

1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #148
4
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6 CHAIRMAN

7 Stephen P. Crosby
8

9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Bruce W. Stebbins

13 Enrique Zuniga
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19 April 2, 2015 10:30 a.m. - 4:46 p.m.

20 BOSTON CONVENTION AND EXHIBITION CENTER

21 415 Summer Street, Room 107B

22 Boston, Massachusetts
23
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1 P R O C E E D I N G S :

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3 CHAIRMAN CROSBY: We will call to
4 order the 148 meeting of the Massachusetts
5 Gaming Commission, once again at the Convention
6 Center. I will mention this again lest I
7 forget, our meeting in two weeks will be at the
8 Hines not here. So, for our regular in-person
9 followers, you should note that.

10 We will go as usual first to the
11 approval of minutes, Commissioner McHugh.

12 COMMISSIONER MCHUGH: Mr. Chairman,
13 the minutes of the March 19, 2015 meeting, our
14 last meeting are in the book. I would move
15 their approval as they appear there with the
16 usual reservation of our power to correct
17 mechanical and typographical errors.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER STEBBINS: Second.

20 CHAIRMAN CROSBY: Discussion? I did
21 notice there is a misspelling of our new
22 interim Racing Director's last name, which we
23 could fix.

24 COMMISSIONER MCHUGH: We will fix

1 that, Mr. Chair. Thank you.

2 CHAIRMAN CROSBY: All in favor, aye.

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: Opposed? The ayes
8 have it unanimously. Just so we don't have our
9 meeting with any elephants in the room, I want
10 to pull item number nine, which is other
11 business not anticipated. At the time we were
12 setting the agenda forward, there was a story
13 today in the Globe about the issue with the
14 MBTA transfer of its land to Wynn.

15 And meanwhile, the MEPA process is
16 going on. The MEPA decision is expected maybe
17 as soon as this week. And I just wanted to
18 check in with Commissioner McHugh who has kind
19 of led the way for us on this to see whether
20 there's anything that we need to be concerned
21 about or think about either apropos of that
22 story or just the MEPA process in general.

23 COMMISSIONER MCHUGH: Well, Mr.
24 Chairman, I think the important thing for the

1 Commission to think about is that this is an
2 important and comprehensive process. It's
3 running its course. We have made provisions
4 for it in the license that we have awarded.
5 Our regulations contain provisions for it.

6 And the bottom line is that however
7 that process winds up is in the hands of the
8 Secretary of Environmental Affairs at the
9 moment. But after that process does finish,
10 then the Commission is required to and will
11 take another look at the findings that issue
12 from the appropriate secretariats and the
13 Secretary of Environmental Affairs, make its
14 own review of issues as they then stand, make
15 its own findings, issue those findings and any
16 additional license conditions that are
17 necessary.

18 And until that step is taken, not a
19 shovel goes in the ground. So, that process
20 has to run its course. It's an important
21 process but we've made provision for it in the
22 license that we've issued and in our
23 regulations. And we intend to stick with both
24 those license conditions, the provisions of our

1 regulations and the importance of the review,
2 which we'll look at when it's run its course in
3 the other jurisdictions.

4 CHAIRMAN CROSBY: Great. Thank you.
5 Any other thoughts or reactions? Okay, great.
6 Thank you. Now back to item number three,
7 administrative update, Executive Director Day.

8 MR. DAY: Good morning, Chair Crosby
9 and fellow Commissioners. I did want to start
10 this morning with just a little note. It's
11 kind of a note of sadness because as you may
12 know Danielle Holmes, our staff attorney who
13 does a lot of work with racing as well, this is
14 her last day today. So, we thought that it
15 might be appropriate for the Commission to
16 recognize her. And rumor has it that she's
17 back in the back. I can't see behind me but --

18 COMMISSIONER MCHUGH: She is in the
19 back. I can see her.

20 CHAIRMAN CROSBY: Stand up,
21 Danielle.

22 COMMISSIONER MCHUGH: She is trying
23 to hide back there.

24 CHAIRMAN CROSBY: You will be

1 missed. So, tell everybody where she's going.

2 MR. DAY: She's going to New York
3 Racing Commission last I was aware.

4 COMMISSIONER CAMERON: Racing and
5 gaming.

6 CHAIRMAN CROSBY: Racing and gaming,
7 right, doing a lot of work in this business and
8 be actually out in Saratoga, living in
9 Saratoga.

10 COMMISSIONER MCHUGH: So, Danielle
11 has done a terrific job. She was, I think, one
12 of the early non-Commissioner support staff
13 people we hired, probably the eighth or ninth
14 person of the Commission group back when we
15 were smaller, and has done a terrific job first
16 in racing. And I know Commissioner Cameron can
17 speak to that.

18 But then moved over into the legal
19 department and has been a stalwart there both
20 in working with regulations and working with
21 the hearings on regulations and working with
22 the hearings on appeals from racing decisions,
23 being a general lawyer assisting wherever
24 assistance was needed in the Commission's

1 operations.

2 So, we all will miss you very much,
3 and wish you the success we know you'll achieve
4 in the new setting and the new operation.

5 COMMISSIONER ZUNIGA: Well said.

6 CHAIRMAN CROSBY: I second all that.
7 My only regret besides your leaving was that I
8 never got to see you race. She's a jockey too.
9 Thank you, Danielle.

10 MR. DAY: Commissioner Crosby and
11 Commission, at the last meeting you might
12 recall I did identify that we were looking for
13 temporary space and we had kind of found a
14 location that looked pretty well in Springfield
15 with UMass. That was even more appropriate
16 because we already have a relationship with
17 UMass relative to the research project.

18 What has happened since then is we
19 did receive a very reasonable proposal from the
20 UMass center in Springfield. We would like to
21 be able to go ahead and proceed to obtain that
22 to sign that lease and move forward with that
23 office space during the period while we're kind
24 of assessing what we are going to need over the

1 long-term. And I just wanted to check in with
2 the Commission and if I see no objection, we
3 would move forward with that lease.

4 COMMISSIONER STEBBINS: I would just
5 characterize it as reasonable because I know
6 you all would be jealous if we wanted to move
7 the entire team out to Springfield knowing what
8 kind of a rental agreement we have.

9 Thanks to the folks at UMass for
10 their partnership in this project and their
11 flexibility and we look forward to working
12 alongside them. It's going to be space
13 available to not only myself but to all members
14 of the Commission if they're out in Western
15 Mass., all members of our staff if they're out
16 in Western Mass. Also there's suitable
17 conference and meeting space too should we
18 require for any purpose. That's all built into
19 the \$200 a month rent we're going to have to
20 pay.

21 MR. DAY: I was hesitant to mention
22 that because I didn't want to interfere in the
23 tenant relationship overall. So, I thought
24 just left that on the table. But it's a very

1 reasonable rate.

2 COMMISSIONER STEBBINS: It's
3 competitive for the market in Springfield.
4 Let's leave it at that in case the lease has to
5 be renegotiated.

6 CHAIRMAN CROSBY: Is there space
7 enough for our meetings when we go out there?

8 COMMISSIONER STEBBINS: There is
9 some space, yes. I think there's suitable
10 space.

11 CHAIRMAN CROSBY: That would save us
12 a few bucks too.

13 COMMISSIONER STEBBINS: There's some
14 suitable space depending on the agenda to house
15 everybody

16 CHAIRMAN CROSBY: Great.

17 MR. DAY: We will proceed with the
18 lease. The next item on the agenda today is
19 relative to Region C. I'll have Michael and
20 Carroll come up front where they're handy.

21 What we had anticipated on this
22 particular item was to reevaluate relative to
23 market changes, to update information regarding
24 tribal issues and then also possibly do some

1 discussion in the light of the 45-day extension
2 to discuss potential impact on other critical
3 areas.

4 I want to note as we get into this
5 topic tab 3(a) we've also received four
6 letters. Those four letters are made part of
7 the packet, one from the New Bedford Attorney
8 Leontire and Beauregard, New Bedford attorneys
9 was received on 3/27, one from John Donnelly
10 and Neil Bluhm received on 3/30, Brockton Mayor
11 Bill Carpenter on 3/31 and recently Rob
12 Scarpelli from HLT on 4/1.

13 The Commission also under this tab
14 there's also a letter sent by the Commission to
15 Assistant Secretary Washburn from the BIA
16 inquiring about the status of the tribal
17 application for trust. Michael and Carroll are
18 also here to offer some comments at the
19 Commission's discretion.

20 As we talk about the schedule issue,
21 I just want to leave on the table for the
22 Commission one possible method to deal with the
23 schedule as we look forward is to wait until
24 after the May 4 date and then ask staff to take

1 a look at the number of applicants that we
2 have. And then come back to the Commission to
3 have a discussion on specific dates that the
4 staff might recommended in order to deal with
5 things like the IEB investigations, host
6 community relationships or host community
7 agreements and those kinds of things that take
8 a little bit more time to figure out how the
9 rest of the schedule is going to work.

10 A note with that would be that the
11 date would be at least 45 days from the current
12 RFA-2 date similar to what the Commission did
13 with its requirement to have complete documents
14 submitted, which just for reference purposes as
15 you begin your discussion would put it about
16 July 10.

17 With that --

18 CHAIRMAN CROSBY: Let me just add a
19 little bit to that. First of all, with the
20 schedule just to reiterate, I think that's a
21 good suggestion that we'll finalize the entire
22 RFA-2 schedule once we know how many applicants
23 we have. Obviously, it would vary depending on
24 how many we have.

1 But as you said, I want to make sure
2 everybody heard that we will at a minimum
3 extend the RFA-2 date by the same 45 days that
4 we extended the RFA-1 date. There may be more,
5 but at a minimum anybody who is working on that
6 knows that there is at a 45-day change.

7 COMMISSIONER MCHUGH: So, does that
8 take it to July 10?

9 MR. DAY: To July 10, yes.

10 COMMISSIONER MCHUGH: So, that's the
11 minimum extension is until July 10.

12 MR. DAY: Correct. The Commission
13 could opt for next business day, which would
14 bring it to that next Monday.

15 CHAIRMAN CROSBY: And then on the
16 issue that's on the agenda, the Region C
17 update, Commissioner Cameron explicitly raised
18 at our last meeting the issue that there have
19 been a number of changed circumstances in the
20 Commonwealth and surrounding states even in
21 Region C since we had done some of our work.
22 We are mindful of the need to constantly to do
23 our due diligence on the process here as she in
24 particular and Commissioner Zuniga pointed out.

1 There have been calls for us to
2 alter our plans for Region C from the outside.
3 Some people want us to change, some people
4 don't. But there have been people who said we
5 ought to slow down.

6 So, we agreed with Commissioner
7 Cameron that it made sense to take a quick but
8 rigorous re-look at the underlying
9 circumstances, principally the economic
10 circumstances and the tribal circumstances to
11 see whether or not we wanted to change the plan
12 that we were on.

13 That plan to date has been that we
14 would proceed with a commercial application.
15 And at the end of the commercial application,
16 once we knew what we had, we would then make a
17 decision on whether to award and if so to whom
18 should that be reconsidered.

19 We have asked both of our principal
20 consultants to help us with this review. And
21 we're going to have Commission Zuniga
22 characterize the report from our economic
23 consultants. But as long as our friends
24 Michael and Carroll are here, why don't we

1 start with your sense of to what extent and to
2 what relevance there are in changed
3 circumstances relative to the tribal situation
4 in Region C.

5 MR. MICHAEL: Thank you, Mr.
6 Chairman, members of the Commission. As you
7 pointed out, Mr. Chairman, the Commission has
8 asked us to be present today and to give you a
9 brief in summary the overview of the tribal
10 circumstances as they are present today in
11 Region C to assist you in any way we can with
12 respect the decisions that you need to make.

13 We will attempt to give you just a
14 look at the processes and an overview of the
15 legal issues that arise out of that situation.
16 We'll start with what we can't do. And what we
17 certainly cannot do is to opine at all on the
18 merits of the tribe's application at the
19 present time pending at the Bureau of Indian
20 Affairs, or on the timing of when the Bureau of
21 Indian Affairs may make a determination on that
22 application.

23 But what we would like to do is
24 describe the environment in which that

1 application will be considered and the
2 procedures that will be attended to it.

3 So, what we'll start with we thought
4 was a logical place is the nature of the
5 compact and any changes in the state of the
6 state tribal relationship in that regard. Mr.
7 Carroll will take care of that part.

8 MR. CARROLL: Thank you, good
9 morning Commissioners.

10 CHAIRMAN CROSBY: Bob, state your
11 name just for the record.

12 MR. CARROLL: Robert Carroll from
13 Michael and Carroll. We have looked at the
14 compact. As you are aware, back in 2012 the
15 initial compact that had been proposed was in
16 fact disapproved by the Bureau for Indian
17 Affairs. Since then there has been a new
18 compact that has been in place since February
19 2014. And there are some changed terms in that
20 document.

21 Essentially, the allocation of
22 regulatory duties, the co-regulation if you
23 will pretty much stayed intact. But there is a
24 financial term that we felt that's significant

1 in terms of change. In essence, there would be
2 potential that if the Commission should issue a
3 license in Region C, a Cat. 1 license in
4 particular, and if gaming operations are
5 commenced in Region C that there would be a
6 reduction in what the tribe would otherwise be
7 required to pay under the compact's revenue
8 allocation terms.

9 The original percentage was 21
10 percent that was agreed to but that would be if
11 there was no gaming in the Commonwealth. Of
12 course, there is in Regions A and B in terms of
13 the issuance of licensing pending the
14 commencement. So, you would pretty much be
15 involved with the reduction from 21 percent to
16 17 percent, which is the operative number that
17 has been added to the new compact.

18 CHAIRMAN CROSBY: Seventeen percent
19 in the event that there is no commercial
20 Category 1 license in Region C.

21 MR. CARROLL: Correct. And the
22 impact of that particular change in the compact
23 obviously factors in to a certain degree in
24 terms of your review.

1 However, regardless of the revenue
2 allocation change, the tribe is still obligated
3 to pay regulatory fees for the co-regulation
4 and a variety of other items in there,
5 including taxes and other areas that don't fall
6 directly on the tribe and its members. A
7 variety of those carryover terms were carried
8 into the new compact.

9 The net effect of the 17 percent
10 provision -- It's important to distinguish the
11 issuance of the license from the commencement
12 of the actual activities.

13 As you know, the gaming activities
14 require some ramp up. You're undergoing that
15 now in Regions A and B. That involves a
16 substantial amount of time for the development
17 and the construction phase. In the tribe's
18 case that can't even commence until after the
19 land in trust issue is resolved, which we know
20 as at this point has no predictable date.

21 The licensee, the state licensee on
22 the other hand, if you choose to go forward
23 does not have to wait in that regard does that
24 not have that additional hurdle to handle.

1 There are other tribal obstacles or I should
2 say hurdles that will have to be dealt with.
3 That includes NREGC review of the management
4 contract and the various other NEPA and MEPA
5 considerations that go with a management
6 contract with you as distinguished from the
7 initial land in trust application. All of this
8 obviously regrettably engender delay if that
9 particular process was followed.

10 For the purpose of our discussion
11 today though and not getting into the weeds
12 further than necessary and separating out the
13 particular financial impact that I know
14 Commissioner Zuniga is going to talk to from
15 the HLT analysis, the 17 percent insertion
16 under the provisions that is in there with not
17 taking effect until the commencement, we
18 believe, as we'll discuss in the
19 recommendations section, does nothing to impede
20 your continued process at this point. But
21 we'll elaborate on that a little bit further as
22 we go forward.

23 MR. MICHAEL: If I didn't say it
24 before, Guy Michael, Michael and Carroll. And

1 I apologize for the Twilight Zone ring tone.
2 That's my daughter. If you knew her, you would
3 understand it.

4 What I'd like to do now briefly is
5 to just give a general picture of the
6 environment again within which the BIA is
7 considering in making its decision on a land in
8 trust application that the tribe has submitted.

9 When we say land in trust, and we
10 all know what we're talking about, but just
11 generally the federal government in 1934 passed
12 legislation that allowed it to essentially take
13 land in trust for tribes.

14 In the past, the federal government
15 just grabbed land that the tribes had
16 previously owned. In order to remedy that
17 situation, they passed this legislation which
18 then allows tribes to actually control land but
19 it's actually legally owned in trust for their
20 benefit by the federal government.

21 The act in 1934 that authorized that
22 process defined the tribes that they would take
23 land in trust for as recognized Indian tribes
24 now under federal jurisdiction. And for 75

1 years, everyone thought that what the word now
2 meant was that when a tribe applied for the
3 land in trust if they were now under federal
4 jurisdiction they could get the land in trust.

5 Seventy-five years later the Supreme
6 Court disagreed. And in a case called Carcieri
7 versus Salazar, the court ruled that the word
8 now means in 1934.

9 So, since that decision for any
10 group to be able to have the federal government
11 take land in trust for them that group has to
12 establish to the BIA that they were under
13 federal jurisdiction as of 1934.

14 In terms of the changes that have
15 occurred in the past two years, there really
16 haven't been any changes to that rule. The
17 Carcieri rule still applies and the Mashpee
18 Wampanoags will have to comply with that rule
19 in order to have the land taken into trust.

20 What has changed within the past two
21 years, if it's really considered change are
22 there have been some cases that have been
23 decided, which might give some guidance to the
24 possibility of any kind of outcome although the

1 cases go all kinds of different ways and they
2 don't really give us that much of a milestone.

3 One of the principal cases is one
4 called Big Lagoon Rancheria versus California.
5 That's particularly interesting because the
6 Ninth Circuit there ruled that the state was
7 correct in refusing to negotiate a compact with
8 the tribe because as the state asserted that
9 tribe had not been under federal jurisdiction
10 in 1934, and therefore it did not have land in
11 trust, therefore it wasn't Indian lands and
12 therefore they could not have a casino.

13 What is interesting about the case
14 is that the land already was in trust. The BIA
15 had agreed to put it in trust. But the court
16 said the BIA was wrong and used the wrong
17 standard. And therefore essentially overruled
18 the BIA's determination.

19 That was a three-judge panel in the
20 Ninth Circuit that was then petitioned for
21 rehearing before the full circuit was filed and
22 that case is now still pending. It was briefed
23 in September -- arguments were heard in
24 September. It hasn't been decided yet.

1 Another case situation is the
2 Cowlitz Tribe in the state of Washington. And
3 in that case, there were 152 acres of land that
4 the BIA actually took in trust for the tribe
5 even though the tribe was not recognized. They
6 were not recognized until 2002, obviously long
7 after 1934.

8 It involved an extensive analysis of
9 the tribe's relationships to the federal
10 government throughout its history. The extent
11 to which it had communications with the federal
12 government, any financings that had been
13 provided by the federal government, all of
14 those were criteria in the BIA's determination
15 of whether or not land can be taken into trust
16 under the Carcier standards.

17 The BIA records went back to the
18 1855, 1860s. Really they delved very deeply
19 into that. So, it's a very fact sensitive of
20 determination.

21 Once the BIA makes its judgment
22 though that's not always the end of the
23 process. There are a number of ways that those
24 decisions can be challenged. And this is

1 something that has happened if it's within the
2 past two years, it's close to the past two
3 years. And that's a case called the Patchak
4 decision. And it involved challenge by
5 individuals who land in trust determination
6 that was made by the band of Potawatomie
7 Indians.

