISSIONER CAMERON: Toward the
5 bottom.

6 CHAIRMAN CROSBY: Yeah, I see.

7 COMMISSIONER CAMERON: This is the
8 bathrooms.

9 MR. MATHIS: No. It goes green,
10 blue, purple.

11 COMMISSIONER CAMERON: Got it.

12 CHAIRMAN CROSBY: Purple, yeah.

13 MR. MATHIS: Green, blue, purple.

14 CHAIRMAN CROSBY: Yeah.

15 MR. MATHIS: You see that sequence?

16 CHAIRMAN CROSBY: Yeah.

17 COMMISSIONER CAMERON: Yeah.

18 MR. MATHIS: So the purple is what
19 we've designated previously as the M life
20 desk.

21 CHAIRMAN CROSBY: Right. Okay.

22 MR. MATHIS: Below it is yellow
23 which is coat check.

24 CHAIRMAN CROSBY: Right.

1 MR. MATHIS: Okay. So this was a
2 lesson learned in terms of when this issue
3 popped up. But as you recall, Mr. Chairman,
4 you came and visited the site, and we pointed
5 it out to the top left of the plan where we
6 originally thought our problem gaming office
7 should go, and your comment at the time was
8 given where the self-park garage is and our
9 traffic flow, you wanted to have a
10 conversation about whether the PGO office
11 would be better located bottom right of the
12 casino --

13 CHAIRMAN CROSBY: Right.

14 MR. MATHIS: -- near that entrance.
15 So we went back and looked at that, thought
16 that was a fair comment, and happy to say
17 that we were able to accommodate that.

18 So what we've done is a combination
19 of factors. What we've done is given the
20 experience we had at National Harbor, we
21 believe our M life desk can be shrunken. And
22 partly because of the M life desk is our
23 customer loyalty, customer service card
24 center, and what we've done at National

1 Harbor -- And Bob DeSalvio has come down and
2 seen some of this, so I don't think I'm
3 giving away trade secrets -- we've been
4 really successful with a self-serve kiosk
5 program for the issuance of cards. You know,
6 the way we like to analogize it to is sort of
7 like the southwest desk where it's less about
8 the manned stations, staffed stations, and is
9 more about those folks helping you self-serve
10 at the kiosk. And that's what customer
11 loyalty we think is going to in terms of
12 technology in the future.

13 So if I can. Understanding where
14 you're about to see a close-up of is the M
15 life desk in just a moment. So sort of from
16 left to right is what, absent the stairs, is
17 what used to be the M life desk, and we've
18 been able to grab some real estate there to
19 shrink what is now the M life desk and to
20 provide kiosks towards the top of the plan,
21 ATM machines as well. And then to the right
22 and to the -- and below the kiosk ATM
23 sections are what is now the PGO office.
24 And --

1 CHAIRMAN CROSBY: By PGO, it's
2 GameSense?

3 MR. MATHIS: Problem gaming office,
4 GameSense, that's rights. And below it is
5 what we've talked to your staff about is the
6 Gaming Commission offices. So nicely
7 situated. One of the things I point out
8 about the GameSense office, which is to the
9 center right of the plan to the left of the
10 stairs is that we've oriented it so that the
11 front entrance to the GameSense office is
12 facing the casino floor, which is one of the
13 comments you made to us, Chairman, on one of
14 our earlier reviews.

15 CHAIRMAN CROSBY: That's where it
16 says reception.

17 MR. MATHIS: That's right.

18 CHAIRMAN CROSBY: Yeah, okay.

19 MR. MATHIS: And then you've got
20 the support services behind it. So it's in
21 the heaviest trafficked location on the floor
22 and has the best ability to interact with our
23 customers.

24 CHAIRMAN CROSBY: You --

1 MR. MATHIS: I can answer any other
2 questions.

3 CHAIRMAN CROSBY: Yeah.

4 MR. MATHIS: We think it's a nice
5 solution and addresses your very --

6 CHAIRMAN CROSBY: Certainly
7 location wise, it certainly does, and you
8 know, the devil might be in the details of
9 the space arrangement. I know we've been
10 thinking about this a lot, but have you gone
11 over this, Mark, from that standpoint and
12 Marlene, and you know, the GameSense folks?

13 MR. VANDER LINDEN: Right. This
14 is -- it's a fantastic location, and I very
15 much appreciate MGM going back and taking a
16 second look at that and accommodating that
17 request given where -- how the traffic flows
18 in and out of the facility. So thank you
19 very much.

20 You know, in terms of the exact
21 configuration of this space, the responsible
22 gaming framework basically states that
23 they -- what was -- as its defined in that
24 framework as the responsible gaming

1 information center that we're calling
2 GameSense, it's close proximity to the floor.
3 So it has high visibility and high traffic
4 and a private location where you can have
5 sensitive conversations, including
6 enrolling -- helping people enroll into the
7 voluntary self-exclusion program. This space
8 certainly, certainly does that.

9 You know, in terms of the
10 proportion of the space that is the reception
11 area versus the office, if there is a way to
12 take a look at that, I made -- would perhaps
13 make a recommendation that the reception area
14 would be slightly larger, the office space
15 slightly smaller, but -- And even that, I
16 need to kind of really get a good sense of
17 the specs in terms of how large each of those
18 areas are. Really glad to have the extra
19 storage space, too.

20 The GameSense information center at
21 Plainridge Park Casino also an ideal
22 location, but one of the very challenges that
23 we run into is making sure that we have
24 enough storage space for different materials

1 that we have for that program.

2 CHAIRMAN CROSBY: So this is
3 about -- the space that's allocated is about
4 360 square feet. Does that square with what
5 your thinking, Mark, is?

6 MR. VANDER LINDEN: Yeah. It's
7 larger than what we have at Plainridge Park
8 Casino.

9 CHAIRMAN CROSBY: Which we need,
10 right.

11 MR. VANDER LINDEN: Which I think
12 it's right around 200 square feet, at best,
13 so.

14 CHAIRMAN CROSBY: Okay.

15 MR. MATHIS: Mr. Chairman, if I can
16 just clarify. I did some rough math, and I
17 think it's basically a 300-square foot space.
18 It's 12-by-24 based on sort of the sketches
19 that our architects have put together.

20 CHAIRMAN CROSBY:
21 24-by-15-and-a-half is what I'm seeing here.

22 COMMISSIONER ZUNIGA: Yeah, 372.

23 MR. MATHIS: You are correct. That
24 means the six foot is probably not drawn to

1 scale. No, you're right. So that's -- then
2 you got the right number. I was doubling the
3 six feet based on the entrance, but.

4 COMMISSIONER CAMERON: 372.

5 MR. MATHIS: No, you're -- good
6 math. You're right.

7 CHAIRMAN CROSBY: Okay.

8 COMMISSIONER CAMERON: Good job.

9 CHAIRMAN CROSBY: Okay. Great.

10 MR. MATHIS: And then the other
11 comment is, you know, for our purposes to
12 advance design, what I've asked for, whether
13 it's through this hearing or at some other
14 way, is confirmation that the location is
15 good, that the general geometry of it is
16 good, and then what you do with the interior
17 walls, I think we can be very accommodating.

18 CHAIRMAN CROSBY: Right.

19 MR. MATHIS: But that's the
20 direction we need given our stage of design
21 construction.

22 CHAIRMAN CROSBY: Well, from my
23 perspective, this is totally responsive to
24 the issues that were raised, so I'm totally

1 cool with it. As long as you are then and
2 Marlene is. Okay. She's nodding her head.

3 COMMISSIONER CAMERON: Yeah.

4 CHAIRMAN CROSBY: Great.

5 COMMISSIONER CAMERON: Great.

6 COMMISSIONER ZUNIGA: What about
7 the office, the MGC office, the square
8 footage? Have we looked at that?

9 MR. BAND: That is the
10 fingerprinting room.

11 COMMISSIONER ZUNIGA: Okay. So
12 this is not the total amount of space that
13 you'll have. You'll need a lot more?

14 MR. BEDROSIAN: No. We have a
15 floor.

16 COMMISSIONER ZUNIGA: For gaming
17 agents. Okay.

18 CHAIRMAN CROSBY: But has this
19 space been looked at by somebody, Ed?

20 MR. BEDROSIAN: Yes. Yes.

21 MR. BAND: Yes.

22 CHAIRMAN CROSBY: So that -- space
23 for whatever is in that area is what you
24 want.

1 MR. BAND: Yes.

2 CHAIRMAN CROSBY: Okay. Great.
3 That's terrific.

4 COMMISSIONER ZUNIGA: Yeah, this is
5 great.

6 COMMISSIONER CAMERON: Yeah.

7 COMMISSIONER ZUNIGA: Thank you,
8 Michael.

9 COMMISSIONER CAMERON: Great.
10 Thank you.

11 MR. MATHIS: Thank you.

12 CHAIRMAN CROSBY: Are you going to
13 go on to the --

14 MR. MATHIS: Yeah, however you want
15 to handle it. You want to handle all of MGM?

16 MR. VANDER LINDEN: Why don't we do
17 all of MGM, and then move down the line.

18 MR. MATHIS: Sure. So I've had the
19 benefit of talking to Bob about, you know,
20 Wynn's perspective on Play My Way. So I
21 think you're going to hear similar comments,
22 but I'll preview them in terms of MGM's view
23 of it.

24 One of -- As I understood some of

1 the background in terms of criticality of
2 timing was to make sure that from MGM's
3 design construction schedule, we weren't at a
4 point in our process where a decision down
5 the road can be implemented, understanding
6 you still have some study materials coming
7 back, a report coming back your way and a
8 further discussion. So what I think I can
9 confirm for you is we have talked internally
10 with our folks, and terms of a play
11 management system on our slot machines,
12 that's an issue of software and not an issue
13 of hardware or infrastructure. So there is
14 no point of --

15 CHAIRMAN CROSBY: Okay.

16 MR. MATHIS: -- no return on our
17 critical path. That said, I think we still
18 want to understand it regardless of what the
19 -- sort of putting aside what the
20 Commission's view on it is. We have our own
21 internal view on responsible gaming. As you
22 know, we've implemented a corporate-wide
23 GameSense program thanks to the introduction
24 here in Massachusetts. We're implementing

1 that corporate wide. An extension of that
2 would be something -- a play management
3 system on our machines, but, you know, some
4 of that technology is new. We want to
5 understand the results at Plainridge. And
6 one of the unique compatibility issues we
7 have and I think Wynn has as well is, you
8 know, we're going to be -- at this point we
9 believe we'll be an IGT floor in terms of our
10 platform, and the Play My Way at Plainridge
11 is based on the side games, Bally --

12 CHAIRMAN CROSBY: Report.

13 MR. MATHIS: -- sort of system. So
14 there's some compatibility issues that we're
15 trying to understand. We're looking to IGT
16 to see their version of the system which they
17 have, and it's different than the side game
18 Play My Way. So we're talking to IGT about
19 their platform and sort of a gap analysis on
20 the different functions, different options.

21 So some internal due diligence on
22 our end, but we would have the ability to
23 implement it down the road if we all got
24 comfortable, the Commission and us

1 internally, on implementing that system.

2 COMMISSIONER ZUNIGA: So is it fair
3 to say, then, that from a construction
4 standpoint, there's -- you know, you proceed
5 as you currently started. We do the same
6 from an evaluation standpoint, and if timing
7 works out, that would be great, but if it
8 doesn't, we could -- and we decide to
9 implement and recommend Play My Way, we could
10 always go do what effectively we did in
11 Plainridge, which is to get the floor first
12 live, and however it is, then test the
13 solution, however with it for Play My Way,
14 and then deploy it after the fact. Is that a
15 fair statement, Mark and Michael?

16 MR. VANDER LINDEN: Yeah. You
17 know, in terms -- do you offer this type of
18 responsible gaming tool upon opening or is it
19 adequate to wait until after the opening and
20 we have enough information that would -- it
21 would -- that we would proceed with it.
22 Really, I think that the way that it rolled
23 out at Plainridge Park Casino where it was a
24 year or almost a year post opening worked out

1 very, very well. The unique situation there
2 is that we were just launching GameSense and
3 training and orienting a whole team of
4 GameSense advisors. And so adding Play My
5 Way onto their plate at that time would have
6 been really difficult.

7 We have more seasoned GameSense
8 advisors that transition once MGM opens up
9 and we launch the program there. They're
10 going to be more seasoned. We've learned an
11 enormous amount, and so technically would
12 probably work out just fine that we would --
13 we could add that to the plate upon opening,
14 but perhaps it would also -- we could also
15 find ourselves in the situation where we want
16 to get them oriented to the new site.

17 I guess I'm not being very clear,
18 but my point is there's pros and cons either
19 way. We want to make sure that Play My Way,
20 the play management tool, is the right
21 decision that we're moving forward with this,
22 and the Commission needs to be comfortable
23 with the information evaluation that we
24 receive in order to flip the switch on that

1 with our Category 1 casinos. That's what's
2 really -- to me, that's what's driving it and
3 that's when the clock starts ticking there.

4 COMMISSIONER ZUNIGA: Yeah. To me,
5 too. And I think I may be speaking for
6 everybody here. That was the assumption when
7 we proceeded, and we don't want to under mind
8 the efforts of the evaluation in any way, and
9 we want to see how it all turns out. There's
10 all indication that it's been working just
11 fine, by the way. But we have professionals
12 who are helping us evaluate it, and then at
13 that point we can then go ahead and figure
14 out the implementation roadmap.

15 CHAIRMAN CROSBY: Yeah. And just
16 to reinforce that, there are three things
17 going along in parallel. One is our policy
18 decision about whether indeed we do want to
19 launch Play My Way in these other two
20 facilities, and if we had to sit -- make a
21 decision now, we would say yes for planning
22 purposes, but we're going to make a final
23 decision when we get the data.

24 Secondly, is assuming we do go

1 forward, will we have the software in place
2 to do it, and it's going to take some work to
3 make sure that whatever system is, is
4 written, debugged, ready to go, et cetera.
5 And also the personnel with it, the personnel
6 the launch of Play My Way is a big, big deal
7 logistically, as we recall. And the final
8 decision is if we're going to authorize it
9 and if we can get the software ready in time
10 and the people ready in time, when do we
11 actually want to launch it? Is it better to
12 launch it at the opening of the casino or is
13 it better to wait, and if so, how long?

14 So these are a lot that I'm looking
15 that you have really big project management
16 critical variables where we, you know, have
17 not been perfect in all of our project
18 management launches, for understandable
19 reasons, but this needs to be up on
20 somebody's Gantt chart somewhere and make
21 sure we're really doing the thinking back,
22 you know, early on to make sure that we have
23 options available to ourselves, don't let
24 circumstances push us into suboptimal

1 options. And the conversation about when we
2 launch is very much one we'll want to share
3 with you. We may or may not have the same
4 ideas, but we certainly want to get -- we
5 want to just brainstorm with you what are the
6 pros and cons of launching at various
7 different times. But it's a Joan type of --

8 MR. MATHIS: Yeah, it --

9 COMMISSIONER ZUNIGA: Yeah. But --

10 MR. MATHIS: Go ahead. I'm sorry.

11 COMMISSIONER ZUNIGA: But we just
12 agreed the driver here is the evaluation.

13 CHAIRMAN CROSBY: Right.

14 COMMISSIONER ZUNIGA: So whatever
15 duration we have --

16 CHAIRMAN CROSBY: The first
17 probably.

18 COMMISSIONER ZUNIGA: The first
19 driver, right. We eventually get, you know,
20 other things, and there's a milestone over
21 there in 2018 about opening, but we cannot
22 let -- you know, we have to work through
23 what's currently driving that schedule on
24 that and that's the evaluation piece.

1 MR. MATHIS: Right.

2 MR. BEDROSIAN: Yeah. No. I think
3 that's exactly right. We will keep it up
4 there. Obviously, this is in terms of
5 opening the next facilities, MGM, there's a
6 lot of other priorities. This will be one of
7 them. I'll just say and this is anecdotally,
8 this is why we're going to depend upon a data
9 driven analysis. There are so many unknown
10 variables, even in our launch with PPC, that
11 I don't think anyone anticipated. At least
12 anecdotally, I get concerned that in a
13 non-opening environment, whether we could
14 identify all the variables that might go into
15 this. But, again, a lot of factors, a lot of
16 variables we need to consider.

17 CHAIRMAN CROSBY: Right.

18 MR. BEDROSIAN: And the data driven
19 decision by the Commission is probably the
20 biggest one.

21 COMMISSIONER ZUNIGA: For the next
22 one, anyway.

23 CHAIRMAN CROSBY: And a timeline to
24 know when we have to make all the other ones.

1 MR. BEDROSIAN: Right.

2 CHAIRMAN CROSBY: Okay.

3 MR. MATHIS: Mr. Chairman, if I can
4 just before we hand it over to the Wynn
5 folks. I think we're all aligned around
6 responsible gaming and the great policy
7 around that. So a couple of factors just for
8 you to think about as we all collectively
9 look at the data that comes back. You know,
10 in our experience, very risky to launch new
11 software in a live gaming environment,
12 especially given the kinds of loads and
13 volumes that you'll have. So even if we get
14 comfortable with what occurred at Plainridge
15 under X set of circumstances, if we're, you
16 know, double or triple the number of
17 machines, you know, that's a completely
18 different --

19 CHAIRMAN CROSBY: Yeah.

20 MR. MATHIS: That's a completely
21 different animal. So haven't made a decision
22 on our end about that, but that, to me, goes
23 into some of the timing issue.

24 CHAIRMAN CROSBY: Right.

1 MR. MATHIS: You know, secondarily,
2 it probably goes without saying, we would
3 prefer to voluntarily implement a program like
4 that versus being compelled to because
5 there's a number of factors such as that one
6 and others that we can share with you, but --

7 CHAIRMAN CROSBY: Right.

8 MR. MATHIS: -- I just don't want I
9 want to reserve that discussion that in some
10 ways, especially when it comes to technology
11 and the performance of those opinion
12 machines, that that's a very -- there's a
13 balance there, and I think, you know, given
14 our investment, we should have a pretty
15 strong voice in that discussion.

16 CHAIRMAN CROSBY: Yeah. I
17 completely agree with that and that's why I
18 was saying we need to have you guys at the
19 table, but -- So we're in the same place on
20 this.

21 MR. MATHIS: Yeah.

22 COMMISSIONER ZUNIGA: And
23 hopefully, the evaluation will facilitate
24 that, you know, in an objective way, so.

1 CHAIRMAN CROSBY: But he's saying
2 even if we do -- even assuming the evaluation
3 is positive.

4 COMMISSIONER ZUNIGA: Yes.

5 CHAIRMAN CROSBY: There's a lot of
6 issues about when and how we do this.

7 COMMISSIONER ZUNIGA: Right.
8 Absolutely.

9 MR. VANDER LINDEN: Can I just add
10 one -- some experience from working with
11 Plainridge Park Casino on the development of
12 this. And there's certain our own ability to
13 kind of have the capacity to work through the
14 development process, but the workflow that
15 Plainridge Park Casino had in doing that was
16 also was significant. Their staff were key
17 partners.

18 CHAIRMAN CROSBY: Right.

19 MR. VANDER LINDEN: When Mike is
20 talking about a partnership in doing that,
21 Plainridge Park Casino was a key partner in
22 launching that and making sure that we were
23 collectively comfortable with introducing a
24 new technology onto the gaming floor.