8 And in that case, the Supreme Court
9 expanded the zone of interest for people who
10 are capable of making challenges to BIA land in
11 trust determinations. Previously only stay and
12 local governments could challenge those
13 determinations. Under the Patchak case now
14 interested persons can do that.

15 The way the BIA handles that Patchak
16 decision is that during the course of the land
17 in trust process, anyone can file with the BIA
18 and say I'm interested in this and I want to be
19 noticed about all of the determinations you
20 make and give me the list of your final
21 decision. They become "interested persons".

22 Then when the determination is made,
23 if any of those interested persons decide they
24 want to sue and challenge it, the court will

1 make its own determination of whether or not
2 those persons even though they call themselves
3 interested fall within the category of
4 interested persons that the Supreme Court
5 established in the Patchak case.

6 But it does whether or not
7 ultimately these either abutting landowners or
8 others that have some modicum of standing to
9 challenge the BIA's decision regarding any
10 particular tribe, there is the expanded
11 possibility of challenges in that regard.

12 There is also in 2014 the decision
13 of the Supreme Court in the Bay Mills case in
14 Michigan. And in the Bay Mills case to even
15 complicate matters further, a tribe had built a
16 casino outside of its reservation not on Indian
17 lands at all, not on land in trust or
18 reservation land. It was outside of any of the
19 legal categories that would allow them to build
20 a casino.

21 The state sued to have the casino
22 closed. And the Supreme Court held that the
23 state had no jurisdiction to stop them from
24 building that casino because of the tribe's

1 sovereign immunity.

2 Ordinarily, the National Indian
3 Gaming Commission would be the party who would
4 also come in from the federal government to
5 close down a casino that was not properly
6 authorized. But the National Indian Gaming
7 Commission took the position that all of their
8 authority only extended to Indian lands.

9 So, you have a casino that is
10 clearly not on anything that is authorized for
11 them to build on. And the two main
12 authorities, the state and the federal
13 government were prevented from closing it.
14 This did not mean that there was no remedy.

15 The Supreme Court said you could
16 either sue the individuals who were running the
17 casino, the tribal officials, because they are
18 not the tribe and they are not cloaked with the
19 same tribal immunity. Or you could take
20 criminal action and arrest everybody who was in
21 the casino. What the state is going to do as a
22 result of that decision is still up in the air.

23 COMMISSIONER ZUNIGA: What state was
24 this, Guy?

1 MR. MICHAEL: This was in Michigan.
2 So, I don't know if that clarifies anything.
3 It probably makes it a lot muddier, and that's
4 probably our point. There is no real way to
5 make definitive predictions about the state of
6 the law today, tomorrow or 10 years from now
7 nor the ultimate resolution of the merits of
8 this application.

9 What we would recommend is our
10 conclusion with respect to the overall issue
11 here is that waiting at this point to see
12 what's going to happen would probably not be
13 productive. The unpredictability of all this
14 is something that could last for a long time or
15 be cleared up tomorrow. So, waiting for that
16 resolution, it would probably be a detriment to
17 all of the parties involved. That's our view
18 of it. We leave it to you to make that
19 determination.

20 COMMISSIONER CAMERON: Mr. Michael,
21 I think the only thing clear as far as those
22 cases are that every single one after a
23 decision was made was challenge, right?

24 MR. MICHAEL: That's right. All of

1 those were challenged. And it's almost
2 universal that especially land in the trust
3 determinations involving gaming end up being
4 challenged one way or another. There probably
5 are a number of land in trust applications that
6 do not involve gaming where an Indian tribe
7 does not intend to have a casino on that land
8 that they go through. But gaming decisions are
9 very controversial. I don't have to tell you.

10 CHAIRMAN CROSBY: This is another
11 hard to predict, but can you make an informed
12 judgment about if there were a land in trust
13 award and there were a suit, which is a pretty
14 high degree of likelihood, whether development
15 of the tribal facility would be enjoined until
16 the legal action was resolved?

17 MR. CARROLL: It would depend on the
18 degree of potential harm to the plaintiff that
19 could be made, the case that could be made. I
20 think it's certainly a reasonable chance that
21 there would be some enjoinder of the progress
22 of it.

23 Just one of the key factors that we
24 focused on in looking at all this, which is the

1 amount of time that it takes from the time that
2 the license is approved and the actual
3 commencement of gaming, as you know from
4 Regions A and B, can be substantial.

5 And one of the purposes here
6 obviously has been to commence revenues coming
7 to the Commonwealth as soon as possible. And
8 looking at the status of the legal decision, an
9 area where it's clearly murky coupled with the
10 fact that the processes that would be needed,
11 the initial processes can't even commence until
12 that land is decided upon builds in delay that
13 is just way too unpredictable for you to
14 premise further delay on your part in terms of
15 holding up the license.

16 We do note obviously the patience
17 that the Commission and the Commonwealth have
18 shown in working closely with the tribe.
19 That's been acknowledged to us by the BIA that
20 everyone appreciates the nature of the
21 relationship, and the fact that the parties
22 have tried to do what they can in the American
23 interest here.

24 But the interest as a whole to the

1 Commonwealth can be affected if the delay is
2 hinged on this unpredictable legal situation
3 that they are facing now. It's our feeling
4 that looking at the entire situation, going
5 forward with a commercial license at least
6 gives you some surety of progress. And we
7 think it is in the best interest. That's just
8 our recommendation.

9 COMMISSIONER ZUNIGA: I'm
10 particularly intrigued by the Bay Mills
11 example. I guess first of all that was the
12 example I was least familiar with or that I was
13 least familiar with at the time. Isn't Patchak
14 also a Michigan decision? Is that a Michigan
15 case?

16 MR. MICHAEL: I am not sure.

17 COMMISSIONER ZUNIGA: Here's my
18 point or my question rather. How did the tribe
19 proceed without land into trust?

20 MR. MICHAEL: They just built the
21 casino. And the state had sued to prevent it.
22 It went all of the way up in the course of the
23 proceedings. It went all the way -- It wasn't
24 entirely built is my understanding of the

1 facts. They may have gotten an injunction, but
2 it wasn't completely -- It wasn't completed.

3 It wasn't an operating casino when
4 it got to the Supreme Court is my recollection.
5 But they intended to go forward with it. And
6 the Supreme Court ultimately ruled that -- not
7 they could but there was no one to in a
8 regulatory sense or basically a civil sense to
9 stop them.

10 COMMISSIONER ZUNIGA: This is the
11 one case that's different from all others,
12 right?

13 MR. MICHAEL: It's the only one that
14 I'm aware of with that --

15 COMMISSIONER ZUNIGA: The others
16 have been challenged before --

17 MR. MICHAEL: -- before land in
18 trust.

19 COMMISSIONER ZUNIGA: -- before they
20 can begin by a person of interest or the state.

21 MR. MICHAEL: Right. There is no
22 indication that that situation, the Bay Mills
23 situation would be present here. We bring it
24 up only in terms to show the uncertainties and

1 the unpredictabilities of this area especially
2 since the past two years.

3 CHAIRMAN CROSBY: Anybody else?

4 COMMISSIONER STEBBINS: Is there a
5 -- Carcieri was kind of the driving decision
6 starting to tie up a lot of these land in trust
7 applications. What is the scenario or
8 environment in Washington right now following
9 the Carcieri case?

10 MR. MICHAEL: There's a bill that
11 been introduced by Senator Tester from Montana.
12 He was the chairman of Indian Affairs. I
13 believe he's Democrat. Now he's the ranking
14 minority member.

15 It's essentially the same bill that
16 has been introduced a number of different times
17 and has not gotten anywhere. There's no real
18 indication that this will be -- again, it's
19 even harder to predict Congress I guess than it
20 is to predict BIA.

21 If the past is any guidance then
22 this doesn't look like -- It does like it would
23 have the same lack of success. The tribes
24 obviously are very anxious to have this fixed,

1 but the opposition comes out of states where
2 ironically there is already a lot of tribal
3 gaming, California in particular. And the fear
4 that this would just open things up to even
5 more.

6 And not only more but more in cities
7 and areas where people don't particularly want
8 it. And Senator Feinstein for one has been
9 very vocal in her opposition to any of this.

10 COMMISSIONER STEBBINS: Do you know
11 the current -- What's the current population, I
12 guess, of awaiting applications both for simple
13 land in trust and simple land in trust
14 obviously for gaming purposes?

15 MR. MICHAEL: I don't know the
16 number of applications. I know the President
17 has taken the position that he wants by the end
18 of his term for there to be 500 acres --
19 500,000 acres in trust. There's now only
20 somewhere around 300,000.

21 So, it's the administration's
22 position to incentivize the BIA to agree to
23 take land in trust. Bob and I were both at a
24 meeting of the BIA in Nashville last week and

1 they were encouraging tribes to make
2 applications because they want to satisfy the
3 administration and meet that quota.

4 So, there is an effort ongoing to
5 try to do this. The problem is that they also
6 told us that they are sorely understaffed. And
7 they are not able to get a lot of these
8 applications for a variety of reasons.
9 Staffing being one and the complications being
10 another and so on. I don't know if that's an
11 answer. That's the circumstance. Do you know
12 anything about the number?

13 MR. CARROLL: The numbers you cite
14 are obviously accurate. The only other aspect
15 is that part of their process includes that
16 after an application is filed, notice goes out
17 to affected local governments and tribes and so
18 forth in the area for comment.

19 One of the effects you have is
20 obviously the land in trust takes that from
21 normal tax laws. So, you're always going to
22 get a response in terms of how it affects the
23 local community because for some local
24 governments that can be significant, the land

1 in trust.

2 The simple applications that don't
3 involve gaming are the kind that they have been
4 performing since the President's incentive they
5 have every year produced so many acres. This
6 year up to this point I think it was 25, 250,
7 something like that this year.

8 But there's 300,000 -- There's about
9 200,000 left in the incentive stimulus that was
10 given. A lot of them would be taken up with
11 the simple applications, not the complex ones
12 that would involve gaming interests and things
13 like that. Because once you add gaming in the
14 mix, obviously you have all the mitigation and
15 impacts that occur with a larger facility.

16 The simple applications, taking
17 agricultural land in or land in for residents
18 and things like that, even those require notice
19 and so forth and the steps that are taken
20 coupled with the understaffing that the BIA has
21 been struggling with causes quite a bit of
22 delay.

23 The backup, if you will, is what it
24 is. There are many applications. They're all

1 working diligently. We got the impression that
2 they're doing everything they can to get it
3 done. But there's a lot of pressure on them
4 right now.

5 CHAIRMAN CROSBY: One other piece to
6 this part of our inquiry, we again pursuant to
7 Commissioner Cameron's suggestion that we ought
8 exercise whatever due diligence we possibly
9 could to inform our decisions on this, we wrote
10 as Director Day said, we wrote Undersecretary
11 Kevin Washburn who is the Undersecretary of the
12 Department of Interior who among other things
13 is responsible for the Bureau of Indian
14 Affairs, explained our situation, explained our
15 dilemma, explained the timeframe and asked him
16 for a meeting or a phone call where we can see
17 whether he can tell us anything about the
18 timeframe of the decision-making process.

19 He called me on Monday and here were
20 his reactions. First of all, he said the
21 Mashpee application remains a high priority for
22 them. He said there has been no final
23 decision. The issue essentially is do we have
24 the authority to do this under Carcieri and/or

1 is there any other way to deal with it.

2 I said to him that I knew that he
3 couldn't hazard an intimation about the nature
4 of the decision or any specific date as to a
5 decision, but could he provide some kind of an
6 outside timeframe so that we might at least
7 have something to work with as we go forward
8 here?

9 And he said, and this is virtually a
10 quote, I'm the guy that told you that the
11 decision would be made by the spring of 2013,
12 said he. So, I have no credibility on the
13 issue of deadlines. And I can't give you even
14 a hint of an outside date. He said I have no
15 good idea of a date.

16 He said effectively although it is
17 nominally it is his decision it isn't really
18 his decision because he can only sign the
19 underlying legal analysis which has to come out
20 of the Solicitor's office. So, that
21 effectively it was not really even his
22 decision. So, he had nothing to add to any way
23 for us to vet the timing of this.

24 He did incidentally make a point of

1 saying that he appreciated, he on behalf of the
2 BIA appreciated that both the Commonwealth and
3 the Commission had made an effort to try to be
4 attentive to the legitimate concerns and
5 aspirations of the tribe but that he was also
6 fully sympathetic with the broader issues that
7 we had to deal with as well.

8 So, I guess on that score the bottom
9 line recommendation is, the recommendation from
10 you all is there nothing to change our plans.
11 And there is no information from Secretary
12 Washburn that can inform anything that we're
13 doing.

14 I don't know how long you folks are
15 planning on staying, but we are doing internal
16 controls and it's later on, I guess, this
17 afternoon. There may be questions that would
18 come up, if that doesn't screw up your lives.

19 MR. MICHAEL: No. It's screwed up
20 enough as it is.

21 CHAIRMAN CROSBY: Next time, please,
22 bring your daughter, I'd love to meet her.
23 Thank you. That was the tribal half -- part of
24 our inquiry. There is also the economic part

1 of our inquiry. And Commissioner Zuniga who
2 has led this analysis from the beginning will
3 pick it up here.

4 COMMISSIONER ZUNIGA: We distributed
5 a short memo. It's a summary from our
6 consultants at HLT. Essentially, we asked them
7 the same question. Has there been any the
8 recent developments, even some of the talk
9 about other states, any of this would cause us
10 to rethink some of the assumptions or analysis
11 that was made as part of the initial market
12 assessment?

13 I will jump to the conclusion. And
14 the short answer is no. I'll elaborate, of
15 course. But their market assessment is a
16 framework that would still apply when we get to
17 the Region C analysis.

18 There is market out there for gaming
19 in that region. And the assumptions that were
20 made at the time still hold true, because
21 although the compact that Bob and Guy just
22 mentioned was approved by the Legislature here
23 in February 2014, the actual numbers were known
24 before because they had reached -- the Governor

1 had reached that second agreement in 2013.

2 So, the economics remain similar.
3 I'm going to go through a couple of key points
4 here. They get into those details here in the
5 memo. But you might remember that there was a
6 blended -- a lower, a blended and a high rate
7 of gross gaming revenue per adult in the market
8 areas. With a third or a fourth casino it
9 would be relevant to take a higher number.

10 This is a really about supply
11 meeting demand. Actually, the other way
12 around, demand meeting supply. That is a
13 relevant part of the analysis. It doesn't
14 change much the overall, as I just mentioned,
15 but it's a number that could be further
16 analyzed.

17 The biggest piece that remains the
18 wildcard, if you will, is the size and scope of
19 the Region C casino, commercial, and the tribal
20 casino. If one comes before the other, what
21 does the second one decide to do in response to
22 the presence of the first one, which is of
23 course by definition a wildcard. No one really
24 knows how the other one is going to respond if

1 the first one was first.

2 So, our consultants cannot get to
3 that analysis until we have first the
4 applicants for the commercial licenses. And
5 even then, there will be an element of
6 uncertainty because the response from the other
7 casino in this case -- I'm speculating that we
8 can get to the commercial first. -- in this
9 case a tribe may respond in a number of
10 different ways.

11 So, they made assumptions. They
12 clarified. Even though at the time we picked
13 Taunton as the place for the location of the
14 market assessment in Region C for two reasons,
15 it is both the geographic center and it is of
16 course where the tribe is proposing their
17 casino, none of that changes the analysis.

18 Again, even though they have not
19 made a new market assessment, the reality is
20 that -- Let me mention a couple of other
21 things. The developments in Connecticut, for
22 example, the talk as to whether Connecticut
23 might expand its presence or either one or both
24 of the current operators decide to expand their

1 room capacity, etc., would have a lot more
2 effect on both Connecticut and Region B.

3 In this case they see those kinds of
4 developments would not have an effect on
5 Regions A or B -- I'm sorry A or C.

6 So, there is a similar case to be
7 made with what has happened in Rhode Island.
8 They could still expand gaming there but until
9 they do, there is nothing to change, or New
10 Hampshire for that matter, there's nothing to
11 change the analysis.

12 Ultimately, what all of this means
13 is it's up to the applicant to demonstrate and
14 take the risk as to whether they want to build
15 something there. Demonstrate that there's a
16 case to us we're in that position. Even before
17 that agree that they can still have an
18 economically feasible operation even with the
19 risk of a casino nearby.

20 Once again, we cannot get to that
21 analysis until we see the Phase 2 response from
22 however many applicants we get, one, two or
23 three. I can take any questions or comments.

24 COMMISSIONER CAMERON: I personally

1 was most interested in the surrounding
2 environments meaning New Hampshire, Rhode
3 Island, Connecticut, New York. And from what
4 you're saying, Commissioner, they've looked at
5 that and did not see an effect on Region C,
6 possibly another region in the state but not on
7 Region C.

8 COMMISSIONER ZUNIGA: That's
9 correct. The threat of expanded gaming in New
10 Hampshire was always there when we did the
11 original marketing assessment -- actually, when
12 we started I remember. It continues there.
13 But if that happens, they don't see that as a
14 game changer for Region C at this point. And a
15 lot of the other rumblings about Connecticut
16 would have an effect on both Connecticut, which
17 is important to notice the existing operations
18 and Region B. And who knows if that's going to
19 happen anyway.

20 CHAIRMAN CROSBY: So, if I'm reading
21 this correctly, and please modify me if I'm
22 not, but it looks to me like in our outreach to
23 our two principal consultants, one economic,
24 one tribal that the answer to the question that

1 was raised by Commissioner Cameron is there
2 really are no changed circumstances as of the
3 moment that should cause us to change our
4 plans. Does that feel right to you?

5 COMMISSIONER CAMERON: That's the
6 report from both consultants. And I thought
7 that was an important update to have.

8 CHAIRMAN CROSBY: I agree with that.
9 As I said, because other people expressed
10 concern about Region C, I think it was fitting
11 that we take a deep breath and take a look.

12 Can we just be clear again? And
13 again, if I say anything that doesn't sound
14 right, please say so but for clarity purposes I
15 want to walk through this.

16 The plan that we have been on for
17 quite some time now has been to go forward with
18 the commercial application process. We have
19 extended it in various ways, various times
20 because some of us at least have wanted to
21 encourage competition even at the expense of
22 time. Speaking as one who voted for an
23 extension last time, I'm doubtful that we will
24 be doing very many more extensions, maybe

1 anymore extensions.

2 But the process now is that with
3 that 45-day extension complete the commercial
4 process. At the end of the day, we will have
5 at least one applicant because we already have
6 that applicant. And there may be one or more
7 others.

8 At the end of the RFA-2 process, we
9 will go through our customary analysis and
10 evaluation in depth. And we will then conclude
11 whether we have an adequate applicant or not.
12 And we will assess the circumstances at the
13 time, all of the economic circumstances, the
14 cases that have been made by the applicants,
15 their arguments about how they will deal with
16 competition, just as we have had all of our
17 applicants do in the past.

18 We will then determine whether to
19 make an award. And if so, to whom? And that
20 is the plan that we are on. And that is the
21 plan we are sticking on.

22 We have never said we will
23 absolutely make an award. We've never said
24 that about any of the licenses, but we are now

1 committed to continuing the commercial process
2 and take into consideration the applicants'
3 arguments for why it makes sense to go forward
4 with them as part of our evaluation, part of
5 our decision-making. Does that sound clear?