1 So --

2 CHAIRMAN CROSBY: We have a PPC
3 head nodding back there.

4 MR. VANDER LINDEN: I'm sure. So
5 that partnership is important to me.

6 CHAIRMAN CROSBY: Great. Thank
7 you.

8 COMMISSIONER ZUNIGA: Thank you.

9 MR. MATHIS: Thank you.

10 MR. DESALVIO: Good afternoon,
11 Commissioners.

12 CHAIRMAN CROSBY: Good afternoon.

13 COMMISSIONER ZUNIGA: Good
14 afternoon.

15 COMMISSIONER STEBBINS: Good
16 afternoon.

17 COMMISSIONER CAMERON: Good
18 afternoon.

19 MR. DESALVIO: I want to first of
20 all introduce another team member who with
21 us. Greg Dauenhauer. Greg, can you raise
22 your hand. Right behind me. Greg is our
23 vice president, chief information officer,
24 and a critical person in this whole

1 discussion. And I want to first talk a
2 little bit about the technical side and then
3 a couple of personal thoughts that I'd like
4 to throw on the table about the upcoming
5 evaluation work.

6 So first of all, on the technical
7 side for Play My Way, Greg and I went to Las
8 Vegas recently, and I think it was
9 February 22nd, we meet with the senior folks
10 at IGT, including some of their technical
11 staff to make sure that we could
12 appropriately answer your extremely strategic
13 question, which is will any of this affect
14 hardware or -- and an even more importantly,
15 the wiring diagrams for these casino floors?
16 The great news is that, as you've heard
17 already, IGT does have a product. It would
18 most likely require modification, but in no
19 way, shape, or form does it affect hardware
20 or wiring. And certainly, the IGT folks are
21 very responsive to what the regulatory
22 regulators are interested in.

23 So for example, if you did move
24 forward, what it would require, and the good

1 news is you can get two for the price of one
2 on this. Mike and I can get together with
3 our teams and Greg --

4 CHAIRMAN CROSBY: The good news is
5 you can get two for the price of one.

6 MR. DESALVIO: Yeah. And so -- And
7 listen, for these companies to do this once
8 for two operators in the same jurisdiction is
9 a very big deal for them. And since most
10 likely -- I know we've already made the
11 decision we'll be on IGT Advantage. I know
12 you're either close or thinking about it.
13 But if we wind up just going the same way,
14 you know, and certainly, if this is in
15 partnership with the regulators, IGT will be
16 all over it. They'll get the work done. We
17 know there's work done on -- you know, we
18 know that it's complicated. We've all been
19 involved in some of these software issues.

20 So the good news is that that does
21 not appear to be on the critical path. And
22 then there's other decisions that could
23 inform whether or not Mike attempts to do it
24 at opening or not and that I'll leave for

1 another day. But I certainly respect and
2 would agree with the MGM position that
3 launching new software is never good on
4 opening day of any casino. That's something
5 that may be considered down the road.

6 I did want to talk for a minute,
7 though, about the evaluation portion. And
8 I'd like to offer two perspectives for the
9 Commission to think about it. Number one is
10 informed by my own personal experience about
11 working on a casino floor and some of what I
12 learned during that process as it relates to
13 issues surrounding problem gamblers, and the
14 other is much more theoretical and
15 hypothetical that I'm hoping that you,
16 through your research efforts, might be able
17 to get the answer to because I think it's
18 going to be very strategic in trying to
19 inform whether or not we move forward.

20 So from the -- I'll start with my
21 personal is that -- and I think I mentioned
22 this at a previous meeting, so I'm going to
23 go on the record and say it again. I don't
24 believe there is any software program known

1 to man today or in the future that could
2 possibly substitute for the great work that
3 our employees do on the casino floor to
4 potentially identify problem gamblers. And
5 I'm talking about beverage servers. I'm
6 talking about slot attendants. I'm talking
7 about slot shift managers dealers, casino
8 hosts, player development staff. You know,
9 when you think about it, and I can only speak
10 to my most recent job, which is prior to this
11 one, which is in Pennsylvania, and I know we
12 have the same requirement here. We trained
13 our team members every single year. Every
14 single year every single employee got trained
15 on a very simple method for how to
16 potentially spot somebody who might be having
17 a problem on the casino floor. And I will
18 tell you, because I got -- I was tasked a lot
19 of times with having direct interaction with
20 some of these folks, because some people find
21 it uncomfortable, and as problems occur,
22 unfortunately, what happens is that, you
23 know, you have to get to somebody who's
24 willing to talk to a customer and maybe make

1 that interaction, whether it's a pit boss,
2 whether it is a slot shift manager, whether
3 it is a credit person, or in some cases, the
4 president of the property that has to maybe
5 intercede and maybe suggest that somebody get
6 some help or pick up a hotline or call
7 somebody and try to suggest. Even though
8 we're not mental health professionals, our
9 goal is to try to get them to the appropriate
10 resource.

11 And so when you think about -- And
12 for -- you know, for those that have studied
13 anything about the problem gambling, there
14 are certain things that become fairly obvious
15 when you are able to see somebody in action
16 on a casino floor, and I've yet to see a
17 software program that can actually replicate
18 what you can see with your own two eyes and
19 with what you can hear and your interactions
20 with a customer. So I'm coming from a side
21 of being a little bit skeptical that there
22 are software solutions that have helped
23 recognize this. Wait a minute, can I --

24 COMMISSIONER CAMERON: Of course

1 you can.

2 MR. DESALVIO: I'm on a role, so
3 let me get this out, and then I'll take any
4 questions that you want.

5 The other side of this is
6 theoretical. And you know, Mark said
7 something very important just a few minutes
8 ago, and that was there was maybe some wisdom
9 and some luck combined or maybe circumstance
10 that allowed Plainridge to open without the
11 play management budgeting tool and then
12 implement it at a later date. And I'd like
13 to offer this back to the Commission. I know
14 you have the Cambridge Health Alliance, I
15 believe, is doing the evaluation. You have a
16 very unique one-time opportunity and that is
17 to -- And I'm not a researcher, but I've done
18 enough market research around gambling to
19 understand a little bit about this. But you
20 have a very interesting set of circumstances
21 where you could take an evaluation and look
22 at the players who have signed up for the
23 play management tool at Plainridge and take a
24 look at their -- maybe at their gaming

1 history. Again, unanimously, again,
2 protecting any privacy issues. But
3 certainly, you could look at their play
4 history pre them being on the budgeting tool
5 and post them being on the budgeting tool to
6 make sure that there's not the unintended
7 consequence of maybe somebody setting a
8 budget that is too high and then by accident
9 or through some incidental play, wind up
10 actually playing more than what they did
11 prior to having a budgeting tool. Now, I
12 have absolutely no facts to back up what I'm
13 saying, but certainly a researcher could look
14 at this and take information. And I want to
15 make sure that people are not getting too
16 aggressive in terms of setting a budget and
17 then playing up to it thinking that that is
18 maybe a protection model. And if we learn
19 that they actually play more after they've
20 turned on a budgeting tool, I think that
21 would give us a real reason to hit the pause
22 button on this and make sure that we don't
23 have the unintended consequences.

24 So this unique circumstance we have

1 at Plainville, I think, will afford the
2 Cambridge Health Alliance to work in tandem
3 maybe with Plainville to study this
4 information to make sure that we don't have a
5 situation where we actually make the problem
6 worse instead of better. And so I'd like to
7 throw that out there. And of course, you
8 know my story in terms of human contact I
9 think is never going to replace -- you can't
10 replace that.

11 COMMISSIONER CAMERON: Yeah.

12 Mr. DeSalvio, point well taken, especially
13 with making sure that looking at all of the
14 factors and the comparisons before or after
15 if that's possible. But I think your
16 characterization of this tool -- I mean,
17 you're using the term budgeting tool. It is
18 really not a predictor, and it's really aimed
19 at another tool for someone, a customer
20 experience. I know your company is very,
21 very -- it's very important to your company.
22 So if, you know, you're there with friends
23 and you're going to be there for three hours
24 and you want to spend X and the first half

1 hour you've spent, you know, half of that,
2 you may just want to say, okay, this is good.
3 It's reminding me, and I'm going to be here
4 for another two-and-a-half hours. Let me
5 take a break, go listen to a band, go get
6 something to eat. You know, it's just the
7 experience itself I think is what this tool
8 is about and maybe to keep -- help you stay
9 on track. I should have one when I go to the
10 mall, frankly. So I think to characterize
11 this as a predictor is really not something
12 we've ever done.

13 MR. DESALVIO: Okay.

14 COMMISSIONER ZUNIGA: I would
15 intimate that same point, and you made it
16 very well. I'll just say this, which I've
17 also just heard Mark talk about. Our
18 intention here is, you know, from the
19 framework about informed decision making,
20 just another tool, and when it comes to all
21 the gamut of gambling, largely, our intention
22 is keeping the recreational gamblers
23 recreational, keeping the at-risk gambling
24 there, and observing to the extent we can

1 through our research and other means, not
2 necessarily this tool, what may or may not be
3 contributing towards somebody's sliding from
4 one to the other. But you said it well when
5 this tool is not meant for predicting.

6 We take your point, your other
7 point very well, which is that there's a lot
8 of other systems that you, as operators,
9 actually come in direct contact with, that
10 human element to detect trends to detect
11 behavior the only the human mind can do in
12 your operation. So, you know, we know that
13 that will be a very important piece of the
14 puzzle.

15 And the other piece that your
16 theoretical point is something that we hear
17 from Howard Shaffer himself quite a bit, you
18 know, and his team. And his approach is, you
19 know, fundamentally first do no harm and
20 that's the piece that we are really hopeful
21 about getting some really good information
22 from as part of this evaluation. You know,
23 he gives great examples in other areas of
24 public health efforts. Drug presentation is

1 one of them. And he's also studied where
2 there's some parallels where things like
3 campaigns turn out to have some harm because
4 they're reminding people constantly, and then
5 those who may be in trouble end up getting
6 into more trouble.

7 So he's very well aware, he and his
8 team, of how these dynamics could come into
9 play, and I really look forward to, you know,
10 what he has to say about that.

11 So a long winded way of saying is
12 that I believe, but he'll confirm, they'll
13 confirm, that we're already studying that.

14 MR. DESALVIO: Oh, good.

15 COMMISSIONER ZUNIGA: That we'll
16 see these whole notion of the first do no
17 harm point through this process. And we do
18 have the data of the before and after.

19 MR. DESALVIO: And are they --

20 COMMISSIONER ZUNIGA: Which is your
21 larger point.

22 MR. DESALVIO: Are they tasked with
23 the looking at the pre and post for those
24 people that we have the information on?

1 COMMISSIONER ZUNIGA: We have the
2 ability to do that.

3 MR. DESALVIO: Great.

4 CHAIRMAN CROSBY: That is
5 specifically part of what they're doing.
6 Right, Mark?

7 MR. VANDER LINDEN: Yeah, that's
8 right. They are taking a look at player card
9 data to the maximum extent we can tracking
10 player behavior before and after enrollment,
11 taking a look at how people respond to the
12 notifications that they would receive on the
13 machine.

14 CHAIRMAN CROSBY: And so what's --
15 we're doing exactly that.

16 MR. DESALVIO: Great.

17 CHAIRMAN CROSBY: And everybody
18 agrees that's a great, great tool.

19 MR. DESALVIO: Good to hear.

20 CHAIRMAN CROSBY: And we decided
21 just the other day, I think,
22 Commissioner Zuniga and Mark and we that we
23 would wait until we have that data before
24 we -- The other data will be ready to be

1 released, but we're going to hold everything
2 and put it all together and not release this
3 piecemeal. So we're going to have all the
4 different dimensions, the surveys of the
5 players, but also now their actual player
6 card data before we release the report.

7 MR. DESALVIO: Great. Then the
8 other piece is the -- up on the screen is the
9 casino floor at Wynn Boston Harbor, and in
10 the bottom left-hand side of this, you'll see
11 the red indicator of where the GameSense
12 information center is on our floor. This
13 spot has been shown to Mark. We've got -- we
14 picked the location on our floor that we
15 thought would be the most heavily trafficked
16 area in the entire building and that's
17 because it's the intersection of where we
18 have not only an area coming off of the main
19 concourse or promenade area, but we also have
20 the guest elevators coming up from self-park,
21 and it's also at the area where we would have
22 any motor coaches or shuttle buses coming in.
23 It's the only spot in the building where all
24 of those items sort of come together. And

1 when I went down and looked at what Lance
2 has, you know, the way he's situated where
3 you come out of those elevators, he's got a
4 pretty good capture point there where he's
5 been able to put that location, and we
6 thought this was the number one spot in the
7 building, and I think Mark concurred with
8 that when they saw.

9 MR. VANDER LINDEN: Yeah, that's
10 right.

11 MR. DESALVIO: And the second -- By
12 the way, the next slide is just an
13 enlargement of the actual space, and it shows
14 the -- at one point, I think we had this
15 closed, and Mark asked us to open up the
16 front so it was more wide open to the floor,
17 and then we have the private area behind it
18 plenty of spaces where we can do storage
19 within cabinetry, whether it's in the office
20 or in the main area. And we can work with
21 Mark and the team as we can get closer to
22 setting that up, but I think we're well
23 positioned in a very good space on the floor.

24 CHAIRMAN CROSBY: Do you know what

1 the square footage is of that?

2 MR. DESALVIO: I don't. I don't.
3 I'd have to get that for you.

4 CHAIRMAN CROSBY: I think we looked
5 at it before.

6 MR. VANDER LINDEN: Yeah, we did.

7 CHAIRMAN CROSBY: But -- yeah.
8 Just for the heck of it if you wouldn't
9 mind --

10 MR. DESALVIO: Sure.

11 CHAIRMAN CROSBY: -- giving us just
12 to make absolutely sure.

13 MR. DESALVIO: Absolutely.

14 CHAIRMAN CROSBY: And this specific
15 configuration of the walls within the
16 space --

17 MR. DESALVIO: Yep.

18 CHAIRMAN CROSBY: We don't have to
19 worry about it just yet, right?

20 MR. DESALVIO: No. Well, yes and
21 no. We're sort of there.

22 CHAIRMAN CROSBY: Okay.

23 MR. DESALVIO: And I think we did
24 this with some direction from Mark as to what

1 they were looking for. It's pretty
2 straightforward, a nice, welcoming, open area
3 to the floor. Originally, we had a door. We
4 took the door off, opened it wide open, and
5 then, of course, the private area for any
6 private discussions. So this one's pretty
7 straightforward.

8 CHAIRMAN CROSBY: Okay. Well, just
9 make sure, Marlene and Mark, that that is
10 right, you guys, if you need to know the wall
11 configurations now that we've really looked
12 at that carefully as well as the square
13 footage.

14 MR. DESALVIO: Yeah. I've been
15 sort of iced from change orders. So we're
16 sort of done.

17 CHAIRMAN CROSBY: And then we have
18 talked, I believe, with both of you about the
19 likely, that I think, of having a second but
20 mobile facility somewhere. I mean, these
21 facilities are so much bigger than
22 Plainridge. We figured that we would
23 probably want a second facility, but it
24 wouldn't be a permanent facility. It would

1 be one that we could move around. So I don't
2 know where that is in the configuration.

3 MR. DESALVIO: You know, with all
4 due respect, Chairman, I don't know about a
5 mobile -- I worry about that for a couple of
6 reasons. Number one, anything that's mobile
7 and rolling around the floor, I'm sure the
8 fire/life safety folks are not really
9 intrigued with that, especially on very busy
10 days. They have a tendency to get in aisle
11 ways and some foot traffic. My suggestion
12 would be is that, you know, we have folks all
13 over that floor. We'll have information
14 available in multiple locations. We'll have
15 it at our read card desk, or in Mike's case,
16 the M life and other areas, you know, in our
17 casino. Anyone who's involved in casino
18 credit would be up on this, your hosts. And
19 so rather than just saying -- my opinion,
20 rather than saying a permanent area and a
21 mobile cart, I'd rather view it as a
22 permanent area and the rest of the staff all
23 kind of, you know, working towards this, and
24 there's no reason we can't have the

1 information that's available in you know,
2 many locations throughout the building. So I
3 just -- rolling carts, you know, usually your
4 fire chiefs and whatnot won't like that
5 honestly rolling around a casino floor.

6 CHAIRMAN CROSBY: Yeah. Well,
7 we're not going to do something the fire
8 chief doesn't like, so we can take that as a
9 given.

10 MR. DESALVIO: Yeah.

11 CHAIRMAN CROSBY: But I don't think
12 we're locked into this yet, but I don't want
13 it to be a surprise. It's something we've
14 talked about. We've tried to figure out, you
15 know, how do you get the coverage. I mean,
16 the GameSense personnel of these are three
17 times the size or more of the floor in
18 Plainridge, and we're going to need more
19 personnel. A lot of what they do is sign
20 people up for Play My Way. Is it right to
21 take somebody from way over there to bring
22 them over here, to use your boss's language,
23 to bring them way over there to over here.

24 So anyway, so we've got to think

1 about it. But it is one -- it's not going to
2 be something rolling around that's going to
3 slide down the aisles.

4 COMMISSIONER ZUNIGA: With tables.

5 CHAIRMAN CROSBY: It would be sort
6 of plugged and set up here for a while or
7 whatever. But anyway, I just -- I don't want
8 to it be a surprise. We will think it
9 through. We'll take into consideration what
10 you're saying for sure, but it is one that we
11 have talked about being an additional
12 facility.

13 COMMISSIONER ZUNIGA: Yeah.

14 CHAIRMAN CROSBY: So far.

15 COMMISSIONER ZUNIGA: I also
16 imagine maybe technology can help. People
17 now can carry i-Pads, you know, and, I don't
18 know, punch card numbers throughout, that
19 would be one way of -- anyway, it could --
20 Thanks for that point.

21 MR. DESALVIO: Thank you.

22 CHAIRMAN CROSBY: Okay.

23 MR. VANDER LINDEN: May I just
24 mention one last thing. The responsible game

1 framework, as you've -- as the Commission
2 adopted in 2015, early 2015, is under review
3 right now. It's well under way. April is a
4 big month to get feedback from Commissioners
5 and other stakeholders, including our
6 licensees. So I look forward to getting your
7 feedback as we look for a revision of the
8 framework and especially as we begin setting
9 our eyes towards responsible gaming
10 initiatives and plans at Wynn and the MGM.

11 CHAIRMAN CROSBY: Great. Thank you
12 very much, folks. Appreciate your coming.

13 COMMISSIONER CAMERON: Thank you.

14 COMMISSIONER ZUNIGA: Thank you.

15 MR. MATHIS: Mr. Chairman, if I
16 can, if it's possible, if you can indulge me
17 in taking an item out of order. I'm not sure
18 I'm going to be able to stay here for the
19 Commissioner update. And if at all possible,
20 I'd love to hear Commissioner Zuniga talk
21 about what a great time he had yesterday.

22 CHAIRMAN CROSBY: Great.

23 MR. MATHIS: At our topping off.

24 CHAIRMAN CROSBY: By all means.

1 COMMISSIONER ZUNIGA: By all means.
2 Well, with that endorsement, I hope I don't
3 disappoint you, because I wasn't ready for a
4 big debrief.