6 COMMISSIONER ZUNIGA: That sounds
7 right on point to me. And as one who voted
8 against the extension, I went back to review
9 the transcript, by the way because that was
10 important to me.

11 My comments and reluctance about the
12 economics were really in the context of the
13 discussion that we were having and the vote we
14 ultimately took, which was to extend or not the
15 deadline to the applicants that were
16 incomplete, an important piece missing. And my
17 comments reflected my doubts as to whether they
18 would obtain that equity.

19 We did have one complete application
20 with an equity component. And as far as I'm
21 concerned, them or anyone else would be in a
22 position to prove to us, which is the whole
23 process we have set forth here, whether and how
24 they can compete, they can absorb risk and they

1 can provide a return on investment that would
2 be sustainable. That's been the rule for
3 everybody in every region. It's once again
4 moving ahead on Region C.

5 CHAIRMAN CROSBY: Right. Okay,
6 Commissioner Cameron, all right?

7 COMMISSIONER CAMERON: Yes.

8 CHAIRMAN CROSBY: Commissioner
9 McHugh?

10 COMMISSIONER MCHUGH: I was just
11 going to say, I said last time that I wondered
12 if there were a way to make an economic
13 decision early. It seems to be clear on
14 reflection that there isn't and that we do need
15 to follow the process that we set up at the
16 outset of our discussions about Region C we
17 were going to follow.

18 And as both of you have said that's
19 the same process we followed in the other
20 regions and with the slots parlor. And that is
21 to take a look concretely at what is being
22 proposed, where the sources of revenue are,
23 what the projections are and what the, among
24 other things, efforts and plans for resisting

1 competitive pressures are.

2 And then make a decision as to who
3 has the better, and assuming that both or at
4 least one is convincing -- has convinced us
5 that it's a viable process economically. So,
6 I'm committed to that process and think it is
7 the one we ought to follow.

8 COMMISSIONER CAMERON: The only
9 thing I would add is the suitability, which has
10 been an important part of our process. And I
11 know that IEB is working on that as we speak.
12 And I know they'll be as thorough as they have
13 in the past. And that's an important piece of
14 our evaluation as well.

15 CHAIRMAN CROSBY: Okay. I think
16 we've dealt with this. It was time well spent.
17 Thank you Commissioner Cameron for bringing it
18 up and we are moving forward.

19 COMMISSIONER CAMERON: Thank you.

20 COMMISSIONER MCHUGH: Thanks very
21 much.

22 CHAIRMAN CROSBY: The next item on
23 the agenda was actually raised by me. So, why
24 don't I just skip right to this. It's section

1 3(b).

2 MR. DAY: Chairman Crosby, could I
3 just clarify so the staff will return after the
4 May 4 date to update the rest of the dates for
5 Region C.

6 CHAIRMAN CROSBY: Sorry, say again.

7 MR. DAY: We will just plan to
8 return to the Commission with proposed dates
9 for the rest of Region C after the May 4
10 submission.

11 CHAIRMAN CROSBY: Right. It just
12 occurred to me that a number of the
13 Commissioners when we were taking our sections
14 of the RFA-2 application, we broke the
15 application down into five segments. Each of
16 us took a segment and we worked in most cases
17 with consultants and/or advisors to evaluate
18 each of our sections.

19 We all made some comments that on
20 close analysis there were some tweaks in the
21 application forms and questions that we would
22 like to have made had we had an opportunity.
23 And we talked about they kind of evolved by
24 cutting and pasting sections out of the law

1 into the application form.

2 And it was never really edited to be
3 an editorially careful document. We do now
4 have the opportunity to make some adjustments
5 to the language and some of the questions, take
6 out duplication. My suggestion was that we do
7 that. Not change in anyway the substantive
8 categories. So, that the primary evaluation
9 criteria will remain precisely the same, but
10 the form of the questions may change somewhat.
11 But I just throw that out as a suggestion.

12 COMMISSIONER ZUNIGA: I for one have
13 a couple of instances where having gone through
14 the review of these complex and lengthy
15 applications, we went back to applicants in a
16 couple of cost categories for example to make
17 sure that a certain cost was broken down or
18 included in another category or etc.

19 Out of that came what I think is a
20 better format for certain template, the
21 template being costs. And that's the kind of
22 tweaks that I had in mind.

23 It's the same ask, a pro forma of
24 all of their development costs and cash flow

1 discounted at the same rate etc., etc., but
2 rather than going through an iteration of
3 submit your cash flows and let us go back and
4 ask you again, I would argue let's make sure
5 everybody has that template that we all took to
6 do the analysis and have the ability to compare
7 apples to apples.

8 So, I would certainly categorize
9 that as tweaks. It doesn't change anything as
10 far as I'm concerned. I'm referring in
11 particular to the finance section which I'm
12 most familiar with. I would agree with that
13 Commissioner. Of course, the sooner the better
14 because my sense is that there's people already
15 working on these applications because they are
16 very lengthy and complex.

17 COMMISSIONER STEBBINS: I am more
18 than happy to -- my goal was to work with
19 outside advisors in the review of the economic
20 section, go back, just relook at the questions,
21 tweak them if necessary.

22 As to Chairman, is it your goal to
23 maybe be back here in two weeks with kind of
24 updates or recommendations to those questions

1 so we can move the process along as
2 Commissioner Zuniga --

3 CHAIRMAN CROSBY: It would certainly
4 have to be done by May 4. May 4 is when the
5 RFA-2 deadline -- I'm sorry, the RFA-1 deadline
6 is now scheduled where upon people will be
7 getting their RFA-2 forms. So, it certainly
8 has to be done by then.

9 If there's anything in any way
10 substantive or meaningful, I think we ought to
11 talk about it here. I think if it's just
12 editorial changes, we probably still ought to
13 review it, but it wouldn't necessarily have to
14 be within the next two weeks.

15 COMMISSIONER STEBBINS: Okay.

16 CHAIRMAN CROSBY: And it's
17 completely discretionary. We can do as little
18 as we like on this depending on each of our
19 feelings about our sections.

20 COMMISSIONER MCHUGH: To prevent
21 heart attacks for those who may be working on
22 it, underscore the fact that these are tweaks
23 and to remember that in processing the RFA-2
24 applications in both regions and for the slots,

1 we on a number of occasions reached out to the
2 applicants for more information.

3 We reached out to the applicants for
4 more information because it turned out the way
5 we phrased the questions wasn't yielding the
6 information we really needed.

7 So, it's based on that experience
8 that we've thought about and the Chairman has
9 raised the thought that we should do more than
10 just think about revising the questions
11 slightly so that we get that information
12 initially and in a form that is most helpful to
13 us.

14 So, we don't extend the review
15 process by the reaching out and getting some
16 last minute information back. We jump right to
17 the end and get the information that we need
18 without going through the intermediate steps.
19 And I think that would be an enormously helpful
20 process both for us and for the applicants and
21 for the host and surrounding communities who
22 have to take a look at this and understand what
23 it is that the plans really are.

24 So overall, I think this is a good

1 approach. And that we ought to take until May
2 4 to think it through. Take whatever time up
3 to May 4 we need to think it through and make
4 sure we get it right.

5 COMMISSIONER CAMERON: I would
6 agree. And I think we could assist those who
7 are familiar or maybe have filled out the
8 application or are in the process, as we do
9 with many of our changes, kind of redline the
10 changes so people would know and not have to
11 reread or interpret the whole application
12 again.

13 COMMISSIONER ZUNIGA: Right.

14 CHAIRMAN CROSBY: Good. Okay. So,
15 we will work on that. The last thing, unless
16 you had something else Executive Director, I
17 just wanted to thank the Legislature and the
18 Governor for responding to our suggestion and
19 request that they standardize the winnings
20 level at which there will be a reporting and in
21 our case a taxing requirement, moving it from
22 the \$600 threshold, which was originally in the
23 law, to the \$1200 threshold, which is
24 consistent with the federal government and the

1 IRS and virtually every other state in the
2 union including our nearby competitor states.

3 And the Legislature has been
4 reluctant to make any changes in the law
5 because it was such a hard worked law to begin
6 with, but we appreciate the fact that they did
7 this.

8 They also accepted our
9 recommendation that in Massachusetts, you will
10 now be able to offset your losses against your
11 winnings so that you will be taxed on your net
12 gain, if you have one, so long as you can
13 document your losses. So, you can't just claim
14 that you've got losses to offset your winnings
15 but if you can document your losses you will be
16 able to offset them against your winnings,
17 which I think we all felt was a matter of
18 equity.

19 Again, I just want to express our
20 appreciation to the Legislature and the
21 Governor for adopting those changes.

22 COMMISSIONER ZUNIGA: I will second
23 that. It is also a matter of competitive -

24 CHAIRMAN CROSBY: -- which is why it

1 was done.

2 COMMISSIONER ZUNIGA: -- which is
3 why it was done. It was a big principle of the
4 Gaming Act is to recapture gaming dollars that
5 are currently leaving. And I for one thought
6 that this was an aspect that was very important
7 in that goal.

8 CHAIRMAN CROSBY: Okay. Anything
9 else?

10 MR. DAY: I have nothing further.

11 CHAIRMAN CROSBY: Thank you. So, we
12 will move on. Let's take a quick break, a
13 five-minute break.

14

15 (A recess was taken)

16

17 CHAIRMAN CROSBY: We are ready to
18 reconvene our public meeting number 148. And
19 we are at item number four, Director Vander
20 Linden.

21 MR. VANDER LINDEN: Good morning,
22 Commissioners. I have three agenda items on
23 the agenda today. I'm proposing that we move
24 one around that we take the evaluation

1 procurement first as scheduled but then we
2 discuss the play management requirements second
3 so that Drs. Shaffer and LaPlante can stay for
4 that piece. And then we will talk about the
5 marketing procurement third.

6 CHAIRMAN CROSBY: You don't hear a
7 stay and hear us go through the internal
8 control regs.?

9 MR. VANDER LINDEN: I am very much
10 looking forward to that. So, first the
11 evaluation services procurement. The
12 Commission over the past year has adopted
13 numerous responsible gaming initiatives. I
14 think that in order to find out are these
15 initiatives effective, are they successful,
16 what is the quality of these that we need to
17 initiate a rigorous evaluation of those key
18 initiatives.

19 This is very true to the mission of
20 the Commission in taking a look at the work
21 that we're doing from a research-based
22 perspective. On December 18, the Commission
23 approved the 2015 gaming research agenda.
24 Within that agenda was the evaluation of key

1 responsible gaming initiatives outlined in the
2 responsible gaming framework.

3 Those key initiatives that we
4 identified were one, the play management tools
5 on electronic gaming machines at the Penn
6 facility or at Plainridge Park casino. The
7 second one was voluntary self-exclusion
8 program. And the third was the GameSense
9 Information Centers.

10 So, we put that out for procurement.
11 On February 27, the Commission selected the
12 Division on Addictions of the Cambridge Health
13 Alliance, or as they're referred to as the
14 Division, to carry out these important
15 projects.

16 In your memo, I have a pretty very
17 thorough description of what is the Division on
18 Addictions and what is their work. I won't
19 read through that but I will just tell you
20 personally that I have been following their
21 work for years. Have always thought very, very
22 highly of it.

23 In fact, when I was with the Iowa
24 Department of Public Health, they reviewed the

1 gambling treatment program, problem gambling
2 services for the state. It was an instrumental
3 document in improving the quality of services
4 for the state of Iowa.

5 Another relevant touch point is they
6 were involved or they developed Your First Step
7 to Change. That is still used by the Mass.
8 Council on Compulsive Gambling, a fantastic
9 resource on problem gambling.

10 So, what is it that they are going
11 to do? I will go through just a brief
12 description of the evaluation plans. And I'd
13 like to talk about each of the key initiatives
14 that they will be evaluating. During the
15 initial project period through June 2017, we
16 propose that the Division will assist the Mass.
17 Gaming Commission to design program strategy,
18 establish evaluation protocols and provide
19 preliminary findings and recommendations to
20 advance three key responsible gaming
21 initiatives.

22 Pending consideration of the results
23 from the initial period and approved by the
24 Commission, the Division may continue its

1 research through 2020 in these areas with the
2 goals of establishing new features that advance
3 responsible gaming and the long-term efficacy
4 of key responsible gaming programs in
5 Massachusetts.

6 So, I'm not sure how we want to
7 proceed through here, but I would like -- I
8 would recommend we talk about what are we
9 evaluating. That was especially important as
10 we went through play management to what are the
11 key program questions that we're attempting to
12 answer.

13 So, the key program questions that
14 are going to be addressed for play management
15 is one, is there any evidence from player
16 records or self-reported information that play
17 management could be harmful or beneficial.

18 Second, do play management tools
19 have the potential to be effective mechanisms
20 for supporting affordable gambling and managing
21 excessive gambling? Third, are there any
22 characteristics, for example demographics,
23 gambling patterns or preferences, that broadly
24 speaking would differentiate those who enroll

1 in play management from those who do not
2 enroll.

3 Fourth, what is the prevalence of
4 gamblers enrolled in play management who
5 trigger the messaging in the play management
6 tools and is that in triggering those
7 mechanisms associated with behavior change?

8 And finally, do enough people
9 utilize play management tools to justify the
10 related costs.

11 And I think that fifth question is
12 something that ultimately, with the information
13 that we have from the Commission at the end of
14 this trial, we would need to decide whether or
15 not that indeed enough people utilize it that
16 it would be an effective tool that we would
17 want to continue beyond the trial period and
18 with our other licensees.

19 CHAIRMAN CROSBY: Comments on the
20 questions? Are you finished with the
21 introduction?

22 MR. VANDER LINDEN: Yes. I would
23 propose that we discuss those questions, see if
24 there are questions for the Division on their

1 plan regarding play management, and then move
2 on to the next responsible gaming initiative to
3 be evaluated.

4 COMMISSIONER MCHUGH: Have these
5 questions been run by Penn or the other
6 licensees?

7 MR. VANDER LINDEN: The questions, I
8 forwarded the questions to Penn. I did not
9 receive feedback, but granted they were
10 forwarded to them yesterday.

11 COMMISSIONER MCHUGH: These aren't
12 necessarily set in stone, right? If during the
13 course of the research, it turns out that other
14 leads ought to be followed or other questions
15 are suggested by the preliminary answers, I
16 assume this is plastic enough or the concept is
17 plastic enough to add other questions to that?

18 MR. VANDER LINDEN: My simple answer
19 is yes, but I would think that Drs. Shaffer and
20 LaPlante would have a response to that as well.

21 COMMISSIONER MCHUGH: So, then my
22 only substantive question is with respect to
23 five, why is enough people the only criterion?
24 Suppose we found that if you answered that

1 question negatively just on a quantitative
2 basis, qualitatively there was evidence that
3 the people who did utilize it were saved from
4 significant problems that the research
5 demonstrated those who did not utilize it
6 encountered? Would that be a sixth question we
7 could ask or some kind of an offshoot of that?

8 It seems to me that the quantitative
9 piece is really important and easy to get a
10 hold of because people may, as we talked about,
11 utilize this for reasons other than prevention
12 of problem gaming. They find it an attractive
13 budgeting tool. But even if they don't, there
14 may be some qualitative component to it that
15 makes it worthwhile to continue even on a cost-
16 benefit analysis, a different cost-benefit
17 analysis. So, I just throw that out.

18 MR. VANDER LINDEN: I agree. I
19 think that that is a very important question to
20 answer.

21 COMMISSIONER MCHUGH: I don't know
22 whether it'd be hard to answer, whether it's
23 possible to answer.

24 MR. VANDER LINDEN: I think it's

1 possible to answer. Is it possible to
2 definitively answer this question within this
3 initial period between now and June 30, 2017?
4 And I think that that's one of the challenges
5 of this project is to be able to get to that
6 point.

7 At the end of this period, June 30,
8 2017, and definitively answer that question --
9 to answer your question about the effectiveness
10 of it, I think it's going to be a decision
11 point that the Commission is going to need to
12 make. Do we have enough evidence about both
13 the uptake, which I think we will, and the
14 effectiveness, which I hope we will but perhaps
15 not. The Commission is going to need to make a
16 decision about what to do next with that
17 information.

18 CHAIRMAN CROSBY: Did you want to
19 speak, Howard?

20 DR. SHAFFER: Excuse me, thank you
21 and good morning everyone.

22 CHAIRMAN CROSBY: Your name and
23 position?

24 DR. SHAFFER: I'm sorry. I'm Howard

1 Shaffer. I'm the Director of the Division on
2 Addiction. Commissioner McHugh raises I think
3 a vital question that will overarch all of the
4 other questions.

5 Ultimately, it's really not about
6 enough, it's about the pattern and how people
7 use these devices that will give you
8 information about whether you want to pursue
9 the continuation of play management or not.
10 And this comes up all of the time. The very
11 issue of gambling could be substituted in this
12 item.

13 The fabric of our community is
14 determined by these kinds of decisions. It's
15 not simply a scientific decision. We can tell
16 you about how many people utilize this. We can
17 even tell you about their patterns. But what
18 the outcomes are will be, I think, a value
19 judgment. And we're not going to make that
20 value judgment. We're going to provide you
21 with the information so you can make the value
22 judgment.

23 CHAIRMAN CROSBY: When you say what
24 the outcomes are, what do you mean?

1 DR. SHAFFER: For example, if people
2 use play management tools that might improve
3 the quality of their life. It might decrease
4 the quality of their life. It might be
5 dangerous to their life. It might be totally
6 enhancing to the quality of their life. We
7 don't really have answers to this. No one has
8 looked.

9 So, it's like the first stage of a
10 drug trial where we want to make sure that it's
11 safe that there are no harms that accrue to
12 anyone. Once we know that it's safe, then we
13 can investigate more characteristics of the
14 experience. But we can't really anticipate
15 what they are.

16 So, for example, if many people
17 utilize the tools and some people have very
18 adverse reactions to the tools, we probably
19 wouldn't want to use them. That's what we do
20 with pharmaceuticals. If the lethal threshold
21 is too low, we don't pursue those kinds of
22 medications.

23 But on the other hand, on the
24 flipside, we might not have many people but we

1 might be saving lives. And our social, moral
2 obligation, our responsibility is to continue
3 to provide that even though on a financial
4 cost-benefit analysis it's expensive but it's
5 worth it for the lives saved.

6 COMMISSIONER ZUNIGA: In that
7 scenario, isn't it inherently difficult to
8 figure out how many bankruptcies we might have
9 avoided?

10 DR. SHAFFER: Yes.

11 COMMISSIONER ZUNIGA: Because of
12 course they didn't go bankrupt.

13 DR. SHAFFER: Yes. The question is
14 a very complicated and difficult question.

15 DR. LAPLANTE: It's even more
16 complicated than that because the design that's
17 possible because this something that is going
18 to be live and people are interacting with it
19 in a business that's operating.

20 So, we're not going to be able to
21 randomize people to different conditions.
22 We're not going to be able to say, okay, you
23 get play management and you don't get play
24 management. And based on those experiences,

1 these outcomes suggest that play management
2 causes this or that.

3 So, this isn't going to be design
4 that allows for causal statements like does
5 play management actually prevent bankruptcies.
6 That's not something that would be practically
7 feasible based on the information that we have.
8 So, it's even more complicated.

9 And I just want to say that I agree
10 with Commissioner McHugh that I think that
11 question five really stands apart from the
12 other four questions, which really are getting
13 at what is the evidence and the information
14 that we will be able to provide through the set
15 of studies that we are considering.