5 But I think it was a great event
6 yesterday. I attended the topping off
7 ceremony of MGM. The last -- which is
8 signifying the last beam that goes into the
9 building was placed yesterday. There were,
10 of course, a lot of representatives from the
11 City, from the State, a lot of people in MGM
12 and most notably, the -- Yeah, Mike is
13 getting the video ready. I want to just
14 finish my thought and then maybe, Mike, we
15 can play it to let it speak for itself. Most
16 notably, the laborers. This is really -- or
17 the iron workers. This is really a -- I came
18 to appreciate a very important event for the
19 construction workers.

20 I want to say a couple of things
21 that I learned yesterday. There were two
22 teams of father-daughter laborers working on
23 the site.

24 CHAIRMAN CROSBY: Really, great.

1 COMMISSIONER ZUNIGA: And they were
2 both introduced as part of the ceremony.
3 There's also a significance to the green sort
4 of Christmas tree that's up there in the --
5 on top of the beam, which I believe has to do
6 with having had no safety casualties or
7 anything like that. And also, of course, the
8 American flag that flies prominently at the
9 front. Everybody in the city is very happy
10 about it. Really the whole talk about
11 economic development and broad economic
12 development that you speak so much about,
13 Mr. Chairman, was really present and I think
14 overall was a great event. Thank you.

15 CHAIRMAN CROSBY: Can you play
16 that?

17 COMMISSIONER ZUNIGA: Thank you for
18 that.

19 CHAIRMAN CROSBY: Can you play
20 that, Mike? Is that on the web feed?

21 MR. SANGALANG: Yes.

22 CHAIRMAN CROSBY: Yep.

23 (Video plays.)

24 MR. MATHIS: If I can just while --

1 there it goes. That's the top beam for our
2 rotunda hotel signature sort of set of units.
3 Our suite, 1,800 square feet right at Main
4 and Howard. So it's fitting and a lot of the
5 people that were there talked about normally
6 this would be a single beam or, you know, in
7 some cases a bucket of concrete. Because
8 someone decided to do it after the fact. So
9 it felt special that this halo was floating
10 in the air and symbolized our topping off.

11 CHAIRMAN CROSBY: I can already see
12 DeSalvio is saying how are we going to top
13 that.

14 MS. KRUM: Well, actually,
15 yesterday we celebrated a milestone, too, not
16 to take away from Mike. But the very last
17 bucket of soil was removed from our site.

18 CHAIRMAN CROSBY: No kidding.

19 MS. KRUM: So 650,000 tons.

20 CHAIRMAN CROSBY: 650,000 tons.

21 MR. DESALVIO: Yeah.

22 COMMISSIONER CAMERON: That is --

23 CHAIRMAN CROSBY: Look at this
24 thing. It's in credible.

1 COMMISSIONER CAMERON: --

2 encouraging, no.

3 MR. DESALVIO: I'm sorry, I have to
4 make a comment here. I want to -- I think we
5 need this Bureau of Investigation for a
6 minute, because I didn't see that blue sky on
7 the eastern side of Massachusetts yesterday.
8 Did you -- you didn't superimpose that.

9 MR. MATHIS: We Photoshopped the
10 blue sky. You got us.

11 COMMISSIONER ZUNIGA: I don't know.

12 COMMISSIONER STEBBINS: It's always
13 sunny in Western Mass.

14 MR. MATHIS: Come on.

15 COMMISSIONER STEBBINS: It's always
16 sunny in Western Mass.

17 CHAIRMAN CROSBY: Yeah.

18 MR. MATHIS: But thank you,
19 Commissioner, for being there, and I know
20 Mr. Chairman, you would have been there but
21 for a conflict, and it was a special day.

22 CHAIRMAN CROSBY: That was great.

23 COMMISSIONER ZUNIGA: Very good.

24 MR. DESALVIO: Congratulations to

1 MGM.

2 MR. MATHIS: Thank you.

3 CHAIRMAN CROSBY: Yeah.

4 MR. DESALVIO: And by the way, Mike
5 mentioned earlier. I did go to MGM National
6 Harbor, and I just want to -- kudos to MGM
7 for an amazing property. I went and stayed
8 overnight and it was really very, very well
9 done.

10 CHAIRMAN CROSBY: Great.

11 MR. DESALVIO: And so
12 congratulations to you and the team.

13 MR. MATHIS: Thanks, Bob.

14 COMMISSIONER ZUNIGA: I did get to
15 sign the beam, by the way, so I'm looking for
16 to the one from Wynn.

17 CHAIRMAN CROSBY: You did?

18 COMMISSIONER ZUNIGA: Yeah. Let
19 us -- we'll have to be back for that one.

20 COMMISSIONER CAMERON: Thank you
21 all.

22 CHAIRMAN CROSBY: Thank you, folks.

23 COMMISSIONER STEBBINS: Thank you.

24 COMMISSIONER ZUNIGA: Thank you

1 all.

2 CHAIRMAN CROSBY: Okay. Mark, you
3 have one more item?

4 MR. VANDER LINDEN: I do, yes.

5 MR. BEDROSIAN: Mr. Chairman, just
6 for staff purposes, do you plan -- I think if
7 we do that item, the other Items 6 and 7 are
8 relatively quick if you want to power right
9 through.

10 CHAIRMAN CROSBY: I think we do,
11 yeah. I have to leave a little after 2:00.
12 So we can't -- we don't really have time for
13 a break.

14 MR. BEDROSIAN: Okay. Thank you.

15 CHAIRMAN CROSBY: Yeah. We'll go
16 through.

17 MR. VANDER LINDEN: Okay. I move
18 on to the final agenda item for my section.
19 It's a review of the 2017 problem gambling
20 awareness month activities. On the beginning
21 of March, I did a brief presentation with
22 Director Driscoll on the new media campaign
23 that has been released. In a moment, I'll go
24 over kind of where -- what has been the

1 results of that media campaign. But anyway,
2 next to problem gambling awareness month
3 really is the month to draw attention to
4 issues around problem gambling, problem --
5 the availability of problem gambling
6 treatment and prevention services. It's
7 fitting that that I'm sitting here with
8 Marlene Warner who is the executive director
9 of the Massachusetts Council on Compulsive
10 Gambling. So before I talk about the media
11 campaign, I wanted to turn it over to her to
12 just speak briefly from her perspective and
13 the council about problem gambling and
14 problem gambling awareness month, and then
15 she's going to give you kind of summary of
16 the in-house activities at Plainridge Park
17 Casino in honor of this month. So Marlene.

18 MS. WARNER: Good afternoon,
19 everyone.

20 COMMISSIONER ZUNIGA: Good
21 afternoon.

22 MS. WARNER: Thank you for the
23 opportunity. I think that it's -- I'll start
24 first with the Mass. Council activity and be

1 brief about those, but you know, every year
2 problem gambling awareness month really grows
3 in its intensity, and I was just talking to a
4 colleague yesterday about how we almost kind
5 of -- it's we kind of stumble into March,
6 right, and forget about. The interesting and
7 cool thing is that there's a lot of providers
8 out there who really are paying attention and
9 doing a lot of work, and I think that that's
10 been fantastic to see here in Massachusetts
11 and, actually, across New England.

12 So having said that, we did a lot
13 of work in terms of visiting treatment
14 centers. The 41 treatment centers that the
15 Department of Public Health Bureau of
16 Substance Abuse Services contracts with. We
17 spent some time doing training with them,
18 building their capacity, making sure that
19 they had the most up-to-date information and
20 did it real intense view on that in March.
21 We spent a lot of time trying to connect with
22 the recovery centers, and probably every
23 March I come and talk about that, and I think
24 given Dr. Volberg's presentation earlier,

1 it's a good reminder of why we spend so much
2 time there, which is we really see folks with
3 mental health and substance abuse disorders
4 as well as folks who have that background in
5 terms of in their family system, going and
6 talking to them about why they are at high
7 risk for gambling disorder and how they may
8 recognize that. So a number of our staff
9 were out specifically in Brockton,
10 Marlborough, Boston, Step Rocks. Using the
11 Owning Mahowny movie. If any of you haven't
12 seen it with Phillip Seymour Hoffman. It's
13 one of the most depressing movies you'll ever
14 see. So I just preface my comment by saying
15 that. But really, really, really good
16 indicator of the life span of someone who
17 struggles with gambling disorder.

18 We have a program called caps that
19 Curriculum For Activities and Probability --
20 Activities Probability and Statistics. And
21 basically, that's a program where we spend
22 time looking at youth somewhere in the range
23 of middle school up through high school and
24 talking to them a little bit about in your

1 daily life how you are looking at probability
2 and statistics and how you can do math to
3 make your day-to-day living situation make
4 sense. And gambling is woven in through
5 that, but it's not the primary focus. And
6 that is something that our outreach team has
7 been spending a lot of time doing with
8 at-risk youth, looking at high-risk
9 populations in Massachusetts, and did a lot
10 of that in March as well. In fact, we just
11 received notification that we're going to be
12 awarded with a -- some award in Somerville,
13 the City of Somerville. We've been working
14 with a lot of their at-risk youth.

15 The other thing that we spent a lot
16 of time on is trying to outreach to veterans
17 organizations and people who work with vets.
18 And as you all know, the GAO came out, thanks
19 to Senator Elizabeth Warren, and with her in
20 the lead, the NDAA last year asked the GAO to
21 put a report out, a survey and a report, to
22 look at veterans and active duty military and
23 their gambling and came back saying that, you
24 know, certainly more screening needs to take

1 place and that they certainly are a high-risk
2 population. And so immediately, that day,
3 actually, we sent out a letter to all the
4 veteran service officers and this is
5 throughout the month of March and contacted
6 vet centers, continued our relationship and
7 went a little -- dug a little deeper with the
8 Boston Shelter For Homeless Veterans. So
9 we're really trying to look at high-risk
10 populations here in Massachusetts.