16 And question five is distinct
17 because it definitely does involve value
18 judgments that I think the Commission is going
19 to have to make some decisions about. You
20 could make an entirely financially based
21 decision or you could go at it from a social
22 responsibility perspective like what we've been
23 talking about.

24 COMMISSIONER MCHUGH: What you're

1 saying is that because this is entirely self-
2 selecting, you don't have a control group
3 that's identical to the group of self
4 selectors. But it still would be possible,
5 would it not, to look, or would it, at what
6 those who don't select this tool are doing in
7 areas such as the average amount spent, the
8 average amount of play, other financial
9 characteristics of their lives as compared to
10 those who do. Those kinds of things you can
11 do?

12 DR. SHAFFER: Yes.

13 DR. LAPLANTE: We propose looking at
14 individuals who opt-in to the play management
15 but also those who use their player cards but
16 don't necessarily opt-in. So, we can look at
17 the different player groups.

18 COMMISSIONER STEBBINS: Just to pick
19 up on that note because I had a question on
20 question number three which you're looking for
21 the characteristics of the folks that are going
22 to use the play management from those who don't
23 enroll. So, it's people who have signed up and
24 everybody else.

1 So, are you expecting to use the
2 player card information of the folks that
3 aren't using the play management system as kind
4 of the comparison group?

5 DR. SHAFFER: Yes.

6 MR. VANDER LINDEN: I would say that
7 it's not a true comparison group because it
8 wasn't randomly assigned. You may find that
9 the group that chooses to enroll has something
10 that's fundamentally different that would be
11 different about them because by their pure
12 nature that they enrolled in the play
13 management system that would differentiate
14 themselves.

15 COMMISSIONER STEBBINS: Additionally
16 that question is isn't it enough just to look
17 at the characteristics of people that are
18 choosing? Is it enough to say on June 30, 2017
19 we know that our general makeup, the
20 preponderance of the makeup of play management
21 users are this group. And if we want to try to
22 expand it to another group, we should look at
23 how we do that.

24 I guess I'm wondering how much of

1 the research of people that aren't using it is
2 necessary if you're going to capture the
3 information of the folks that are using it.

4 DR. LAPLANTE: Well, we wouldn't
5 know whether or not those are characteristics
6 of play management or characteristics of
7 players in general if we don't have a
8 comparison to look at.

9 COMMISSIONER STEBBINS: Okay.

10 COMMISSIONER ZUNIGA: Actually, I've
11 heard Dr. Shaffer make this point, but I'll
12 make it. The composition of the players that
13 visit a casino initially or later is going to
14 vary over time, which is intuitive perhaps for
15 just any other space, retail or anything. So,
16 there is an element here or time here that's
17 very important. When they're talking and
18 allude about trends, it's one of those things
19 that they will look at.

20 COMMISSIONER CAMERON: I will be
21 interested in the fifth question because
22 Director, you've talked about the fact that in
23 places where this has been tried, there was an
24 issue with people using it. And one of the

1 areas is it was never marketed, correct? So,
2 this will be a better effort to get people to
3 understand it and to possibly try it.

4 MR. VANDER LINDEN: I think from the
5 onset that our strategy for uptake and
6 education about the tool will be far greater.
7 And that extends through when talk about what
8 types of incentives can we provide? How do we
9 leverage the GameSense brand to market this as
10 a responsible gaming tool? I think that both
11 of those are going to be key.

12 I look forward to working with --
13 later on our agenda working with MORE
14 Advertising to talk about that as well.

15 CHAIRMAN CROSBY: In the second part
16 of this, you talk about the two phases, study
17 one and study two. In neither one of these is
18 there any reference to any of this qualitative
19 stuff.

20 The Phase 1 is the epidemiology of
21 those who subscribe, which I understand. And
22 then Phase 2 says examine the issue of uptake.
23 And it's basically can you use other tools to
24 get more uptake. There is nowhere between in

1 study one and study two anything about the
2 impact, assessing behavioral responses? Is
3 there a positive impact that would inform these
4 qualitative questions? I guess you wrote them,
5 but I assume it came from them.

6 MR. VANDER LINDEN: This goes back
7 to this issue, I won't call it a problem but
8 I'll call it an issue. Given the initial
9 project period through June 30, 2017, what will
10 we be able to find out? And the original plan
11 that was submitted by the Cambridge Health
12 Alliance, it was a five-year plan that really
13 did dive deep into that very question.

14 I'm talking about truncating that
15 and making it a briefer period of time. In
16 discussions with the Cambridge Health Alliance
17 Division on Addiction what will we be able to
18 know after -- realistic will we be able to know
19 after this period of time?

20 This is what we will be able to know
21 realistically within this period of time. Will
22 we need to extend it in order to gather more
23 information to conclusively answer that I would
24 say it seems likely at this point that we

1 would.

2 COMMISSIONER MCHUGH: Doesn't that
3 become a decision point as well? Do we have
4 enough information at that point to make a
5 decision that though we need more information
6 for definitive answers, the information that we
7 do have justifies imposing the cost of
8 installing this on the licensees or doesn't it?

9 And if the answer to that is no,
10 there is no reason it can't continue on the
11 pilot basis. And then make a decision as to
12 what to do if the information yields positive
13 results down the road.

14 MR. VANDER LINDEN: Yes, that's
15 correct. And stepping back from this, we are
16 moving forward with a pilot -- on a pilot test
17 basis with Penn because when we laid out all of
18 the information about what we know about this
19 in front of us, we said it's just not clear one
20 direction or another.

21 But in prescribing to a
22 precautionary approach of the framework, we
23 said yes. It seems like there's enough promise
24 here, enough evidence that this can be an

1 effective responsible gaming tool that we want
2 to test it out. But we're going to evaluate
3 it.

4 So, this is exactly what falls
5 within that precautionary approach for this
6 specific tool. And I think that we have
7 clearly the best in the world, I would argue,
8 to take a look at this. And we will know what
9 we will know at the end of that two-year
10 period.

11 And another piece of that is we
12 wanted to do the best evaluation that's been
13 done on this. That when we laid that evidence
14 out in front of us, when we took a look at it,
15 there was problems with the methodology of
16 every single study that had been done on this.
17 And we are taking our time with it to
18 conclusively answer some of these questions or
19 at least take us down that road to certain
20 decision points about whether or not to
21 continue it or not or abandon it.

22 COMMISSIONER ZUNIGA: Let me pick up
23 on that comment of taking a step back. I think
24 there is mentioned is a lot of great -- I am

1 very excited because there's a lot of things
2 that have converged to this point to
3 effectively do this. Penn coming online,
4 agreeing and having that system that supports
5 this play management suite of products that
6 Bally makes. Comes online two years prior any
7 other casinos.

8 In an ideal world somebody could
9 have designed a clinical trial in a lab. We
10 don't have a lab. We can have the best use of
11 what we have with your help obviously and the
12 cooperation of Penn and Bally, etc. to
13 effectively allow us to get information,
14 whatever we can do, whatever we can get up
15 until incremental decision points.

16 So, I for one am looking forward to
17 this evaluation. In general, just having that
18 process is very important to me and to us,
19 looking back and making decisions based on real
20 evidence, scientific processes wherever we can
21 implement them. And I'm excited that we are
22 embarking on this effort.

23 MR. VANDER LINDEN: Yes.

24 CHAIRMAN CROSBY: Has DOA read this?

1 They have this, right? This is jointly
2 produced I assume?

3 MR. VANDER LINDEN: Correct.

4 CHAIRMAN CROSBY: I understand your
5 optimal term was a five-year term. And I
6 understand that there's going to be limitations
7 of what we can get out of the first two years.
8 There's no question about this.

9 But I know we also made it clear
10 that we have to know as much as we possibly can
11 in order that we can make that eventual go/no-
12 go decision. And you have laid out five
13 questions that you will answer to the best of
14 your ability during that two-year period, which
15 includes do they have the potential to be
16 effective mechanism for supporting responsible
17 gambling and so forth and do enough people
18 utilize it to warrant the cost.

19 But in the write-up about study one
20 and two, there's only the epidemiological
21 analysis of uptake and usage, which stops after
22 the first year. And in study two which only
23 talks about the issue of uptake and are there
24 better mechanisms for increasing uptake. I

1 don't see anything in your study one and two
2 that gets to the question of are these tools
3 having a positive effect. What am I missing
4 here?

5 DR. SHAFFER: I think the challenge
6 for all of these questions is going to be the
7 uptake itself and how many cases are available
8 to look at. That if the numbers are so small,
9 we may not be able to answer some of these
10 questions. But if the uptake is large, we
11 should be able to answer all of these questions
12 and give you the information you need to make a
13 decision, for example, on number five.

14 CHAIRMAN CROSBY: All I'm saying is
15 that there is no reference to a study if you
16 have -- there's not reference to a study of
17 those people who have subscribed who are
18 utilizing the tools and the impact that it's
19 having on their behavior and their awareness of
20 it and their own personal beliefs about whether
21 it's working or helping or so forth.

22 DR. LAPLANTE: I don't know whether
23 it didn't get translated into the memo, but
24 that first study that epidemiological study

1 will rely both on the information that we can
2 get from Penn related to their actual gambling
3 behaviors, but also will coordinate with them
4 to do survey type work so that we can have a
5 better understanding of what the different
6 gambling patterns that we can observe through
7 the behavioral data. How they map onto
8 different experiences that people would report.

9 We also can ask them questions
10 related to what are your perceptions about how
11 the play management system has impacted them
12 and whether they are satisfied with it and
13 whether they have perceived among themselves
14 any harm or personal damage.

15 CHAIRMAN CROSBY: Would study one
16 run the full two years?

17 DR. SHAFFER: Yes.

18 DR. LAPLANTE: Yes.

19 CHAIRMAN CROSBY: All right. I
20 didn't get that. You do use the word survey in
21 your letter. It sort of got lost in the
22 shuffle.

23 COMMISSIONER ZUNIGA: There's a high
24 amount of iteration in this that I glean from

1 this. There's a lot that we may even learn
2 even before the two years even that could help
3 inform uptake. Just the font of the messages,
4 the tone of the messages, this is experience
5 our researchers have in another setting can
6 have different results.

7 CHAIRMAN CROSBY: It has explicit
8 purposes --

9 COMMISSIONER ZUNIGA: Yes.

10 MR. VANDER LINDEN: That's a really
11 great point. There's a lot of work upfront
12 that are the nuts and bolts of what this looks
13 and feel like. What are the messages? How do
14 we communicate those? That is a really
15 complicated process.

16 That is another part of it's not
17 just evaluating what we have out there. This
18 is going to be a process of developing that and
19 then looking at the effectiveness of that over
20 time and making changes to those initial
21 requirements as well to see what impact that
22 has. I'm thrilled to have them on board to do
23 that.

24 CHAIRMAN CROSBY: Yes, that's great.

1 I agree. Anything else?

2 MR. VANDER LINDEN: Should we move
3 on to the second piece of the evaluation?

4 CHAIRMAN CROSBY: You don't need
5 anything? You don't need a vote from us, I
6 guess.

7 MR. VANDER LINDEN: I was going to
8 propose a vote at the end of it since this is
9 kind of a package of all three evaluations.

10 CHAIRMAN CROSBY: Of course, yes.
11 I'm sorry.

12 MR. VANDER LINDEN: The second piece
13 of the evaluation is voluntary self-exclusion.
14 And voluntary self-exclusion is required in the
15 statute that we have this program.

16 Voluntary self-exclusion, basically
17 that individuals who are experiencing gambling
18 related problems that they don't feel they have
19 the sort of internal controls to manage that
20 have an opportunity to implement an external
21 control on that by signing up for a voluntary
22 self-exclusion from the casino.

23 Basically, it's an agreement between
24 the individual and the operator of the casino

1 that would say I don't want to come back here.
2 I don't want to be allowed in. There are
3 disincentives for them to come in including
4 they'd basically be trespassing. They would
5 lose any of the winnings that they would have
6 if they do come in.

7 This is a type of program that
8 basically any state that has gambling has some
9 version of self-exclusion program. So, when we
10 implemented this requirement from the statute,
11 it could have been relatively straightforward.

12 We adopted what we call in the
13 framework and what we have reflected in the
14 regulation an engaged approach to voluntary
15 self-exclusion.

16 Voluntary self-exclusion can be
17 basically an administrative task in which the
18 person signs up, and their picture is taken.
19 Their information is taken and then they're
20 escorted off the property.

21 We would like to have an engaged
22 approach in which the individuals that are
23 administering the self-exclusion program have
24 specific training on understanding of what the

1 individual who is coming to them may be going
2 through.

3 They have training on how to do a
4 very brief intervention that would open up
5 additional treatment opportunities or help
6 opportunities for them, not mandated but an
7 offering for them to access those. Perhaps
8 even a warm hand-off meaning that an
9 appointment would be set up if they so choose.

10 So, we are working on some of the
11 details of this, this engaged approach. We'll
12 be working with the Division as well as the
13 Mass. Council on Compulsive Gambling to decide
14 what that ultimately looks like.

15 So, what is -- One is what is the
16 effectiveness of self-exclusion, voluntary
17 self-exclusion. Two, what difference does it
18 make that we as the Commission have adopted
19 this type of engaged approach to voluntary
20 self-exclusion.

21 So, that led to the questions that
22 we have here, which is does an engaged approach
23 of voluntary self-exclusion improve the
24 likelihood that participants will seek

1 additional help for their gambling related
2 problems or more general mental health issues?

3 Does it decrease gambling behaviors?
4 Does it decrease the likelihood of violating
5 the voluntary self-exclusion agreement? And
6 finally, does it increase satisfaction with the
7 self-exclusion program, and more specifically
8 with the enrollment process?

9 And finally are players -- This is a
10 separate question that also could yield some
11 very interesting information that has
12 programmatic implications. Are there player
13 behavior markers that can predict entry into
14 the voluntary self-exclusion program?

15 So, there'd be evaluation plan leads
16 to answering these specific questions.

17 CHAIRMAN CROSBY: Questions?

18 COMMISSIONER CAMERON: Director, I
19 know that most jurisdictions that have this
20 casino gaming have this program. Has anyone
21 studied it this way? Does anyone really take a
22 look at evaluation of the program?

23 MR. VANDER LINDEN: Debi LaPlante is
24 probably -- can probably best answer that. The

1 Missouri program she evaluated. And that to my
2 knowledge that very few other evaluations have
3 been done. I think Dr. LaPlante can speak to
4 the Missouri evaluation. I'm sorry was it Dr.
5 Nelson that did the Missouri? But you were all
6 involved with it?

7 DR. SHAFFER: There have been a few
8 evaluations of voluntary self-exclusion, more
9 than a few but none in a randomized clinical
10 trial that we are proposing here.

11 Typically, people have been followed
12 as a cohort. And when you follow them as a
13 cohort, you discover that after a bit of time
14 about 50 percent of the people will have
15 returned to gambling in some way either on the
16 property from which they were excluded or on
17 other properties.

18 There are shorter-term benefits.
19 And the benefits tend to decline over time. In
20 terms of an enhanced or an engaged approach,
21 there is one paper that I'm familiar with from
22 Canada. And in that paper -- everyone reads
23 these papers differently, but in my reading of
24 the paper and my take away point from the paper

1 was that in the enhanced approach those who
2 self-excluded tolerated much more than
3 scientists and public policy makers would have
4 thought that they would tolerate without that
5 study.

6 So, there is a sense that many
7 gamblers who self-exclude, self-exclude as a
8 device as an instrument to help them gain some
9 sense of control. And in order to do that they
10 sign on for all kinds of different things.

11 In the early days of voluntary self-
12 exclusion, for example, it was a lifetime ban.
13 And people have discovered that that actually
14 repelled people from the program. They didn't
15 want to commit for a lifetime, but they would
16 commit maybe for six months or a year. We saw
17 the time has changed.

18 And now Dr. Ladouceur from Canada
19 has suggested, I think he was the first to
20 suggest an enhanced program, is suggesting that
21 if you add many other characteristics, maybe we
22 can do much more for people who sign up for
23 these programs. Interestingly, the results
24 weren't overwhelmingly improved, but they did

1 suggest that more people would go into
2 treatment and more people would pursue other
3 limits than they had before and than we
4 expected.

5 COMMISSIONER ZUNIGA: Is the
6 enhanced piece what Mark was describing
7 relative to the trained person that can
8 administer short tests and make a referral if
9 necessary inform, etc., etc.?

10 MR. VANDER LINDEN: Yes. I would
11 say it's similar to what Dr. Ladouceur
12 implemented. I can't recall where in Canada he
13 implemented that program. The goal is not to
14 increase barriers to it. And I am consciously
15 aware at every step what are we doing that may
16 create additional barriers or burdens on an
17 individual to access help.

18 I think that no matter what
19 direction we go with any of our programs, we
20 need to look at what the barriers are. So, the
21 enhanced version is not intended to create
22 those.

23 COMMISSIONER ZUNIGA: Understood.

24 CHAIRMAN CROSBY: What do you get

1 with question two?

2 MR. VANDER LINDEN: Question two,
3 are there player behavior markers that can
4 predict entry into a self-exclusion program?

5 DR. LAPLANTE: That would be
6 information that somewhere down the road
7 potentially could be used to help develop some
8 type of an early warning system in conjunction
9 with people who are using a player card.

10 If their player behavior starts to
11 take on characteristics that look like they
12 might be at risk of going down a path where
13 they might feel the need to self-exclude, there
14 might be something like a warning message that
15 could be delivered to them in some way. It
16 really is kind of a planning for the future
17 type of information. It's not something that
18 we would be developing intentionally through
19 this project right now.

20 CHAIRMAN CROSBY: Right. Okay,
21 great.

22 MR. VANDER LINDEN: I have just a
23 couple of questions about the regulation
24 itself. So, the regulation anticipated that we

1 would be evaluating this. And it's built in to
2 it that we would be doing that.

3 The regulation did not anticipate
4 that we may be doing a clinical trial where we
5 would be doing the standard type of enrollment
6 versus the enhanced enrollment. And I'm
7 wondering what implication that has on the
8 regulation itself, whether that needs to be
9 revisited.

10 In essence, it remains the same, the
11 durations are the same. But certainly the
12 initial process may look slightly different
13 where somebody may receive basic information
14 about the self-exclusion versus the possibility
15 of the enhanced piece.

16 COMMISSIONER ZUNIGA: We could
17 always look at the regulation and see if it's
18 versatile enough or constraining enough and
19 sway us one way or another. I would table that
20 for the next time. And let's assume that it
21 works for now.

22 CHAIRMAN CROSBY: Just a question
23 for you and Todd to look at it and you tell us.

24 MR. VANDER LINDEN: Great, we will.

1 COMMISSIONER ZUNIGA: And if we need
2 to change it, we can change it.

3 MR. VANDER LINDEN: The final
4 component of the evaluation and initiative that
5 we're taking a look at are the GameSense
6 Information Centers.

7 Similarly, there isn't great example
8 definitely in the United States for us to take
9 a look at of what is the model we should be
10 following for this. We are following the
11 general model that British Columbia Lottery
12 Corp. used when setting up their GameSense
13 Information Centers. But it will be
14 interesting to see what effect these centers
15 have in Massachusetts.

16 So, the program questions to be
17 addressed are what are the characteristics of
18 GameSense Information Centers? How much
19 traffic does GameSense Information Center
20 receive? What are the reasons for the visits?
21 Who uses the GameSense Information Centers?

22 The second question is do the
23 GameSense Information Centers provide
24 appropriate and satisfactory responsible gaming

1 services? Are the visits associated with the
2 self-reported increase in gambling-related
3 knowledge? Does the GameSense Information
4 Center promote a sharing of gambling-related
5 information?

6 Are the GameSense advisors seen as
7 caring, helpful and knowledgeable? Do patrons
8 feel the matter for which they visited the
9 GameSense Information Center was resolved?

10 I think that this is going to be an
11 interesting evaluation that also similarly can
12 evolve over time as we see these centers kind
13 of take on their personality. We may have to
14 show questions that we want to add to that.

15 COMMISSIONER STEBBINS: Related to
16 one of the questions but further down under
17 your evaluation point, it talks about how
18 important -- it is important to determine how
19 the properties implement GSICs. Help me
20 understand that phrase.

21 MR. VANDER LINDEN: We as a
22 Commission through the Mass. Council on
23 Compulsive Gambling are responsible for the
24 implementation of the GameSense Information

1 Centers.

2 And I think that there is a
3 philosophy that we are advancing these centers
4 with a number of different activities, the
5 general look, the feel. When we talk about are
6 the GameSense advisors seen as caring and
7 helpful and knowledgeable that this is
8 something that we're specifically looking to
9 create in a GameSense Center.

10 It's difficult to translate from one
11 casino to the next. And I think that we want
12 to pay close attention to make sure that we
13 really are achieving this philosophy that we've
14 established from the onset.

15 COMMISSIONER STEBBINS: The way it's
16 phrased led me to believe that it's really up
17 to our licensees in implementing the GSIC, but
18 it's really a collaborative effort.

19 MR. VANDER LINDEN: Right. Our
20 licensees are going to be important partners in
21 this. It's led by our GameSense Information --
22 GameSense advisors. It's in partnership with
23 our licensees that this is a resource for our
24 licensees. And how we can work in

1 collaboration is going to be very, very
2 important.

3 CHAIRMAN CROSBY: But our GameSense
4 advisors are going to be working for the Mass.
5 Council, right?

6 MR. VANDER LINDEN: Correct.

7 CHAIRMAN CROSBY: So, you haven't
8 mentioned that the Mass. Council, I think, has
9 the lead obligation here to make sure that
10 these people are properly trained and doing
11 what they're supposed to do and it's constant
12 across all facilities.

13 MR. VANDER LINDEN: That's right.

14 CHAIRMAN CROSBY: We'll be a party
15 to that and so will the operator. But it's the
16 Mass. Council's job.

17 MR. VANDER LINDEN: Correct.

18 COMMISSIONER ZUNIGA: You mentioned
19 surveys which was mentioned too (INAUDIBLE)
20 But would that include employees of the casino,
21 for example? Sometimes there is great
22 intelligence that they could gather as another
23 party, not just the patrons or those who visit
24 the GameSense Information Centers. Do you have

1 a reaction to that or was that too much into
2 the weeds?

3 MR. VANDER LINDEN: I think it's a
4 fantastic idea. When I say it's really
5 important that we have a positive relationship
6 and that we're seen as a resource to the casino
7 employees, it only makes sense that we would
8 add that as a way that we need to measure that
9 resource or value to them.

10 COMMISSIONER ZUNIGA: Right.

11 COMMISSIONER STEBBINS: Is there a
12 need to measure the physical characteristics of
13 the GameSense Information Center?

14 MR. VANDER LINDEN: Physical like
15 what is the look and the feel of the GameSense
16 Information Centers?

17 COMMISSIONER STEBBINS: Yes.

18 MR. VANDER LINDEN: I would say --

19 COMMISSIONER STEBBINS: Is there a
20 value to that in terms of understanding why
21 people come or don't choose to?

22 MR. VANDER LINDEN: Yes, I would say
23 so. When we first introduced the idea of
24 GameSense what we said is we don't want it to

1 appear as this heavy-handed approach from the
2 government.

3 We want it to be helpful. We want
4 it to be welcoming. This is as much -- It's
5 led by our GameSense advisors, but it's also we
6 want the look and the feel of the GameSense
7 Center to strike the right tone.

8 So, I think that part of the
9 evaluation could be what people's perception of
10 the GameSense -- the physical environment of
11 the GameSense Information Center too. We have
12 a lot of control over that as well.

13 CHAIRMAN CROSBY: Dr. Shaffer?

14 DR. SHAFFER: I agree with
15 Commissioner Stebbins. We should be asking
16 that as part of our evaluation so that we have
17 a sense whether it is welcoming, etc. So I
18 agree with that.

19 I also wanted to add that we would
20 expect that employees would use the GameSense
21 Center. It's not a customer only kind of
22 environment. It's an environment to help
23 people understand gaming. Our experience in
24 many other settings is that employees are eager

1 and interested.

2 COMMISSIONER CAMERON: Director, you
3 know there is a one-month training coming up
4 for our State Police, local police, gaming
5 agents. Is this something that we have thought
6 about introducing and making sure they're fully
7 briefed on this concept and the values?

8 MR. VANDER LINDEN: Right now. I'm
9 sorry Commissioner, I hadn't, but I think that
10 it's a great idea. Especially once we have the
11 Division on Addiction on board and the Mass.
12 Council is working on this, we will certainly
13 roll that into it. Thank you.

14 CHAIRMAN CROSBY: Anything else?
15 Did you have anything else? Okay.

16 MR. VANDER LINDEN: So, my
17 recommendation, the proposed evaluation study
18 will provide valuable information to advance
19 responsible gaming initiatives adopted by the
20 Mass. Gaming Commission.

21 I therefore recommend the Mass.
22 Gaming Commission enter into contract
23 negotiations with the Division on Addiction at
24 the Cambridge Health Alliance to conduct

1 evaluation of select responsible gaming
2 initiatives. A final contract would be
3 contingent upon approval of the Public Health
4 Trust Fund Executive Committee.

5 CHAIRMAN CROSBY: Do I have a motion
6 to that effect?

7 COMMISSIONER ZUNIGA: Sure. I will
8 move, Mr. Chairman that we authorize staff to
9 begin negotiations and enter into a contract
10 with the Division on Addiction relative to the
11 evaluation plan for the three aspects as
12 presented here in the record.

13 COMMISSIONER CAMERON: Second.

14 CHAIRMAN CROSBY: You want to add
15 that last sentence as well. I think that's
16 important.

17 COMMISSIONER ZUNIGA: Sure. Our
18 final contract would be contingent on the
19 approval of the Public Health Trust Fund
20 Executive Committee.

21 CHAIRMAN CROSBY: Right. Further
22 discussion? All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

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

5 CHAIRMAN CROSBY: Thank you.

6 COMMISSIONER MCHUGH: Thank you very
7 much.

8 COMMISSIONER CAMERON: Thank you.

9 MR. VANDER LINDEN: As I said, we'll
10 skip to item (c), which is the play management
11 requirements on the electronic gaming machines.
12 I alluded to this earlier, but this has had a
13 long journey before the Commission,
14 specifically play management and how we have
15 decided to move forward with this.

16 With that I just want to give a
17 brief overview of how we got to this point
18 before I talk about what were the requirements
19 that I'm presenting before you.

20 In September of last year, the
21 responsible gaming framework was adopted. It
22 held out specifically, there was one piece of
23 the framework that was held out. And that was
24 the play management tools, because we felt that

1 there needed to be further evaluation of
2 whether or not this was something that the
3 Commission wanted to move forward with.

4 After doing that and in December,
5 the Commission approved play management on a
6 test basis with Plainridge. That it would be a
7 trial. That's where we obviously put a high
8 priority on making sure that as we move forward
9 that these are thoroughly evaluated.

10 It then led to a curious question
11 about whether or not given that we have adopted
12 these that it would be required that we would
13 want to move forward with this as a regulation
14 or as we would say that since this is a test
15 that we would just want to create a list of
16 requirements that we would want to move forward
17 with.

18 It's further complicated by the fact
19 that this is a test. We're going to evaluate
20 it. And it's likely going to change through
21 that test period to test different elements of
22 it and to see what pieces of it are most
23 effective and how we can adopt and adapt that
24 specifically.

1 So, it's recommended that we do not
2 move forward with a specific regulation on this
3 for that reason but that we move forward with a
4 set of requirements that would be agreed upon
5 by Penn, by Bally Technology who is the casino
6 management system for Penn where the play
7 management tools would live and how it would be
8 presented. It's also important that our
9 evaluators are on board with the initial set of
10 requirements. So, that was the first piece of
11 it. As I present this to you, I'm presenting
12 it not as a regulation but as a set of
13 requirements.

14 On February 27, we had a very good
15 meeting with Penn, with Bally Technology, with
16 Cambridge Health Alliance Division on
17 Addictions, with the Mass. Council on
18 Compulsive Gambling, one of our consultants Dr.
19 Jeff Marotta from Problem Gambling Solutions,
20 and several of us from the Commission to review
21 the requirements or the proposal that was
22 adopted by the Commission and further iron that
23 out and bill it out. The result of that is
24 being presented before you here.

1 So, what I have is a list of play
2 management requirements. This would be
3 translated into specs that would be rolled out
4 onto the gaming machine. As I say, and I want
5 to emphasize this too, that these are the
6 initial requirements. And that these
7 requirements will likely change during the test
8 period as we gain more information.

9 We want to make sure that Penn's on
10 board with it. We want to make sure that it's
11 feasible, feasible with Bally. That it makes
12 sense that we can measure it. And that we
13 ultimately at the end of this have a clear
14 answer to the question about play management.

15 COMMISSIONER ZUNIGA: I actually
16 have a couple of questions on this. Is this a
17 good opportunity?

18 MR. VANDER LINDEN: Yes.

19 COMMISSIONER ZUNIGA: There's a
20 couple of instances where it says that a web-
21 based option will be explored first in the
22 player enrollment and then maybe later
23 suspending participation. Do we know that
24 there's development from a software perspective

1 needed for that?

2 MR. VANDER LINDEN: I think this
3 came up in the requirements that the Commission
4 move forward last December. It was originally
5 envisioned that there would be a web-based
6 option.

7 In the meeting on 27 February, Penn
8 indicated that what they have is basically a
9 static system that there wasn't the option to
10 enroll and make changes. It wasn't an
11 interactive process. So, at that point in
12 time --

13 COMMISSIONER ZUNIGA: Penn or Bally?

14 MR. VANDER LINDEN: Penn. So, it
15 wasn't feasible at that point in time.

16 It makes a lot of sense that if our
17 ultimate goal is to allow people to make
18 decisions about how much they want to spend
19 before they sit down at a slot machine or
20 before they start their gaming session that you
21 would give them the opportunity to do so even
22 before they enter into the casino.

23 So, it still seems like a right
24 course but recognizing that the technical

1 difficulties of doing that may delay the
2 implementation of this. I didn't want to lose
3 that piece of it though.

4 COMMISSIONER STEBBINS: Mark, just
5 two quick points. First of all, I thought this
6 was very well thought out. I appreciate the
7 progression of changes, updates, things like
8 that. And I know you were think along this
9 line as well, but as you're doing things like
10 game message changing and things like that I
11 hope it's your intention to somehow find a way
12 to communicate updates, changes, etc. to Penn.
13 They are a partner in this.

14 That was something I just saw
15 missing, but I know it's something you would be
16 doing. And certainly as your thinking
17 progresses in terms of the incentives for
18 enrollment, I'm curious to getting updates on
19 that as well as you move ahead.

20 MR. VANDER LINDEN: Yes, definitely.
21 I've had conversations with Lance George at
22 Penn regarding messaging. He is obviously
23 very, very involved and wants to have an active
24 role in messaging that would go out to the --

1 would be presented on the actual electronic
2 gaming device or slot machines. So, we would
3 include him in that too. However, we would
4 review it with them.

5 COMMISSIONER ZUNIGA: Those
6 incentives are nonmonetary, nongaming credits
7 in other words, incentives, right?

8 MR. VANDER LINDEN: Yes. That is
9 not envisioned that they would be gaming
10 credits.

11 CHAIRMAN CROSBY: But it does say
12 that the incentive for enrollment will be
13 credited to the player's MR card. What does
14 that mean?

15 MR. VANDER LINDEN: The Marquee
16 Reward Card that it doesn't necessarily have to
17 come in the form of a gaming credit. It could
18 come in the form of food credit, other types of
19 credits that are incentives that may be
20 involved in the Marquee Reward card.

21 CHAIRMAN CROSBY: So, their system
22 is flexible enough to take in our incentive and
23 put it onto their Marquee Rewards card.

24 MR. VANDER LINDEN: That was what we

1 had agreed on at that meeting on the 27th when
2 we talked about it.

3 CHAIRMAN CROSBY: I see some nodding
4 heads from Penn. All right, thank you.

5 COMMISSIONER ZUNIGA: There's
6 another question that I had and I just remember
7 numbers easier than other things. The 25
8 percent threshold, I don't remember talking
9 about that. The messages, was that
10 something --

11 MR. VANDER LINDEN: That was a
12 change relatively recently. And in discussions
13 with Division specifically Dr. Shaffer
14 advocated for us to re-evaluate what those
15 percentages were as we initially rolled this
16 out. So, they're reflective of that
17 recommendation.

18 COMMISSIONER ZUNIGA: Fair enough.

19 CHAIRMAN CROSBY: What is the
20 schedule Mark, at this point? When do you
21 anticipate that we will start to enroll people?

22 MR. VANDER LINDEN: I still have --
23 I hope it's not a -- I would like to see this
24 rolled out when Penn opens up in June.

1 I think that that's an aggressive
2 timeline considering the decisions that we need
3 to make. We've been working actively with
4 Bally on some of the issues, the background
5 issues of this including what does the kiosk
6 look like. And we've been working with Penn on
7 a number of kiosks and where they could
8 potentially go.

9 There are a lot of issues to iron
10 out. I still have hope that we can initiate
11 this on their opening day. But I would say
12 that given that I don't have a definitive
13 answer that that's true. That we need to be
14 prepared that it would start at a later date.
15 We want to make sure that the rollout is
16 beautiful and as smooth as possible. So,
17 that's the highest priority too.

18 CHAIRMAN CROSBY: Right. Okay. At
19 some point, I think you're going to want to get
20 that date set and then do your critical path
21 chart backwards for all of the same reasons we
22 do that with everything else.

23 MR. VANDER LINDEN: I'll work with
24 Director Day on that.

1 CHAIRMAN CROSBY: Okay, great. Do
2 you need something from us?

3 COMMISSIONER ZUNIGA: Do you need an
4 action for this?

5 MR. VANDER LINDEN: I would
6 recommend a vote. These are different than
7 what the Commission approved in December. And
8 given that there are changes to that that we
9 are moving forward with requirements as opposed
10 to a regulation, it may make sense.

11 CHAIRMAN CROSBY: Commissioner
12 Zuniga?

13 COMMISSIONER ZUNIGA: I'll be happy
14 to move that the Commission vote to approve the
15 play management requirements on electronic
16 gaming machines as presented and discussed
17 here.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER CAMERON: Second.

20 CHAIRMAN CROSBY: Further
21 discussion?

22 COMMISSIONER MCHUGH: Does that
23 discussion piece of the motion include
24 discussion on modifying these if modification

1 is approved desirable without coming back to
2 the Commission and so long as the four
3 participants, the Commission, the researchers
4 and Penn agree on the modifications. That's
5 only three. There's a fourth one.

6 CHAIRMAN CROSBY: Bally.

7 COMMISSIONER MCHUGH: Bally that's
8 right.

9 CHAIRMAN CROSBY: I would say my
10 suggestion would be that yes that that be
11 included but that you always report back to us
12 but you don't need preapproval from us.

13 MR. VANDER LINDEN: Okay.

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

16 COMMISSIONER MCHUGH: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

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

22 COMMISSIONER CAMERON: Thank you.

23 Good work.

24 CHAIRMAN CROSBY: Thank you, folks.

1 COMMISSIONER MCHUGH: Thank you very
2 much. It's been very interesting. Thanks to
3 Penn as well and thanks to Bally.

4 CHAIRMAN CROSBY: Commissioner
5 McHugh just said this a little bit under his
6 breath --

7 COMMISSIONER MCHUGH: No, I didn't.

8 CHAIRMAN CROSBY: Say it again, say
9 it louder again.

10 COMMISSIONER MCHUGH: Thanks to Penn
11 and thanks to Bally as well as to Dr. Shaffer
12 and Dr. LaPlante and our own staff that's been
13 working so hard on this. This is really going
14 to prove, I think, to be very valuable for us.
15 And we're grateful for their cooperation.

16 CHAIRMAN CROSBY: I can't thank Penn
17 enough for their willingness to collaborate
18 with us on all of these initiatives. It would
19 be possible without you. Much of these are not
20 done routinely and you've been terrific
21 partners on this. You deserve credit for that.

22 COMMISSIONER ZUNIGA: I agree. They
23 have done that in a very tight timeframe where
24 they have many other priorities as well and

1 they're working hard to achieve them.

2 COMMISSIONER STEBBINS: Lance is
3 still beaming from the change in the law with
4 the reporting requirements.

5 MR. VANDER LINDEN: We need to
6 harness that.

7 CHAIRMAN CROSBY: Right. Next up.

8 MR. VANDER LINDEN: Next up is the
9 marketing services procurement. I have a memo
10 for you. And this morning I noticed my typo
11 that says it's the evaluation services
12 procurement. But you can disregard the purpose
13 that's stated in the RE section at the top of
14 the memo. It is the marketing services
15 procurement.

16 I have with me Deborah Gittens
17 from --

18 MS. GITTENS: Donna.

19 MR. VANDER LINDEN: Donna, I'm
20 sorry, Donna Gittens. I drew a complete blank.
21 I apologize. Donna Gittens from MORE
22 Advertising and also Elaine Driscoll, Director
23 Driscoll. And we're going to talk this out
24 with you.

1 The Gaming Commission on December
2 18, soon after the play management voted to
3 adopt the GameSense brand to promote
4 responsible gaming education, tools and
5 Information Centers in Massachusetts. In order
6 to localize this brand and maximize the
7 potential of GameSense in Massachusetts, we
8 sought to obtain services of a marketing firm.

9 The initial scope of the services is
10 defined in solicitation of this were to modify
11 the existing GameSense brochures and materials
12 with the MGC logo. I want to back up and say
13 that we adopted this from the British Columbia
14 Lottery Corp. And while a very successful
15 beautiful campaign, it's a campaign that was
16 rolled out some 4000 miles away. So, that's
17 the purpose of this.

18 Second, we wanted to plan and
19 negotiate the distribution of materials in the
20 Plainville and surrounding areas and elsewhere
21 as directed by the Commission; design and
22 develop a GameSense website; develop brand
23 material to support the GameSense Information
24 Centers; plan and negotiate media buys, and

1 develop the GameSense social media campaign.

2 On February 12, a solicitation was
3 released to a limited number of qualified firms
4 from the statewide master agreement. Following
5 the competitive procurement process, MORE
6 Advertising was selected by the procurement
7 management team to carry out this project.

8 I'm not going to launch into a lot
9 about MORE Advertising, but I will tell you
10 what really impressed me about their
11 application. One is their attention and their
12 dedication to health issues in their
13 advertising strategies or portfolio.