11 And then the last thing I was going
12 to end with was in terms of the Mass.
13 Council's work is specifically is looking at,
14 you know, the whole reason March is problem
15 gambling awareness month and was originally a
16 week and now expanded to a month is because
17 of March Madness. So second to the Super
18 Bowl, March Madness and certainly a time
19 obviously for increased gambling. And so
20 sent a number of -- done a number of social
21 media activity and sent press releases out
22 and looking targeting specifically with youth
23 and sports gambling and just talking about,
24 again, being a high-risk activity.

1 I think in general, problem
2 gambling awareness month is a really useful
3 time to remind people that gambling can be
4 fun and exciting, and we tell people that all
5 the time, but it's not a risk-free activity.
6 And so that's really an opportunity to kind
7 of get that message across many different
8 populations in Massachusetts.

9 So specifically in terms of
10 GameSense, let me talk about that. One of
11 the things that the GameSense team really
12 wanted to do was take the look at casino
13 employees and go to the back of the house.
14 They spend a lot of their time working with
15 patrons directly, and I recognize that's our
16 primary work, but we know and it's very well
17 documented that casino employees have double
18 to triple the rate of gambling disorder. The
19 jurisdiction in British Columbia just
20 recently, I think, had the most recent data
21 out about their casino employees, and they
22 had five to six times the rate of gambling
23 disorder than the general population there.

24 So certainly a high-risk group.

1 And they're high risk for a couple of
2 reasons. One of which is, you know,
3 Mr. DeSalvio did a great job talking about
4 some of his concerns. And he's right. The
5 casino workers spend a lot of time seeing
6 problems and talking with folks, and they
7 take that home. That's often not an --
8 there's often not an opportunity for them to
9 unload that, figure out what to do with that,
10 how to process that. So that is -- that
11 weighs on them. The other reason I think
12 that the literature tells us is that they
13 think they know more, that somehow they can
14 out do the system. And so if they somehow
15 think that they've something special about
16 how they can play the slot machines or they
17 can sit down at a table game, they're going
18 to -- while they typically can't gamble at
19 their facility, they can go to a neighboring
20 facility and play.

21 So knowing all that, we decided to
22 really focus GameSense on the employees at
23 Plainridge Park Casino. Amanda and Teresa,
24 Amanda Winters in my office and Teresa in

1 yours, really are the master minds. We're
2 here because they're too busy to be here, but
3 they did a really nice job of putting it all
4 together.

5 And so they did some fun
6 activities. First of all, Amanda gave me
7 some good numbers. Passed out over
8 400 pieces of materials, spend over 70 hours
9 directly focused on the PPC staff. PPC, by
10 the way, were amazing, amazing partners.
11 Lisa in particular was fantastic, really
12 fantastic, went above and beyond.

13 So they let us use a bulletin board
14 to put information up all month long. I
15 utilized bathroom stalls, the back of the
16 bathroom stalls, a key place to put
17 information. So we put information in
18 employee bathrooms. They had a kind of a
19 newsletter, newspaper to communicate PGM
20 messages and they sent out quarterly news
21 blast with PGM messaging during March.

22 The activities looked at safe
23 gambling versus problem gambling versus
24 responsible gambling, gave some tips, talked

1 about how slot machines work. And I think
2 that people often have -- again, think that
3 everyone who works in a casino knows exactly
4 how a slot machine work, and it's just not
5 the case. And so really explaining how their
6 product works. Some of the folks who don't
7 know the intimate details of the machines is
8 really important, talking to them about
9 chance and randomness, handing out some
10 screening tools, giving them some more
11 information about just GameSense in general.
12 And then we also have partnered in the past
13 with a group called Consumer Action, and they
14 produce what's called Money Wise. It's a
15 whole curriculum of financial literacy. And
16 so using some of these financial literacy --
17 financial literacy tools with the PPC staff.

18 So they did that via some of these
19 activities. So they played -- Amanda is
20 brilliant at this, so she developed the Price
21 is Right game. She developed a Family Feud
22 game with slot machines education. Jeopardy,
23 which apparently was the favorite at PPC
24 staff, and then she created a scavenger hunt

1 around the casino so that people could figure
2 out where is responsible gambling messaging
3 in the casino, how do you find it so that,
4 again, it's an opportunity for them to not
5 only learn for themselves, they also would be
6 able to share that with the customers and be
7 able to direct people to the information
8 around the facility.

9 And the close of the month of
10 directing services and attention to the staff
11 is that they're raffling off baskets. The
12 baskets that Karen in our office makes are
13 kind of famous now, would you say, Lisa. The
14 staff was so excited to be able to get the
15 opportunity to actually be a part of the
16 raffle to win one of these baskets. And then
17 they also -- PPC, again, fantastic. They
18 really did a -- they went above and beyond.
19 Were providing a photo booth where people can
20 do some of their fun quirky pictures and
21 they're branded with GameSense.

22 So we've tried to make it
23 educational and fun all at the same time and
24 really, again, pull the staff in to the

1 knowledge base.

2 CHAIRMAN CROSBY: Great.

3 COMMISSIONER STEBBINS: Great.

4 CHAIRMAN CROSBY: And thank you,
5 Lisa, in this -- Plainridge has been great
6 partners with us all along from GameSense and
7 Play My Way. So I'm not surprised to hear
8 that it worked again, but please take back
9 our appreciation to Lance, but it's important
10 that we work as a team like this.

11 COMMISSIONER ZUNIGA: Yeah.

12 COMMISSIONER CAMERON: Great.

13 Thank you.

14 CHAIRMAN CROSBY: Thank you.

15 MS. WARNER: Thank you.

16 COMMISSIONER ZUNIGA: Thanks very
17 much.

18 MR. VANDER LINDEN: Thanks,
19 Marlene.

20 So the second part is this is a
21 follow-up from the beginning of March when
22 we've launched our new media campaign. They
23 actually launched on March 12th. So what I
24 have is two weeks of data. And I just want

1 to say, we've a run very strategic media
2 campaign. If we had -- we really had a
3 fairly limited amount of money given the type
4 of campaign and message that we wanted to
5 roll out across the state. We wanted to this
6 year refresh our created, so the videos that
7 we had. And so by doing that, it immensely
8 limits the amount of money that we have to
9 actually spend on the media campaign. Based
10 on advice for more advertising, we decided to
11 do alarmingly ad buys. So buys for paid
12 media on websites and online ads and social
13 media on Facebook.

14 So gamesensema.com, our GameSense
15 website, received 1,162 sessions. Sessions
16 is basically anybody who goes to the website
17 regardless of how they stayed there. So they
18 had 1,650 in two weeks. That's a 550 percent
19 increase from the weekly average of the six
20 months prior. So a little bit more context.
21 The two weeks prior to the launch of the
22 campaign, there were 616 page views. So
23 overall 168 percent increase of traffic that
24 was being directed to the website. And this

1 is largely attributed to our paid media
2 campaign. Gamesensema.com had 1162 sessions.
3 Sessions are people who are actively engaged
4 on the website. And again, about 80 percent
5 of that traffic we were able to say this is a
6 direct result of our paid media. Of the
7 20 percent that remains, about ten percent of
8 that came from people directly going typing
9 gamesensema.com into their browser and going
10 their directly. Facebook's ads have been
11 really successful, generating 1,435 clicks.
12 The clicks are roughly two percent of the
13 total impressions. So there have been over
14 75,000 impressions of GameSense on Facebook.
15 So with a click-through rate, the clicks
16 being two percent, and if you want to look by
17 -- for some context, if a highly successful
18 campaign usually receives between one-half of
19 a percent and two percent. So we're very
20 pleased with that.

21 Videos that have been posted on
22 Facebook have been viewed 5,215 times, with
23 over 13 percent of those people watching the
24 video from start to finish. The most popular

1 videos were the Pre-roll, so those funny
2 videos that we worked with BCLC to use as
3 well as the Play My Way video.

4 The most successful static image
5 message that was out there was Don't Chase
6 Your Losses. This was particularly effective
7 on Facebook with 133 users having clicked on
8 it and spending -- going to GameSense MA and
9 spending an average of a minute and
10 46 seconds on it on our website. And that's
11 the chasing your losses is coincidentally or
12 not coincidentally the most commonly endorsed
13 problem gambling criteria based on our own
14 research.

15 There was a lot of organic or free
16 reach Facebook resulting in 5,000 or almost
17 6,000 video views. This is largely
18 attributed to the MGC postings and promotion
19 of the GameSense campaign. Also attributed
20 to the great work that Elaine and Mike have
21 done is earned media efforts. GameSense was
22 mentioned on -- through several media
23 outlets. And again, this is -- this goes
24 back to sort of Elaine's relentless pursuit

1 of making sure that the GameSense message is
2 out there and it's been communicated in many
3 different ways across the state.

4 CHAIRMAN CROSBY: I like that
5 expression, Elaine's relentless pursuit. How
6 many times have we all experienced that.

7 MR. VANDER LINDEN: She's like a
8 dog with a bone on that stuff, I tell you.

9 But I really do appreciate that.
10 And when you think of us paying for a media
11 campaign to get the message out there, that
12 is -- that's fine, but when we can look for
13 these sort of free opportunities to continue
14 to maximize the presence of GameSense, that's
15 fantastic.

16 COMMISSIONER ZUNIGA: I couldn't
17 agree more on that last point. As I was
18 hearing you go over all the metrics, I think
19 it's really powerful now with social media
20 and all this for our ability to kind of
21 monitor that over time, see how that evolves
22 based on, you know, our efforts and continue
23 to, you know, measure this. I think of one
24 -- very quickly, I think of one item on how

1 this can transfer to our friends at DPH who
2 are also thinking about certain communication
3 efforts when it comes to prevention and
4 treatment, and I really think that what we've
5 done here is very cost effective and helps us
6 measure quite a bit our activity, so.