14 A second was their attention to
15 paying attention to what the essence of our
16 campaign was really about and being able to
17 come to the table to discuss that and to bring
18 some very creative ideas. I think that I look
19 to their experience in health campaigns, their
20 creativity to being able to work with them to
21 really maximizing the GameSense brand.

22 Elaine, do you want to talk a little
23 bit about the plan?

24 MS. DRISCOLL: Sure. Let me just

1 reiterate what some of the deliverables are
2 that you'll be seeing in the next few months,
3 because I think that we will be discussing
4 those a lot. And I want you to be aware of
5 what those are.

6 So, prior to the opening of
7 Plainridge, just so that we're clear, the
8 immediate preparation of collateral materials
9 to localize brochures and things like that.
10 Very important will be the development of the
11 GameSense website, which for Donna and her team
12 will have to be done really quickly.

13 And also what's very important will
14 be the media buy prior to the opening of
15 Plainridge. One of the reasons why that is so
16 critical is because the onus is really on us to
17 establish some brand recognition of the
18 GameSense program.

19 Because to your point earlier, once
20 again Plainridge has been terrific about their
21 obligations to assisting us with the GameSense
22 logo on all of their collateral. The
23 complicated issue that we have while they're,
24 as you can imagine, sending a lot of their

1 marketing materials to print now given the
2 close opening date is that the GameSense logo
3 will be on all of their collateral. The issue
4 being that we have to actually establish what
5 that means for the audience because at this
6 point it's an unknown.

7 So, we'll be working really hard to
8 do the work that we need to do so that there's
9 some brand recognition on a larger level.

10 And then the other important
11 deliverable as well will be the brand materials
12 that will be on display inside the GameSense
13 Center. Mark and I have already been having a
14 lot of great conversations with the designers
15 of the GameSense Center with the help of the
16 Penn folks.

17 And then also the assistance of
18 developing a really strong digital strategy
19 knowing that that's one of the most important
20 ways that we can be communicating GameSense and
21 building the brand.

22 Mark, do you want me go into budget
23 on the ad buy?

24 MR. VANDER LINDEN: I can do that.

1 COMMISSIONER ZUNIGA: I had a
2 question actually. Remind me the digital
3 strategy is that Facebook, twitter and
4 everything else.

5 MS. DRISCOLL: Exactly, that's right
6 social media.

7 MR. VANDER LINDEN: I can talk about
8 the budget. We broke it into two pieces a
9 Phase 1 and a comprehensive. Phase 1 really
10 is, as Elaine had talked about, just really
11 getting this out there and achieving those
12 deliverables.

13 In doing that, we established a
14 budget of \$235,930. Roughly \$130,000 of that
15 would be strictly in media buys to roll this
16 out in the Southeastern Massachusetts market.
17 The rest of it would be all of the direct and
18 indirect expenses including website
19 development, reproduction of materials,
20 developing the media -- I don't have the right
21 word for that -- productions. So, that
22 basically outlines how that's broken down.

23 Donna, if you want to talk a little
24 bit about the media buys and the considerations

1 for those media buys that would be great.

2 MS. GITTENS: First of all, thank
3 you very much. I'm pleased to speak on behalf
4 of the MORE team. This is exactly the kind of
5 work that we like to do focused on issues and
6 causes. And responsible gaming is really
7 important at this stage of the game.

8 So, taking the GameSense brand and
9 being able to retrofit it and fit it to what
10 Massachusetts is doing is really important.

11 So, as it relates to the media buy,
12 \$130,000 would be spread across cable, outdoor
13 billboards, of course using the GameSense brand
14 and the Mass. Gaming Commission. We have to
15 figure out if it's going to be GameSense Mass.
16 or Mass. GameSense. Those are the kinds of
17 things we will be really discussing and focus
18 testing in fact.

19 I know that we had that conversation
20 that focus testing as a concept with a
21 particular audience will really help. The
22 media will be directed toward the Southeastern
23 Massachusetts communities as Mark mentioned.

24 MR. VANDER LINDEN: The original

1 budget for marketing and advertising as
2 approved by the Commission was \$450,000. By
3 adopting the GameSense brand from British
4 Columbia and still having a really aggressive
5 roll out of this brand in Massachusetts that we
6 still had a considerable savings from the
7 original budgeted amount.

8 CHAIRMAN CROSBY: Questions?

9 COMMISSIONER STEBBINS: I'm just
10 curious. And first of all, I enjoy reading
11 more about your agency and the fact that Mark
12 pointed out, this kind of fits into your
13 portfolio, the type of business that you do.
14 We're happy to help you. The Commission is
15 kind of practicing what we preach in soliciting
16 a registered MBE to help us do this work.

17 In terms of the media buy, it kind
18 of occurs to me that Penn is going to have the
19 monopoly on the market for a period of time.
20 We are going to be drawing people down from the
21 Boston area and from other regions of the
22 state.

23 I guess my thinking is why would the
24 media buy maybe not fan out beyond the

1 southeast area and wondered if there had been
2 any discussion about that or your thoughts or
3 ideas on why in this first phase just keeping
4 it limited to Southeastern Mass.? Budget
5 drives a lot of it, I understand.

6 MS. DRISCOLL: Commissioner, I would
7 say we have actually been discussing that point
8 at length. I think like we do with a lot of
9 the other initiatives that we're taking on at
10 this point, we view this rollout as a pilot
11 program as well.

12 So, given what we currently have in
13 the budget, focusing that attention surrounding
14 the Plainridge area seems like the best way to
15 go at this point. And we'll have a lot of
16 really good market data soon that will
17 basically feed the decision on what that buy
18 looks like exactly.

19 So, we haven't quite gotten that far
20 yet but we are confident in that we'll have
21 really good demographic numbers that will be
22 able to give us a very targeted media buy.

23 COMMISSIONER STEBBINS: Okay. Thank
24 you.

1 COMMISSIONER ZUNIGA: You are
2 currently working on the next year budget, are
3 you not? So we'll have the opportunity to have
4 a little bit more of that discussion for fiscal
5 year '16. But I get the initial point.

6 Another thing that I would be
7 looking forward to is, and I know you've had
8 these discussions or thoughts, having
9 connections and ties with key stakeholders, for
10 example, the Mass. Council. I'm sure they
11 would agree to this, have a link to the
12 GameSense website in their website or that kind
13 of cross referencing.

14 Or send out twitter blasts to their
15 own followers just like we do. This is the
16 sort of thing that I would hope go a long way.
17 In addition to Penn by the way, we will ask
18 that they eventually put a GameSense logo
19 somewhere visible on the stuff that they market
20 and would go perhaps a long way towards that
21 goal of establishing that presence.

22 MS. DRISCOLL: Yes. Several of
23 their marketing pieces have already actually
24 gone to print with GameSense logos on them,

1 because we're doing our best to accommodate
2 their deadlines but not miss the marketing
3 opportunity. Because that's the other great
4 thing that we have here is the ability to
5 really amplify the brand by being able to
6 leverage everybody's ad buys.

7 CHAIRMAN CROSBY: Is the \$130,000
8 enough to have a reach and frequency within
9 your targeted audience that matters?

10 MS. DRISCOLL: We feel that it is
11 for this first phase.

12 MR. VANDER LINDEN: The GameSense
13 brand has brought and I think one of the
14 challenges is to say GameSense -- we're rolling
15 out GameSense and it's really about promoting
16 responsible gaming, but it's also about
17 heightening the awareness of resources and of
18 gambling problems.

19 So, we are certainly partnering with
20 the Mass. Council. And we've had those
21 discussions with them about how do you brand
22 this and how do you make those links and
23 connections.

24 The Council runs the statewide 1-800

1 helpline for problem gambling. It's not just
2 the Council, it's nationwide there has been a
3 decrease in the use of 1-800 numbers. So,
4 people are accessing information and help and
5 resources in other ways.

6 So, we're paying really close
7 attention with GameSense, with GameSense
8 Information Centers to what are alternative
9 ways that people are accessing help. We will
10 pay very close attention to how the GameSense
11 website is built to make sure that in the
12 spirit of reducing barriers for people to
13 access help that need it that we look to ways
14 to streamline that as much as possible.

15 CHAIRMAN CROSBY: Donna, what do you
16 consider the biggest challenge in this
17 engagement?

18 MS. GITTENS: The turnaround time,
19 but we are used to that. We're used to taking
20 a project that needs to be crafted very
21 quickly, getting it up and running.

22 At this point that is probably the
23 biggest challenge. The good news is that you
24 have GameSense already. You have the brand.

1 So, it's a matter of testing it out with the
2 specific stakeholders, get their feedback,
3 being able to incorporate that and get it up
4 and running.

5 COMMISSIONER STEBBINS: Converting
6 the TD Bank Green over to--

7 MS. GITTENS: Right and get people
8 to stop saying the Boston Garden, never.

9 COMMISSIONER STEBBINS: Mr. Chair,
10 I'd recommend the MGC authorize staff to enter
11 into contract negotiations with MORE
12 Advertising to implement the two-phase
13 multichannel branding awareness initiative
14 designed to introduce GameSense to the
15 Commonwealth. The final contract is contingent
16 on the approval of the Public Health Trust Fund
17 Executive Committee.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER CAMERON: Second.

20 CHAIRMAN CROSBY: Any further
21 discussion? All in favor, aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

1 COMMISSIONER STEBBINS: Aye.

2 CHAIRMAN CROSBY: Opposed? The ayes
3 have it unanimously. Congratulations and
4 welcome. Glad to have you on board.

5 COMMISSIONER MCHUGH: Looking
6 forward to working with you.

7 CHAIRMAN CROSBY: It is five minutes
8 of one. Why don't we take a break until 1:45
9 for lunch and we will reconvene at that point.

10

11 (A recess was taken)

12

13 CHAIRMAN CROSBY: We will reconvene
14 public meeting number 148. And we will take
15 out of order item 8(d) because we have guests
16 here who apparently have a plane to catch.
17 Penn National has also been waiting patiently.
18 We will get right to them in just a second.
19 Director Wells?

20

21 MS. WELLS: Good afternoon, Mr.
22 Chairman and members of the Commission. Before
23 you this morning is a petition for an exception
24 of licensing as a gaming vendor primary by JCM
American Corporation. And they're represented

1 by counsel here this morning.

2 The petition is under our Code of
3 Mass. regulations 134.04 for vendors. And it
4 allows any person by submission of a written
5 petition may request a determination from the
6 Commission that the person providing goods or
7 services deemed by the Bureau to meet the
8 description contained in 205 CMR 134.01(1)(a)
9 may not be licensed as a gaming vendor primary
10 on the grounds that they are not providing
11 services on a regular or continuing basis or
12 that they do not directly relate to gaming.

13 So, the petitioner is here this
14 morning to describe the nature of their
15 business plan with Penn National Casino and why
16 they are requesting this exception under the
17 regulations.

18 MS. MCALLISTER COX: Good afternoon,
19 Chairman, Commissioners. I'm Laura McAllister
20 Cox with Greenberg Traurig. And to my right is
21 Dean Hendrickson who is the territory manager
22 for JCM Global.

23 We are here today because of a very
24 unique situation. Penn National has

1 approximately 180 slot machines that they have
2 from a different property that they need
3 outfitted to be able to operate at Plainridge
4 Park. The machines are sitting in a warehouse
5 and need the bill validators retrofitted in
6 order to have these machines be on a system
7 consistent with the new machines that will also
8 be coming into the property.

9 JCM pretty much is the industry
10 standard in bill validators in the gaming
11 industry. And they are poised to ship these
12 bill validators to the warehouse, bring in two
13 technicians to install them, and have these
14 machines turned around in about a total of four
15 days to be ready to go to the property.

16 The timeline on this however is
17 very, very critical. It needs to be done by
18 the middle of the month. Right now, this is
19 the only project JCM is involved in gaming in
20 Massachusetts. So, this is not a situation for
21 this project where there will be regular and
22 continuing business. And therefore, we're
23 seeking the exception under the flexibility of
24 the regulations that's been provided.

1 Dean can explain a bit about how the
2 process is going to work if you have any
3 questions.

4 COMMISSIONER STEBBINS: I'm assuming
5 they're licensed in other jurisdictions just
6 based on the nature of your work.

7 MS. MCALLISTER COX: Yes. JCM is
8 licensed in 200 jurisdictions.

9 COMMISSIONER CAMERON: And if there
10 were additional work required, you would at
11 that time apply for a license or we don't
12 anticipate additional work?

13 MS. MCALLISTER COX: I think we
14 would welcome additional work and additional
15 opportunity. And at that point absolutely the
16 license would be applied for.

17 CHAIRMAN CROSBY: What is that you
18 do in the other 200 jurisdictions where you are
19 licensed? Why will you not be doing business
20 here?

21 MR. HENDRICKSON: It would depend on
22 what the property sees as need for future
23 business with us. One of the natures of our
24 product is most of it is delivered in the OEM

1 slot machines upfront. We can offer other
2 services if needed. At this point in time, the
3 only business that we discussed with the
4 Plainridge Park property is the upgrading of
5 the new slot machines that they have.

6 COMMISSIONER CAMERON: Did I
7 understand that that work would be done at the
8 warehouse?

9 MS. MCALLISTER COX: Yes.

10 CHAIRMAN CROSBY: IEB have you got a
11 recommendation on this?

12 MS. WELLS: It is not an
13 unreasonable request given the limited nature
14 of the business that they're going to conduct
15 and their compressed timeframe. Attorney
16 Lillios also pointed out the two technicians
17 that will be doing the work, they will have
18 temporary licensure. So, those technicians
19 will go through the IEB licensing process.
20 That gives us some extra confidence in what's
21 going on.

22 MR. DAY: I'm assuming that the
23 exception is just granted for this particular
24 transaction.

1 MS. WELLS: Correct.

2 CHAIRMAN CROSBY: Commissioner
3 Stebbins?

4 COMMISSIONER STEBBINS: Sure. Mr.
5 Chair, I would move that the Commission approve
6 the petition for exception of licensing as a
7 gaming vendor primary by JCM American
8 Corporation d/b/a JCM Global for the work as
9 stated in the adjoining petition.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER ZUNIGA: Second.

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

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 CHAIRMAN CROSBY: Opposed? You've
18 got it. Now we will go back to our friends
19 from Penn and Director Griffin.

20 MS. GRIFFIN: Chairman Crosby and
21 Commissioners, today I'm joined by Lance George
22 and Michelle Collins who is VP of Marketing for
23 Plainridge Park Casino. Before I turn the mic
24 over to them, I'd like to give you a brief

1 background.

2 As referenced by the Massachusetts
3 Gaming license condition 14, Penn National
4 Gaming is required to submit a regional
5 tourism, marketing and hospitality plan that is
6 created in consultation with the regional
7 tourism council and with the Mass. Office of
8 Travel and Tourism. The plan is required to be
9 provided to the Commission for its approval at
10 least three months prior to the anticipated
11 opening of operation of the gaming
12 establishment.

13 Penn National submitted the
14 marketing plan, which is on the screen here
15 today and in your books, on Friday, March 6,
16 which satisfies the three-month requirement
17 given their planned opening on June 24.

18 This plan is required to have but
19 not limited to include making space available
20 in the gaming establishment for the state and
21 regional tourism information, links on the
22 licensee's website to the regional tourism
23 council website, a joint marketing program with
24 the regional tourism council and the Mass.

1 Office of Travel and Tourism, and staff
2 training in regards to the plan.

3 I have had communication with Betsy
4 Wall, the Director of the Mass. Office of
5 Travel and Tourism. And she is satisfied with
6 the plan and has enjoyed working with Michelle
7 Collins from the Plainridge Park Casino. So,
8 I'm going to now turn it over to Lance George.

9 MR. GEORGE: Good afternoon,
10 Commissioners. As we get started, I do want to
11 thank Director Griffin and Commissioner
12 Stebbins for all of their guidance on this
13 item. As Jill just mentioned, I've got with me
14 today Michelle Collins, Vice President of
15 Marketing. She'll walk through a few slides
16 here.

17 Good work by Michelle, by Betsy Wall
18 and a few others I believe Michelle will call
19 out. Certainly appreciate the assistance and
20 collaboration. I hope we hit the mark on this
21 one. So, with that I'll turn it over to
22 Michelle.

23 MS. COLLINS: Thank you. Good
24 afternoon. So, as Lance stated, one of our

1 requirements was --

2 CHAIRMAN CROSBY: Introduce
3 yourself.

4 MS. COLLINS: Sure. Michelle
5 Collins, Vice President with Plainridge Park
6 Casino. What I did is I met with Betsy Wall
7 immediately before I started to put this plan
8 together. And she was able to connect me with
9 all the appropriate people from each of the
10 regions. So, from there, my team and I met
11 with these folks and then we developed this
12 plan. So, I will walk you through it.

13 So, the objective is to develop
14 relationships between Plainridge Park Casino
15 and within businesses of Massachusetts. We
16 created joint marketing programs that will
17 allow us to capitalize on the existing
18 attractions that are already here in
19 Massachusetts, specifically the ones that are
20 near Plainridge Park Casino because that's an
21 easy fit.

22 So, we've met with Xfinity and with
23 Wrentham Outlets to come up with different ways
24 that we can co-partner and co-brand and create

1 an exciting atmosphere and create almost a
2 sense of a vacation for people to get away even
3 though we don't have an overnight stay.

4 We've also partnered with some of
5 the hotels. And we continue to work on the
6 restaurant side as well.

7 In addition to that, what we've done
8 is we've worked with CMT, which is a tourism
9 kiosk. They provide the kiosk to us and then
10 it allows us to put the kiosk in our lobby.
11 And then people can come and actually look at
12 what is available in Massachusetts. And it
13 allows us to put what we want on there. So, we
14 don't have to put anything that isn't
15 Massachusetts, which is helpful obviously.
16 Because our goal is to keep the revenue in
17 Massachusetts and gain it back from what we
18 lost maybe to Rhode Island or to Connecticut.

19 In addition to this, as I already
20 mentioned Xfinity Center and the Wrentham
21 Outlets, we are also looking at bus program
22 opportunities. So, my team did go to the Focus
23 on Asia to see what kind of opportunities we
24 have there.

1 And then in addition to that
2 Sunshine Tours and those different facilities
3 that will allow us to figure out what we can do
4 to bring business to the facility. And if
5 people can't actually get there with a vehicle
6 or if they're coming from out of state to help
7 promote people coming to visit the area.

8 The primary regions are obviously
9 greater Boston, Metro West, Bristol County,
10 Plymouth County and Central Massachusetts. So,
11 those are the regions that we've actually met
12 with to date, if not a formal meeting then
13 we've had correspondence via email.

14 And we have also started the process
15 to join the chambers in those areas. We
16 recently found out that they don't have to be
17 licensed through the Gaming Commission, so it
18 makes it easier for us to process the
19 paperwork. So, we started those applications
20 now.

21 As I mentioned the kiosk already.
22 Another piece to it obviously is to educate our
23 staff. So, one of the things that we'll do is
24 add this component into our training program as

1 well as with marketing, any time you do a
2 promotion, what we do is we work with each of
3 the departments to educate them on that
4 promotion.

5 And with this, we'll be co-branding
6 and cross opportunity for this partnership
7 we'll include the information of each of these
8 facilities to our employees so they are aware
9 of what we are offering. That way if a
10 customer asks or if we're promoting Marquee
11 Rewards or wherever it might be, they'll
12 understand what's going on as well. So,
13 everybody will be on the same page.