7 MR. VANDER LINDEN: Yeah. Great.

8 CHAIRMAN CROSBY: Great.

9 MR. VANDER LINDEN: So this
10 campaign goes through -- the ad buy goes
11 through the end of May.

12 CHAIRMAN CROSBY: Oh.

13 MR. VANDER LINDEN: Kind of
14 evaluate what the status is then, and that
15 will help inform what our campaign looks like
16 next fiscal year.

17 COMMISSIONER CAMERON: Great.

18 CHAIRMAN CROSBY: Great.

19 COMMISSIONER CAMERON: Thank you.

20 MR. VANDER LINDEN: Thank you.

21 CHAIRMAN CROSBY: Thank you.

22 COMMISSIONER ZUNIGA: Thank you.

23 CHAIRMAN CROSBY: You'll send me
24 those PDFs.

1 MR. VANDER LINDEN: Yes.

2 CHAIRMAN CROSBY: Great. Thanks.
3 Great stuff.

4 General Counsel Blue.

5 MS. BLUE: So we have in your
6 packet today amendments to two existing
7 regulations, 205 CMR 136.08 and 205 CMR
8 143.02. This is the first time that you've
9 seen these amendments. We're not asking for
10 a vote today. We're just giving you a first
11 look. And I have for you today Deputy
12 General Counsel Grossman and Licensing
13 Director Connelly to talk to you about that
14 and probably CIO Glennon talk about the
15 progressive jackpot transfer. And maybe
16 Director Band as well. So they can explain
17 to you what the changes are and answer any
18 questions.

19 MR. GROSSMAN: Good afternoon,
20 Mr. Chairman, members of the Commission. The
21 first amendment before you proposed is to
22 Section 136.08. As you'll see, what the
23 proposal is, is to remove language that
24 presently requires the identities, the names

1 and contact information, of managers and
2 principal representatives for each licensed
3 area under the alcoholic beverage license
4 within the casino to actually be listed on
5 the license. So this proposal solely would
6 remove those names. That's been more of a
7 chore than helpful. The licensees would
8 still need to identify those individuals and
9 present them to the IEB. So that part of the
10 requirement is not being removed, just that
11 they would be actually listed on the license.
12 So that's what this reflects.

13 CHAIRMAN CROSBY: Questions?

14 COMMISSIONER CAMERON: That's just
15 our own experience, right?

16 MR. GROSSMAN: It's based on our
17 own experience.

18 MR. CONNELLY: The issue with this
19 one is the frequency with which the names
20 might change would require re-issuance of a
21 license on a pretty frequent basis. This
22 way, if we have maybe the vice president of
23 food and beverage is the responsible
24 individual and kind of the supplemental

1 materials reflect the managers and the
2 assistant managers who would also be
3 responsible at any given time, it just makes
4 it much easier.

5 CHAIRMAN CROSBY: Does that square
6 with the way ABCC normally does these in
7 other restaurants?

8 MR. CONNELLY: It does. And it --
9 it does, yes. As long as the individuals who
10 are responsible are available, here in this
11 case to ABC, and my understanding is well to
12 the Gaming agents on duty so they'd be able
13 to see on file. It's just on the physical
14 license itself, that's, you know, a bit of
15 a -- we get your signature on it, for
16 example, reissue it. This could be something
17 we can either slip in behind or they have on
18 file and would have available at any time if
19 an agent wanted to see what the list of
20 managers and assistant managers, et cetera.
21 That can obviously be updated on a very
22 frequent basis without incident.

23 MR. GROSSMAN: Just to that point
24 further, if memory serves, this was a unique

1 requirement that we came up with. I don't
2 think there is a statewide requirement --

3 CHAIRMAN CROSBY: Okay.

4 MR. GROSSMAN: -- that names be
5 placed on the alcoholic beverage license.

6 COMMISSIONER CAMERON: Okay.

7 MR. GROSSMAN: The managers.

8 CHAIRMAN CROSBY: Right.

9 COMMISSIONER CAMERON: Right.

10 CHAIRMAN CROSBY: Okay. So this --
11 you don't need anything from us now at the
12 moment. You're going to put this out for
13 comment and go through the normal process?

14 MR. GROSSMAN: Put it out for
15 comment, bring it back in a couple of weeks.

16 CHAIRMAN CROSBY: Right.

17 COMMISSIONER CAMERON: Great.

18 CHAIRMAN CROSBY: Okay. Great.

19 COMMISSIONER CAMERON: Thank you
20 both.

21 COMMISSIONER ZUNIGA: Put it out
22 for a formal comment?

23 MS. BLUE: No. Informal.

24 COMMISSIONER ZUNIGA: Informal.

1 OKAY.

2 CHAIRMAN CROSBY: Next up.

3 MR. GROSSMAN: The second one has
4 to do with progressive jackpots. Mr. Band
5 and Mr. Glennon are available to address any
6 specific questions. As you'll see here, this
7 section deals with the transfer of
8 progressive jackpots. This is an issue that
9 is raised by virtue of the Commission's
10 adoption of GLI 12, which is the standard
11 governing progressive slot machines. Within
12 GLI 12, it references the transfer of
13 jackpots, but it does not get into specifics
14 as to how that should be done, and it leaves
15 open to the gaming jurisdiction to come up
16 with more particulars.

17 This is an actual issue that comes
18 up with some frequency at Plainridge Park
19 Casino. So this proposal is aimed at getting
20 a clearer set of guidelines in place as to
21 how this should work.

22 There are just a number of points.
23 I would draw your attention to really
24 quickly, and then leave it to Mr. Glennon and

1 Mr. Band to field any questions.

2 First of all, this only applies to
3 standalone slot machine and local area
4 progressives. This is not a wide-area
5 proposal at the moment. We have a set of
6 wide-area proposals -- progressive proposals
7 that will be coming before you shortly, but
8 this does not address that particular type
9 of machine.

10 The second is that it would require
11 approval by the IEB in advance of
12 transferring any such jackpot. Third, we
13 have placed some language in here that would
14 allow the casino to transfer the jackpot
15 minus the seed money that they placed into
16 the jackpot upon its initial operation. So
17 they can take that money out. They don't
18 need to transfer the seed money over.

19 Fourth, the jackpot has to be
20 transferred in its entirety minus the seed
21 money. And number five, then we get into
22 where it would be transferred to. We say it
23 has to be transferred to a machine that has
24 the same or similar probabilities, has the

1 same or lower wager requirements, has the
2 same type of jackpots, whether it's cash
3 annuity, et cetera. So we get into the
4 specifics as to where they can transfer it.
5 And finally, that they post notice of the
6 transfer conspicuously on the machine ten
7 days in advance of the transfer.

8 So these are just a couple of the
9 principles that we thought would be helpful
10 in guiding both the IEB and the casinos in
11 the transfer of these progressive jackpots.

12 CHAIRMAN CROSBY: Questions?

13 COMMISSIONER ZUNIGA: You know, I'm
14 fine with this in the way it's written. I'm
15 just curious as to just generally how large
16 are the seed money amounts?

17 MR. BAND: Seed money, it really
18 depends on the type machine denomination.
19 But I would say 5,000, 10,000 range would --
20 might be the average. It could be even be
21 lower --

22 COMMISSIONER ZUNIGA: Okay.

23 MR. BAND: -- than that.

24 COMMISSIONER ZUNIGA: So they could

1 be -- end up being not significant to the
2 total amount, or could they be significant in
3 terms of proportion to the total amount
4 transferred?

5 MR. BAND: They would probably just
6 be a small portion of what was transferred,
7 yes.

8 COMMISSIONER ZUNIGA: I'm thinking
9 of the scenario in which there's potentially
10 a reason to transfer just to recover the seed
11 money. Did you see any of that?

12 MR. BAND: No.

13 COMMISSIONER ZUNIGA: -- of that
14 potential?

15 MR. BAND: Usually that machine
16 starts becoming a little more unpopular.
17 They want to replace it with a new machine,
18 kind of similar parameters, you know, that
19 would actually warrant more play. Because
20 I've seen some in my time in this industry
21 where a machine, just nobody likes to play it
22 anymore, so you have a machine sitting there
23 with a big jackpot that nobody's playing. So
24 they want to transfer that out to get more

1 play.

2 COMMISSIONER ZUNIGA: Right. And
3 you spoke to this. The transfer would have
4 to be to another type of machine that has the
5 same probability of hitting the jackpot.

6 MR. BAND: Yes.

7 MR. CONNELLY: Or similar.

8 COMMISSIONER ZUNIGA: Or similar.

9 MR. CONNELLY: That's some
10 discretion in there as to what similar
11 actually is.

12 COMMISSIONER ZUNIGA: Yeah. BUT
13 does that generally mean like our floor for
14 minimum payouts in terms of progressive?

15 MR. BAND: It would be the
16 probability of the machine and things like
17 that that you would prepare to look at.

18 COMMISSIONER ZUNIGA: Okay. Sounds
19 good.

20 CHAIRMAN CROSBY: Anybody else?

21 COMMISSIONER CAMERON: No.

22 CHAIRMAN CROSBY: Okay. Thank you
23 very much.

24 MR. BAND: Thank you.

1 MR. GROSSMAN: Thank you.

2 COMMISSIONER CAMERON: Thank you.

3 CHAIRMAN CROSBY: I think that
4 finishes with --

5 MS. BLUE: With this section, yes.
6 I think there's one more IEB section.

7 CHAIRMAN CROSBY: IEB, right.

8 MS. BLUE: Yes.

9 CHAIRMAN CROSBY: Okay. But
10 Catherine, you're -- We're done with General
11 Counsel Blue.

12 MS. BLUE: Yes, we are.

13 COMMISSIONER CAMERON: Thank you.

14 CHAIRMAN CROSBY: All right.
15 Director Wells.

16 MR. BEDROSIAN: Mr. Band today.

17 CHAIRMAN CROSBY: And Mr. Band.

18 MR. BAND: Oh, I didn't see you
19 sneak in.

20 MS. WELLS: No. No.

21 MR. BAND: Okay. Mr. Chairman,
22 Commissioner, I'm here today with Supervising
23 Gaming Agent Sterl Carpenter and Senior
24 Supervising Gaming Agent Burke Cain. We're

1 here to present the last of all the games
2 that we've done. It's the last 13 games.
3 Most of these are variations of poker, with
4 the exception of the casino war game and
5 double attack blackjack. The games we have
6 here are Boston 5 stud poker, double cross
7 poker, double attack blackjack, four card
8 poker, Texas hold em' bonus poker, slots
9 poker, two card joker poker, Asia poker,
10 ultimate Texas hold em', winner's pot poker.
11 Supreme Pia Gow, Mississippi Stud, and casino
12 war. And I open that to any questions that
13 you might have.