14 For online, we'll obviously post the
15 websites on our website. In addition to that,
16 we've already added a page to Mass. Vacation
17 for Plainridge Park Casino. And we'll do cross
18 promotions with Facebook, social media,
19 twitter, all of that.

20 As I already mentioned, we will
21 collaborate with different various businesses.
22 In addition to the ones I've already mentioned,
23 there's also opportunity with the camping
24 facilities. In addition to that, we could look

1 into shuttle buses and that sort of thing.

2 Like I said before, we can actually
3 make it a staycation for people if we provide
4 the transportation and the cross opportunities.
5 A perfect example would be if you're a camper
6 and it's a rainy day then they would offer to
7 their customers that there could be a daytrip
8 to Plainridge Park Casino.

9 Overall, our main goal is to partner
10 with what is available to us in the
11 Commonwealth. And one of the other items is
12 our Marquee Rewards program, which I know has
13 been mentioned today a couple of different
14 times. Really, that's our loyalty card. And
15 this allows us to partner with these different
16 businesses.

17 And they can cross promote as well.
18 So, an example of that would be if you earn
19 points at our facility you can redeem them at
20 one of their facilities. So, in essence, we're
21 giving business to our local partners and other
22 businesses in the area so that everybody is
23 benefiting from this addition of gaming to the
24 Commonwealth.

1 COMMISSIONER MCHUGH: Sounds great.

2 CHAIRMAN CROSBY: Questions,
3 comments?

4 COMMISSIONER CAMERON: I see you
5 mentioned seniors, are you planning bus trips
6 from the senior centers and whatnot?

7 MS. COLLINS: Yes.

8 CHAIRMAN CROSBY: Others?

9 COMMISSIONER ZUNIGA: Without
10 getting into any competitive details or maybe
11 you don't have some of these partnerships all
12 ironed out, but help me understand some of the
13 bus partnerships or the campground
14 partnerships. I suppose there's a number of
15 ways in which you can partner.

16 MS. COLLINS: Typically, the way
17 that it works is you would get with the bus
18 company or the campground. And you would
19 develop a program that would incent the
20 customers to come to our facility.

21 So, for a bus program for example,
22 typically if there is a certain amount of
23 people on that bus then you're able to offer
24 incentives that would either be a food offer or

1 a free play offer. And the bus actually comes
2 to the facility during a specific timeframe.

3 The bus driver actually waits. And
4 they play for three or four hours and then it's
5 just a daytrip. With Wrentham Outlets what
6 we've discussed is obviously they have a lot of
7 bus tours that go in there. So, we would
8 piggyback off of what they are doing and add a
9 component for Plainridge Park Casino as well.
10 So, you could go shop and then come to the
11 casino to play.

12 COMMISSIONER STEBBINS: One of the
13 things that we came across when we were doing
14 the RFA-2 evaluation was, and I think Betsy
15 Wall pointed this out, is that Wrentham gets a
16 lot of bus traffic from international visitors
17 who come into the port of Boston and
18 immediately say the word outlet and want to hop
19 on a bus and drive down to Wrentham. So, I'm
20 glad to see you're making that connection. I
21 think it's important.

22 Another component of the RFA-2
23 application, which I'm glad to see you hit on,
24 was the stay, play and shop. And you had, as I

1 remember in the application, you had well over
2 a few hundred maybe MOUs that were signed with
3 all of those potential partners.

4 What Michelle are you doing to kind
5 of follow up on all of those people that had
6 signed on or hoping for some type of agreement?

7 MS. COLLINS: I'm on number 25. So,
8 we have a list and I'm going through it. And
9 between my team and myself, we're meeting with
10 each of these companies or businesses to
11 identify different ways that we can promote
12 each other.

13 An example would be, like I
14 mentioned, Holiday Inn is one of them that we
15 discussed. What it would be is allow our
16 customers to use their reward points to stay
17 there. Again, it's the stay play vacation
18 type.

19 Obviously, we don't have a hotel but
20 the plan would be we would try and provide
21 transportation to and from the hotels so that
22 they could come. But then again, they can use
23 their comps that they're earning at our
24 facility for the hotel.

1 COMMISSIONER STEBBINS: You touch on
2 it a couple of times in the presentation, but I
3 would encourage you only because for the next
4 two years you guys are going to be the lone
5 gaming operation in Massachusetts. And your
6 proximity to Boston, I think, allows you the
7 opportunity to tap into that international
8 market.

9 So, I'd just encourage you to stay
10 in touch with Betsy and strategize and be
11 involved in any of the international marketing
12 opportunities that are going on at the same
13 time.

14 There's a huge increase in the
15 number of direct international flights into
16 Logan. You're not that far from Boston. There
17 are some opportunities I think in the next two-
18 year window or so where you can really take
19 advantage of the international visitor, not
20 just to the Boston area but to Massachusetts
21 overall.

22 MS. COLLINS: Agree.

23 MR. GEORGE: Agree.

24 CHAIRMAN CROSBY: Others? One of

1 the big pitches in the RFA-2 was this idea of
2 collaborating with Patriot Place and Xfinity
3 and so forth, Wrentham and so forth. I didn't
4 understand exactly what those deals might look
5 like. But you referred to again in here. So,
6 what is the nature of that relationship?

7 MS. COLLINS: So, for Wrentham
8 Outlet for example, one of the incentives that
9 we've agreed upon is they have this VIP pass
10 that you can use to go shopping obviously at
11 their various outlets where you get a discount.
12 So, they've worked with us and agreed that if
13 somebody has a Marquee Rewards card and
14 presents that to them at their facility,
15 they'll get the VIP pass.

16 So again, we can promote Wrentham
17 Outlets on our local benefits for the program
18 and they get the benefit of having additional
19 business from via the customers we're getting.

20 Xfinity Center, same type of idea.
21 We're doing most likely a partnership with them
22 where obviously we would get tickets to promote
23 on our website. In addition to that, they're
24 looking into giving us a code where we could

1 allow our customers to get a discount on
2 tickets prior to when they are on sale for a
3 certain window of time.

4 MR. GEORGE: We're in the
5 homestretch of wrapping up a two-year
6 sponsorship with the Xfinity Center right now.
7 So, we'll have 40 plus tickets per concert,
8 advertising space there, an area that is
9 dedicated for customers. So, we should be able
10 to wrap that up in the next couple of weeks.

11 COMMISSIONER CAMERON: Patriots
12 Place, any relationships there?

13 MS. COLLINS: I have been emailing
14 with Michael Flynn. We have not actually met
15 up yet, but we are getting prepared to talk.

16 MR. GEORGE: I did meet with Michael
17 Flynn early on. Challenging though is he is a
18 huge Patriots fan, but I'm willing to work with
19 him despite that.

20 COMMISSIONER CAMERON: You may want
21 to keep your affiliations low key.

22 MR. GEORGE: I'm going to work on
23 that. And I think we can work through that but
24 yes, we have met with Michael Flynn as well.

1 COMMISSIONER ZUNIGA: As long as
2 you're not a Jets fan.

3 COMMISSIONER CAMERON: One of the
4 packages around football tickets plus weekend,
5 they're very, very common I know, for folks
6 from here to go to other cities and see a game
7 and have a weekend experience somewhere.

8 MR. GEORGE: Agreed. And we do have
9 -- Again, this is painful. We have Red Sox
10 tickets already secured. We have an opening
11 day and weekend package already.

12 COMMISSIONER CAMERON: Great.

13 COMMISSIONER STEBBINS: We won't
14 embarrass you by asking you who you root for.

15 MR. GEORGE: Don't worry about it.

16 CHAIRMAN CROSBY: You're vice
17 president local, right? Are you from corporate
18 or what's your background?

19 MS. COLLINS: Marketing at
20 Plainville, yes.

21 CHAIRMAN CROSBY: What were you
22 doing before that?

23 MS. COLLINS: I was at our Hollywood
24 Property in Bangor, Maine.

1 CHAIRMAN CROSBY: Okay. Other
2 questions?

3 COMMISSIONER ZUNIGA: It's
4 homestretch. It's exciting. A lot of this
5 starts to take life. And MOUs, you're doing
6 the groundwork in the trenches. And it's
7 exciting to get an update on it.

8 MS. COLLINS: And everybody has been
9 fabulous to work with. They're all very
10 excited about the opportunity. So, it makes it
11 a lot easier on us as well.

12 MR. GEORGE: Eighty three days, but
13 who's counting.

14 CHAIRMAN CROSBY: Do we have a
15 motion? I think we need to accept this.

16 MS. GRIFFIN: You do need a vote.

17 CHAIRMAN CROSBY: Commissioner
18 Stebbins?

19 COMMISSIONER STEBBINS: Sure. Mr.
20 Chairman, I ask that the Commission approve the
21 marketing and hospitality plan as presented by
22 Plainridge Park Casino.

23 CHAIRMAN CROSBY: Second?

24 COMMISSIONER CAMERON: Second.

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

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

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

9 MS. GRIFFIN: Thank you.

10 CHAIRMAN CROSBY: Director John
11 Glennon, our Chief Information Officer.

12 MR. GLENNON: Good afternoon. I'm
13 here to give you an update on the gaming
14 technology laboratory. First item is we are
15 bringing in finalists for interviews. One will
16 be in tomorrow to meet with Executive Director
17 Day, Mr. Band, Director Wells, Director Lennon.
18 And we are hopeful that this candidate is going
19 to be the one. I don't want to create any
20 expectations.

21 COMMISSIONER MCHUGH: Was this
22 through a head hunter?

23 MR. GLENNON: Yes. We posted this
24 position over a year ago. I think we've had at

1 least two rounds of people. We had applicants
2 and for one reason or another, they didn't work
3 out.

4 I think we have a well-qualified
5 candidate in the person that's coming in
6 tomorrow. So, to be continued.

7 CHAIRMAN CROSBY: As a practical
8 matter, is it that without that person we
9 basically haven't been able to do anything on
10 this?

11 MR. GLENNON: No, not at all. I
12 think I'm basically just filling in and doing
13 the role in terms of supporting the necessary
14 things to comply with our regulations around
15 the governance of electronic gaming devices.

16 CHAIRMAN CROSBY: I meant on the lab
17 itself.

18 MR. GLENNON: No. Actually, we've
19 designed the lab. And we are moving forward on
20 the things that we need to do in order to build
21 the infrastructure. And also, we are talking
22 with GLI and BMM and GTECH about how we're
23 going to use the lab. And I'm prepared to talk
24 in a little bit more detail about that in terms

1 of the operating model.

2 The operating model that's in the
3 packet, I'm going to go back-and-forth. Amy,
4 if you could just go to the next chart. This
5 hasn't changed too much since we looked at this
6 last year. I think I've tweaked a little bit
7 up in the corner of the things the lab is going
8 to do.

9 But primarily it's ensuring
10 compliance with our regulations, overseeing the
11 relationships with the labs that you just
12 certified several weeks ago, doing
13 interoperability testing. And it's a secondary
14 process.

15 So, we have technical standards to
16 which these machines need to comply, but they
17 also need to work with the central management
18 systems. So, there's some secondary testing
19 that will be done in conjunction with the GTECH
20 staff that will be located at our headquarters
21 to make sure that the machines that are coming
22 in are going to plug and play well with both
23 the house management system, the ACSC and the
24 rest of the gaming floor. So, that's a

1 secondary testing process.

2 In addition, I think the lab manager
3 and the technicians will be second-tier support
4 for both the State Police and the gaming
5 enforcement agents under Bruce Band and Burt
6 Kane for the technical piece.

7 And at least for the first several
8 months, we're going to be doing things in a
9 manual way. So, I think we're all going to be
10 doing kind of the old-school validation of the
11 machines. So, that's going to be a good
12 learning experience for everybody.

13 It's going to be at least several
14 months. I think we talked about the GTECH
15 implementation date, the first pass was the end
16 of August. But because of Plainridge's
17 schedule and not wanting to interfere with it
18 that's probably going to slip a little bit into
19 the fall go live with GTECH. I'll entertain
20 questions on the model about what we're going
21 to be doing there.

22 Amy, you may want to go to the next
23 slide, which is just a representation of the
24 physical space for the gaming lab. To the

1 right is the network operations center where
2 four staff will in a 24 by seven operation
3 watch the central management system and the
4 operation of the gaming floor.

5 And the lab basically will house
6 about 20 to 25 slot machines. Those are
7 represented by the four by four boxes on there.
8 As well as there's some server racks to
9 accommodate server-based gaming, testing the
10 GTECH system etc., etc.

11 So, this is the physical space
12 that's on the diagrams that have been finalized
13 for the construction of our space on 12 and 13
14 at 101 Federal.

15 COMMISSIONER MCHUGH: Will we have a
16 copy of every game that's out on every floor in
17 this lab?

18 MR. GLENNON: I think we'll have
19 samplings of the platforms that are necessary
20 to do the interoperability testing. I'm not
21 sure if we're going to have every single
22 instance of every game. I would say that is
23 probably not going to be the case.

24 COMMISSIONER MCHUGH: We are going

1 to rely -- I think this is what I heard the
2 last time. We're going to rely on the
3 independent testing labs for problems that show
4 up with games that we don't have copies of?

5 MR. GLENNON: Yes. And the
6 technicians for the property --

7 COMMISSIONER MCHUGH: I understand
8 that. But if we had to do some stress testing
9 on a game to try and replicate some problem,
10 we'd have to use the ITO for that.

11 MR. GLENNON: Yes, we would.

12 COMMISSIONER ZUNIGA: John, help me
13 understand the interoperability testing a
14 little more. Does it happen in real-time? Are
15 you monitoring'

16 MR. GLENNON: Interoperability
17 testing would essentially be you would have a
18 test environment -- In software development,
19 it's called QA. -- that isn't the production
20 floor.

21 And you would just make sure that
22 the device, the electronic gaming device
23 operated well with the Intelligen central
24 management system as well as the ACSC house

1 system. So, it's really does it plug-and-play
2 well in the production environment. That's the
3 kind of interoperability testing. It's kind of
4 a final test.

5 In most cases, these configurations
6 are not different than in other jurisdictions.
7 So, if everything is optimal, it should work,
8 but the testing is necessary just to make sure.

9 COMMISSIONER ZUNIGA: So, will we be
10 able to do our interoperability testing before
11 the opening day or usually not, right?

12 MR. GLENNON: We will be because
13 GTECH has a lab already. And we are working
14 with GTECH to provide them an inventory of all
15 of the machines that are going to be on the
16 floor. We already know this from Penn's
17 opening plan.

18 So, there will be interoperability
19 testing. And then we will be testing again the
20 old-fashioned way, the software on each
21 platform as the gaming floor is validated as we
22 go through that exercise.

23 COMMISSIONER ZUNIGA: So, after the
24 initial testing and when GTECH comes online

1 with the CMS, what does that interoperability
2 testing look like a year from now?

3 MR. GLENNON: It will be done on
4 machines at the Commission's headquarters in
5 most instances. So, those platforms even
6 though they'll be able to support every game in
7 every instance, I believe, in the casinos. And
8 in the instance there isn't, again, GTECH has
9 their own lab where they will most likely be
10 maintaining a version of Intelligen that is
11 similar to ours. And they already have, I
12 believe ACSC running in their lab.

13 COMMISSIONER ZUNIGA: What is
14 Intelligen?

15 MR. GLENNON: Intelligen is the
16 brand-name of the GTECH central management
17 system.

18 COMMISSIONER ZUNIGA: There's
19 obvious collaboration, and you allude to this
20 here, with accounting, finance and accounting
21 for all of the revenue validations as well as
22 the IEB which is obviously not represented
23 here. I'd be curious at a later time to
24 understand how you are all working together.

1 MR. GLENNON: At least my view and
2 Derek isn't here to have that conversation but
3 I think we share is that there'll be
4 administrative access for IEB and for staff in
5 the financial audit and forensic investigation
6 unit into CMS to be able to get access to the
7 information.

8 I think that that's part of the
9 plan. We can certainly talk more offline, you,
10 Derek and I could sit down. I think access to
11 the system by our staff I think is expected.
12 And I think we'll have subject matter experts
13 in both of those areas that will know how to
14 use the central management system to get
15 information related to investigations and such.

16 CHAIRMAN CROSBY: These four people
17 in the NOC, they're going to be -- they're
18 accessing the CMS right? They're going to be
19 sitting there monitoring the CMS?

20 MR. GLENNON: That's correct.
21 Actually, GTECH will be providing staff of
22 between six and seven people during normal
23 business hours and then an overnight shift of a
24 supervisor and two operators. So, there will

1 be some lab personnel.

2 I had sent you a GTECH opening or
3 their initial project plan. In the contract,
4 their staffing not only the operations but
5 there's a manager, there's a field technician
6 who will be working on the property basically
7 providing technical service. There's a quality
8 analyst which will be working on the
9 interoperability testing, because that is on us
10 to provide the facilities but GTECH to provide
11 the services for that interoperability testing.

12 COMMISSIONER ZUNIGA: Does that
13 level of manpower taper down a little bit once
14 there is --

15 MR. GLENNON: I don't believe so. I
16 believe the 13 people which include the seven
17 during regular business hours and then 24 by
18 seven on the other two shifts is consistent
19 throughout the contract unless we choose to
20 take over the operation. That's provided for
21 as well in the GTECH contract.

22 COMMISSIONER ZUNIGA: I can't wait
23 to understand some of the details as to why all
24 of those bodies are required given that the

1 system is so automated. But we'll get to that
2 part.

3 MR. GLENNON: Okay.

4 CHAIRMAN CROSBY: Me too.

5 COMMISSIONER CAMERON: Where will
6 those personnel be housed, six or seven?

7 MR. GLENNON: So, four of them in
8 the NOC. And then we do have space in the
9 gaming lab for a workstation or two. It would
10 just mean putting space in and having less
11 machines rather than the 23.

12 Then there are three cubes in the
13 diagram around the IT area that are hoteling
14 and spare cubes. So, we would put the overflow
15 in. And of the seven, one of them is a field
16 tech that probably will be only hoteling.
17 They'll mostly be on the properties, either at
18 Plainridge or the commercials once they open.

19 COMMISSIONER CAMERON: And an office
20 for the lab manager is outside somewhere?

21 MR. GLENNON: Yes. In the plan is
22 an office, accommodation for the gaming lab
23 manager, yes.

24 If you go back to the first slide,

1 Amy, I'm sorry to make you jump all around.
2 So, I think we're doing some things I would
3 call them workarounds, kind of consolidating
4 processes to ensure compliance. We're working
5 with the labs. We're working with Penn to make
6 sure that all of the devices are properly
7 tested.

8 So, I'm not going to spend a lot of
9 time but I think in the end state we'll have a
10 business process which will run smoothly for
11 permitting and registering assets. That's
12 we're kind of working that through. And to
13 that end, I would say a month or so ago I
14 shared business processes with you from the
15 lab. We've gotten some good feedback on those.

16 And we are actually looking at our
17 regulations to make some tweaks based on
18 feedback that we've heard from the industry,
19 the manufacturers of how we're requiring the
20 certification, permitting and asset
21 registration process.

22 I think there's maybe some
23 disconnects between what are in the regulations
24 and how we can operationalize them. So, I

1 guess what I'm saying is that the business
2 processes I should be able to bring back to you
3 in several weeks to a month, along with some
4 minor tweaks to the registrations -- the
5 regulations.