14 COMMISSIONER CAMERON: I know,
15 Mr. Band, that we are giving them the ability
16 to pick and choose, right?

17 MR. BAND: Yes.

18 COMMISSIONER CAMERON: Prefer just,
19 you know, of these games, would most casinos
20 offer most of them or.

21 MR. BAND: At times, I think they
22 would. In the poker range, like we say Texas
23 hold em's the most popular game into it, but
24 it really depends on what kind of group you

1 have in, you know, who your customers are,
2 that time. You might get players to request
3 specific games to play, so you want to have
4 those options.

5 COMMISSIONER CAMERON: So it's more
6 of an option?

7 MR. BAND: Yes.

8 COMMISSIONER CAMERON: Probably all
9 of these wouldn't be offered at the same
10 time.

11 MR. BAND: I would be very
12 surprised if they were.

13 COMMISSIONER CAMERON: Okay.

14 CHAIRMAN CROSBY: Is Sterl going to
15 show us how to play two card joker poker one
16 of these days?

17 MR. CARPENTER: Yes.

18 CHAIRMAN CROSBY: Good. That
19 sounds like the kind I could play.

20 COMMISSIONER ZUNIGA: I'm most
21 intrigued about Boston 5 stud poker. I've
22 never heard of that one.

23 MR. BAND: It's another one you're
24 going to claim as yours, huh.

1 COMMISSIONER ZUNIGA: Maybe not. I
2 live in Boston.

3 MR. BAND: Yeah. That should be
4 good.

5 MR. CARPENTER: That was actually
6 submitted in a request, Boston 5. So I'm
7 assuming one of the licensee wants that on
8 the gaming floor.

9 COMMISSIONER ZUNIGA: Oh,
10 excellent.

11 COMMISSIONER CAMERON: Oh.

12 CHAIRMAN CROSBY: Any other
13 comments at this stage of the game? So this
14 is the informal process right now.

15 MR. BAND: Yes.

16 CHAIRMAN CROSBY: Okay. Great.
17 Thank you. I know a lot of work has gone
18 into this. Thanks, folks.

19 MR. BAND: Thank you very much.

20 COMMISSIONER ZUNIGA: Thank you.

21 COMMISSIONER CAMERON: Thank you.

22 COMMISSIONER STEBBINS: Thank you.

23 COMMISSIONER CAMERON: Thank you

24 all.

1 CHAIRMAN CROSBY: Anything else
2 from the IEB? Okay. We are down to
3 Commissioner reports. We got one. Hard to
4 top that. Any others?

5 COMMISSIONER CAMERON: Not today,
6 Mr. Chairman.

7 CHAIRMAN CROSBY: I had just two
8 quick ones. Two weeks ago, we did talk about
9 the fact that I had been asked to speak
10 about -- in front of the marijuana committee,
11 and I did take almost all of the comments you
12 all put forward, and I sent you copies of the
13 testimony, and it's now available for anybody
14 who wants to see it. And that conversation
15 is going on. There's quite a bit, as you
16 know from reading the newspapers, about
17 whether and how. There's been some
18 interesting reflections, I think, on people
19 looking at structure of our commission with
20 approval and wondering about whether various
21 features of our structure should be carried
22 forward with the cannabis. Unfortunately, we
23 can't take credit for our structure, but I
24 think there's a sense that we've -- that

1 implemented it well. So that's been nice.

2 The second is the online gaming
3 study commission DFS and online study
4 commission. Last meeting, which was I guess
5 Monday of this week, they had four speakers
6 come in, several of whom we've had visit us
7 as well. But the most interest -- one of the
8 one of them Kevin Mullally, whom you all know
9 from GLI I guess, but there was a guy who is
10 an owner of E sports teams. And he speaks
11 like a .50-caliber machine gun, so you don't
12 get too much of it because it's coming at you
13 so fast. But he was fascinating to everybody
14 talking about these games and how eSports
15 works and how the economics work, where these
16 guys come from. Almost all guys who are the
17 professionals in these games. In fact, I've
18 never heard of a woman as -- there be some,
19 but I've never heard of a woman as the
20 professionals in these games.

21 But the Commission is beginning to
22 understand, you know. We remember -- I
23 remember Jim McHugh first found out about
24 eSports about, I don't know, a year and a

1 half or two years ago. We'd never even heard
2 of it before, and now it's begin to go sink
3 in, and Commissioner or Chairman Wagner, I
4 think it was, talked about -- as we were
5 stumbling with this guy trying to understand
6 what eSports are, is he said, wait a minute.
7 Why don't you all just be quiet. I'm going
8 to bring in my 14-year old son, and he'll
9 tell us how this works. But it's good. The
10 Commission is beginning to get a sense. Now,
11 whether -- where we will go, where the
12 Commission and then the legislature will go
13 in terms of, A, should online games be made
14 legal; and, B, if they are, how should they
15 be regulated. We're a long way from any
16 conclusions on that, but the committee is
17 learning a lot of stuff, and it's fun to be a
18 part of it.

19 COMMISSIONER ZUNIGA: Can I mention
20 one thing on that? Because I also -- I went
21 to attend just to observe that particular
22 meeting, and I found that fourth speaker
23 really fascinating as well. I think he spoke
24 very well about how this whole thing started,

1 which is mostly about just games, maybe
2 promotions and, you know, people liking to
3 play and observing and engaging. And it was
4 quite an unintended by-product, this notion
5 of skins, how they were first developed and
6 now how they have been really been marketed.
7 They inadvertently created this whole
8 secondary market that turns out to be quite
9 significant and a real proxy for gambling.

10 CHAIRMAN CROSBY: Well, the betting
11 on eSports itself.

12 COMMISSIONER ZUNIGA: Yeah.

13 CHAIRMAN CROSBY: Is like a tenth
14 of the transactions. I guess the betting
15 having to do with skins, right?

16 COMMISSIONER ZUNIGA: Yes.

17 CHAIRMAN CROSBY: The numbers were
18 enormous.

19 COMMISSIONER ZUNIGA: Yes.

20 CHAIRMAN CROSBY: People don't bet
21 on the outcome of the eSports contest
22 themselves, they bet on these or the -- or I
23 guess they don't bet on the skins, but.

24 COMMISSIONER ZUNIGA: Yeah.

1 CHAIRMAN CROSBY: But they transfer
2 or, you know, create value in the skins.

3 COMMISSIONER ZUNIGA: Yes.

4 CHAIRMAN CROSBY: And that's where
5 the action is. It's really amazing.

6 COMMISSIONER ZUNIGA: Yeah. And
7 there's a real intersection there, I thought,
8 about what happens in these sort of gaming
9 large environments and what becomes a
10 gambling sort of notion or concern for the
11 state or for, you know, policymakers, which
12 in this case happen to be a subset of -- and
13 unanticipated by the way, of -- But I think
14 there is a lot of great comments and great
15 speakers in that commission.

16 CHAIRMAN CROSBY: Yeah. Anybody
17 else? Have a motion to adjourn.

18 COMMISSIONER CAMERON: So moved.

19 CHAIRMAN CROSBY: Second?

20 COMMISSIONER ZUNIGA: Second.

21 CHAIRMAN CROSBY: All in favor,
22 aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

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COMMISSIONER CAMERON: Aye.

CHAIRMAN CROSBY: Thank you all
very much.

(Whereupon the hearing was adjourned at 1:52 p.m.)

SPEAKERS

GUEST SPEAKERS:

MASSACHUSETTS COUNCIL ON COMPULSIVE GAMBLING:

Marlene Warner, Executive Director

MGM SPRINGFIELD:

Mike Mathis, President

PLAINRIDGE PARK CASINO:

Steve O'Toole, Director of Racing

SEIGMA:

Rachel Volberg, Principal Researcher

Robert Williams, Co-Principal Researcher

STANDARD BRED OWNERS OF MASSACHUSETTS:

Ed Nowak, President

SUFFOLK DOWNS:

Bruce Barnett, Counsel

Chip Tuttle, Chief Operating Officer

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WYNN BOSTON HARBOR:

Robert DeSalvio, President

Jacqui Krum, Senior VP and General Counsel

MASSACHUSETTS GAMING COMMISSION:

Ed Bedrosian, Executive Director

Catherine Blue, General Counsel

Todd Grossman, Deputy General Counsel

Paul Connelly, Director of Licensing

Mark Vander Linden, Director Research and
Responsible Gaming

Alex Lightbown, Director of Racing

Bruce Band, Gaming Agents Division Chief

Burke Cain, Senior Supervising Gaming Agent

Sterl Carpenter, Supervising Gaming Agent

John Glennon, Chief Information Officer

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C E R T I F I C A T E

I, Amie D. Rumbo, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Amie D. Rumbo, 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 Stenographic means, and transcript was produced from a computer.

WITNESS MY HAND this 3rd day of April, 2017.

Amie D. Rumbo



Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020