6 CHAIRMAN CROSBY: Any other
7 thoughts, questions? Okay. Thank you.

8 MR. GLENNON: Thank you, very much.
9 General Counsel Blue.

10 MS. BLUE: Good afternoon,
11 Commissioners. You have in your packet today a
12 proposed record retention policy. This is
13 about the fourth I think out of five pieces of
14 what would be an overall document management
15 policy for the Commission.

16 So, if you recall, we've had
17 policies on the definition of what are official
18 records. We have a redaction policy. We have
19 a policy on removal of information from our
20 website.

21 This is a policy that would put in
22 place the types of schedules. How long we'll
23 keep documents, which can be destroyed, which
24 cannot, some definitions as to what some of the

1 retention schedules mean.

2 And what I would be asking the
3 Commission to today is approve the taking of
4 this policy to the State Archivist. In
5 general, what the Commonwealth has is a records
6 retention policy and schedules for various
7 agencies. We do not have our own schedule. We
8 can if we like.

9 The process would be to draft what I
10 have. And it's an attachment at the very end
11 of this policy. We would take it to the State
12 Archivist. He would take it to the committee
13 that handles record retention schedules. They
14 would review it and if they're comfortable with
15 it, they would approve it. Once it's approved,
16 it goes into the overall Commonwealth schedule.

17 What I've put together is based upon
18 record periods that are in the record retention
19 policy for the Commonwealth for other
20 departments for similar types of documents.
21 The goal is to make it as clear and concise as
22 possible.

23 Having this review and approval
24 takes some time. So, we'd like to start this

1 process now while we work with our IT folks to
2 implement this process in both our electronic
3 document storage which we are working on as
4 well as what limited paper storage we have now,
5 because we are actually very good at keeping
6 things electronically. So, if there are any
7 questions?

8 CHAIRMAN CROSBY: Questions? Is
9 this referring to all emails?

10 MS. BLUE: Yes.

11 CHAIRMAN CROSBY: All emails would
12 be maintained for six years?

13 MS. BLUE: Yes.

14 CHAIRMAN CROSBY: Is that something
15 that other people are doing?

16 MS. BLUE: Under the Commonwealth
17 policy in general, they retain them for a much
18 shorter period of time. So, we would be
19 keeping them longer than most other
20 Commonwealth agencies.

21 The other thing to keep in mind with
22 record retention too is as we get this set up
23 and it's more of an electronic process, there
24 may be some things that an individual who

1 created a document wishes to keep for longer.
2 These are just the minimum periods of time that
3 you have to keep it.

4 You could keep things longer if you
5 wanted to. We would do some training around
6 this. So, we would advise against that in some
7 situations. But these are the minimum periods
8 of time. And that for email is longer than
9 what the Commonwealth in general does with the
10 emails.

11 CHAIRMAN CROSBY: Why are we doing
12 it longer?

13 MS. BLUE: Because there's a
14 conflict when you look at the Commonwealth
15 policy between emails and documents. If you
16 look at the way information is sent and shared
17 today, what you will see is many, many
18 documents are shared by email.

19 And in some places email replaces
20 certain documents. So, back years ago when we
21 all wrote memos to each other, oftentimes the
22 same information is in an email. So, in my
23 view those two kinds of schedules should be the
24 same.

1 And that's what I did in our
2 schedule. I know that the Commonwealth is
3 looking over all their schedule and they may be
4 making some changes in their timeframes as
5 well. This will allow us to have a policy
6 where the attachments to the emails and the
7 emails themselves would have similar periods of
8 time that they were kept.

9 CHAIRMAN CROSBY: When we delete
10 something, you're talking about saving some
11 kind of hard drive that we don't have access
12 to.

13 MS. BLUE: Eventually, it will be in
14 our document management system. We'll have an
15 overall document management system for
16 electronic documents that it's all kept in one
17 place. That's the Documentum system that we
18 bought, but we have to tweak that and get that
19 set up.

20 CHAIRMAN CROSBY: I don't really
21 have any way to make a judgment about this. It
22 seems keeping all of our emails for six years
23 seems like an incredible amount of stuff. I'm
24 not quite sure why, what the public policy ---

1 COMMISSIONER MCHUGH: It's really
2 hard to segregate the emails that have
3 documents attached and the emails that don't
4 have documents attached.

5 If an email has a document attached
6 then under the statewide policy, it's typically
7 kept for six years. We could adopt a policy
8 where emails are kept for three years but then
9 at the end of three years if we flush them, we
10 might be flushing documents that everybody else
11 kept for six years.

12 So, the default is to avoid doing
13 that is to keep everything for longer. It's
14 all stored electronically. It'll be purged
15 electronically. You'll never see it. And data
16 storage now is relatively inexpensive.

17 So, that you can do this with a
18 minimum amount of effort. You can set things
19 up so that when you hit the delete box, it
20 comes off your active screen, goes into the
21 deleted items, but it doesn't get flushed for
22 the six-year period. So, it's an automated
23 process. You never see it. But if you need to
24 get that document within the six year

1 timeframe, you've got it.

2 CHAIRMAN CROSBY: All of these
3 retained documents are, with a handful of
4 exceptions are susceptible to public records
5 requests.

6 MS. BLUE: Yes, they are.

7 COMMISSIONER ZUNIGA: Hence the
8 retention.

9 CHAIRMAN CROSBY: Right. Okay.
10 This makes sense to you, I gather?

11 COMMISSIONER MCHUGH: It does, yes.
12 I think these categories are clear. They're
13 self-identifying. The Documentum system will
14 be set up to automate this process. The idea
15 will be to move forward. It may take us little
16 while to get there but to move forward to an
17 electronic storage system so that we're not
18 keeping paper.

19 That'll make the documents
20 accessible to everybody who has clearance to
21 certain privileges to get into places where
22 documents are stored. It'll make foyer
23 searches easier. It'll make it easier to hold
24 documents for litigation. That's about a six-

1 month to eight-month process but we are going
2 to be doing that soon, if I understand
3 correctly --

4 MS. BLUE: Yes.

5 COMMISSIONER MCHUGH: -- through the
6 Documentum system that we have that's capable
7 of doing that. So, this is really a first step
8 toward moving forward to get that storage
9 process standardized so we can take that into
10 account as we consolidate documents for the
11 Documentum system.

12 CHAIRMAN CROSBY: Okay. Do you need
13 an action from us?

14 MS. BLUE: Yes, if you would approve
15 my taking this to the Secretary of the
16 Commonwealth to start the approval process that
17 would be very helpful.

18 CHAIRMAN CROSBY: Commissioner
19 McHugh?

20 COMMISSIONER MCHUGH: I move that we
21 accept and authorize the General Counsel to
22 send to the appropriate secretariat for
23 approval the document retention protocol
24 embodied in the materials contained in today's

1 packet.

2 CHAIRMAN CROSBY: Second?

3 COMMISSIONER CAMERON: Second.

4 CHAIRMAN CROSBY: Other discussion?

5 What is the B12 Massachusetts Gaming, what does
6 that refer to?

7 MS. BLUE: The schedule is numbered
8 A, B, C depending on the agency. When I talked
9 to the State Archivist, his comment to me was I
10 think you belong in the B section. The last
11 section was B11. So, I made this B12.

12 COMMISSIONER ZUNIGA: What does a
13 contract under seal mean?

14 MS. BLUE: A contract under seal it
15 says when it's signed this contract is signed
16 under seal. Under statute, you have to keep it
17 for even 20 years. A lot of the Commonwealth
18 contracts are, in particular the land contracts
19 are, but a lot of the Commonwealth contracts
20 are. So, we'll take a look at ours and figure
21 out where ours generally fall.

22 COMMISSIONER MCHUGH: It's an
23 artifact of a bygone era. There used to be
24 contracts that had the seal. Actually, they

1 were pretty good seals. They had big ribbons.

2 MS. BLUE: Big ribbons and different
3 colors.

4 COMMISSIONER MCHUGH: I suppose we
5 could re-install that. But now we just say
6 contract under seal. It's kind of mundane.

7 MS. BLUE: Yes, not as pretty.

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

10 COMMISSIONER MCHUGH: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 COMMISSIONER STEBBINS: Aye.

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

16 MS. BLUE: Thank you.

17 MR. DAY: Well, Commissioners as our
18 next topic is coming up, some of the good news
19 though is the regulations that you see today
20 are the last two packages we plan to bring
21 forward that you will need before we get the
22 slot parlor open. We are getting towards at
23 least the initial end.

24 CHAIRMAN CROSBY: Director Wells.

1 MS. WELLS: Good afternoon, again.
2 The first item under section eight, the
3 Investigations and Enforcement Division report,
4 the exclusion list regulations. Looking to
5 begin the formal process. And we have Bruce
6 Band, the Gaming Agent Division Chief and Todd
7 Grossman, Deputy General Counsel to address
8 that.

9 MR. GROSSMAN: You have before you
10 what we would colloquially refer to as the
11 involuntary exclusion list, to be distinguished
12 from the voluntary self-exclusion list that Mr.
13 Vander Linden discussed earlier.

14 There is also a third category of
15 exclusion that's important to bear in mind.
16 And it all falls under Section 45 of Chapter
17 23K. That is a court-ordered exclusion from
18 casinos, which we touch upon in here. This is
19 again all under Section 45 for the involuntary
20 exclusion list. I'm happy to address any
21 questions but we can go through quickly just
22 laying out how the process will work.

23 It's all basically gleaned from the
24 statute and then we expounded upon a number of

1 different areas. The bulk of it comes in
2 section 152.03, which is on the bottom of the
3 screen where we lay out all of the criteria for
4 which an individual could be placed on the
5 list. These primarily come from the statute
6 itself.

7 The fifth one on the list provides
8 for the exclusion for someone where there
9 exists the potential of injurious threat to the
10 interest of the Commonwealth if that individual
11 is permitted in the gaming establishment. And
12 on that one, we explain a number of factors
13 that the Commission could look at to determine
14 whether someone is in fact an injurious threat
15 to the Commonwealth including individuals who
16 are known cheats and folks of that nature.

17 We then talk about in section 04 the
18 process that will be followed. Essentially, it
19 is commenced with an investigation by the IEB,
20 which could be an initiated by the IEB itself,
21 by the Commission or by a gaming licensee. The
22 IEB will then investigate the individual,
23 prepare a report and forward it to the
24 Commission for action if it finds that that

1 individual would meet one of the criteria
2 above.

3 The Commission at a public meeting
4 would review the report and make a termination
5 as to whether the criteria is met. You would
6 then order the person placed on the list.

7 It's important just to note that the
8 statute doesn't require a hearing where the
9 individual is provided notice prior to the
10 Commission reviewing the matter. So, we wrote
11 in here that you can provide the individual
12 with notice and grant them a full hearing, but
13 the statute only requires that you give the
14 person a hearing after-the-fact, after you
15 decided to place the individual on the list.

16 And then there would be a regular
17 hearing as you've conducted in the past where
18 we provide the individual with notice. And
19 they have an opportunity to explain why they
20 don't believe they meet the criteria.

21 We go through all of the notice
22 provisions and how an individual would go about
23 requesting a hearing here in paragraph three on
24 page three here.

1 Provision number four, towards the
2 bottom of page three, we add in that District
3 Court order whereby an immediate family member
4 of an individual would have petitioned the
5 court to have that person essentially declared
6 a problem gambler placed on the list. They
7 would then send notice to the Commission. We
8 would place them on the list.

9 We go through in section 06, the
10 information that will be in each individual's
11 profile, if you will. It would be our intent
12 to place all of these profiles on our website,
13 and to ensure that each casino has full access
14 to the entire list hopefully through our
15 database. So, they would be able to access it
16 as they do the credit suspension list and the
17 voluntary self-exclusion list.

18 We go through the duties of the
19 gaming licensees. Primarily, that once they
20 identify an individual on the list that they
21 exclude the person from the casino. I
22 apologize. I realized after the fact that we
23 left one duty out here. And that is that the
24 casino not be allowed to market to or deny

1 access to complimentaries, check-cashing or
2 their club programs to anyone who is on the
3 list as well. So, I'd just ask that we add
4 that on here.

5 We then go through the process
6 whereby an individual can ask that their name
7 be removed from the list after the passage of
8 five years from this process.

9 CHAIRMAN CROSBY: Is five years
10 statutory?

11 MR. GROSSMAN: No. There's no magic
12 to that number at all. That is just a number.
13 It was based on the New Jersey provision where
14 they have a five-year and a 10-year exclusion.
15 So, we picked that as a round number.

16 CHAIRMAN CROSBY: Bruce, is there
17 any other best practice? It seems a little
18 long to me for not even being able to apply.
19 It doesn't mean you can get off the list, it
20 just means you have an opportunity to bring
21 your case forward. Is there any other reason
22 to pick a number?

23 MR. BAND: No, I don't think so. I
24 think it was to stop people from just

1 inundating the system with requests to come off
2 the list. If they were concerned enough to put
3 them on the list, I think the five-year
4 provision is -- Let's see how you rehabilitated
5 yourself in that time period.

6 CHAIRMAN CROSBY: Do other people
7 have a reaction to that?

8 COMMISSIONER ZUNIGA: Remember they
9 would have been placed on the list and then
10 have an opportunity to have that hearing.

11 CHAIRMAN CROSBY: As to whether they
12 should be on the list, right.

13 COMMISSIONER ZUNIGA: They get
14 placed on the list. Then they appeal. They
15 have the opportunity to be heard. They can
16 either be removed or reaffirmed on that list.

17 COMMISSIONER CAMERON: Mr. Band, do
18 you know if that is an industry-standard or
19 you're just familiar with New Jersey?

20 MR. BAND: No, I don't. I just take
21 it from the New Jersey statute mostly because
22 that's been tested quite a bit in court and
23 it's held up.

24 CHAIRMAN CROSBY: Does anybody else

1 -- It might be worth looking around and seeing
2 what else there is. Some of them are less. If
3 the individual is an associate of an
4 individual, falls into one of the first three
5 categories your guilt by association that's
6 fairly far removed. Then if two or three years
7 go by should you be able to at least ask for
8 the right to get back in? I don't know.

9 COMMISSIONER ZUNIGA: You're making
10 the case for placing them or not, right?

11 CHAIRMAN CROSBY: No, I'm not.

12 COMMISSIONER ZUNIGA: It would be at
13 the discretion of this Commission to place
14 them.

15 CHAIRMAN CROSBY: Correct.

16 COMMISSIONER ZUNIGA: It's a case-
17 by-case basis almost by definition. Until you
18 see what categories the IEB is recommending
19 somebody be placed on, you could make a
20 decision whether they should or not.

21 CHAIRMAN CROSBY: I understand that.
22 But once they're on it, how long should they
23 have to be on it before they get a chance to
24 come off. That's a very different question.

1 Do you guys have any particular experience or
2 insight on this?

3 MR. MICHAEL: We have familiarity
4 with the New Jersey system. Typically, it is
5 approximately five years. Five years is a
6 general standard.

7 But there are circumstances where
8 agencies do allow people to petition early on
9 good cause shown and waive the five-year
10 period. Again, Mr. Band is right that you
11 don't want to have people inundating you
12 constantly for removal from the list.

13 But on the other hand, there might
14 be extraordinary cases where people can show
15 good cause for something less than the five
16 years. I know of cases where agencies have
17 waived the five-year period.

18 COMMISSIONER CAMERON: Are you
19 recommending a clause that we add to this that
20 would allow for a waiver?

21 MR. MICHAEL: You could do it that
22 way. Bob reminds me too that if there is a
23 waiver, it would only be a one-time request.
24 They can't come back every year asking for that

1 extraordinary relief. So, a one-time request
2 for an extraordinary situation waiver of the
3 five-year mark.

4 COMMISSIONER CAMERON: Does that
5 satisfy you?

6 CHAIRMAN CROSBY: I'm not a strong
7 feeling on this. It just intuitively strikes
8 me as a long time with no flexibility. I think
9 the idea of having some flexibility seems kind
10 of fair to me, but I'm not wedded to it. If
11 that were suitable in your eyes, Commissioner
12 Cameron, then I would certainly find that a
13 good addition.

14 MR. GROSSMAN: We do of course have
15 a general variance provision in the regulation
16 that allow you to grant a variance from any
17 regulation for essentially good cause. There
18 are a number of factors. Unless you think it's
19 going to be a repeated type request, if you
20 think the large percentage of people on the
21 list are going to come back for early
22 consideration, then we should write it into the
23 rule, but if it's going to be more of an
24 exception then we do have a variance provision

1 that would allow you to grant that type of
2 relief.

3 CHAIRMAN CROSBY: Does that variance
4 provision limit it to one request?

5 MR. GROSSMAN: No.

6 CHAIRMAN CROSBY: That's the point
7 that would need to be added. So, maybe it does
8 need to be made specific for this case.

9 COMMISSIONER ZUNIGA: My reading on
10 this is just a gut feeling like yours, Mr.
11 Chairman, on the side is that in order to get
12 on the list there's a really -- it's a high bar
13 to get on this list. It's really something
14 injurious, some real undesirable. It comes
15 after cases here that are really offensive, if
16 you will. The five-year strikes me as
17 reasonable.

18 COMMISSIONER CAMERON: I think the
19 five years does too. And it sounds like it is
20 an industry standard. But as Mr. Michael said,
21 it would be for kind of an extraordinary
22 situation. It'd just be the ability to have a
23 one-time waiver. I would have no reason or I
24 don't see reason not to include that as part of

1 this just for that particular extraordinary
2 situation.

3 MR. CARROLL: Guy and I routinely
4 handle these. On occasion you get a case, to
5 address Commissioner Zuniga's concern, it is a
6 high bar. You want it to be high. But there
7 are occasions. For example, the advancement of
8 technology and DNA testing a stay in conviction
9 and later on is exonerated they may be covered
10 in that period. There are those extraordinary
11 cases.

12 CHAIRMAN CROSBY: If somebody
13 recants testimony or something. But I think
14 that's -- write it fairly strictly, but it
15 would give us the opportunity to reconsider
16 under extraordinary circumstances.
17 Commissioner Stebbins, are you all right with
18 that?

19 COMMISSIONER STEBBINS: Yes.

20 CHAIRMAN CROSBY: You all right with
21 that?

22 COMMISSIONER MCHUGH: Yes.

23 CHAIRMAN CROSBY: Go ahead.

24 MR. GROSSMAN: The next section is

1 the forfeiture section. The statute provides
2 -- Now I'm on the top of page five. -- that an
3 individual who is while on the list shall not
4 collect any winnings or recover losses arising
5 as a result of prohibited gaming in the gaming
6 establishment. And that the winnings shall be
7 forfeited to the Commission and deposited in
8 the Gaming Revenue Fund.

9 We then just go on to explain a
10 little bit more about how that process will
11 work. We point out as we did in the voluntary
12 self-exclusion list that the casino should
13 wherever possible and lawfully take the
14 proceeds back and not engage in any process
15 that would violate anyone's constitutional
16 rights or anything like that. That they take
17 the winnings back, they cash them in and then
18 they send them to the Commission.

19 We have a paragraph in here,
20 paragraph three that would allow a person to
21 challenge the forfeited winnings in the event
22 that some of the chips or other items of value
23 were not actual winnings. They were just money
24 that the person had in their hand or something

1 of that nature. They could come before the
2 Commission and argue that those monies should
3 not be forfeited. That's the forfeiture
4 section.

5 Finally, we have paragraph 10, which
6 talks about the presence of elected officials
7 of a host community gambling in a gaming
8 establishment. And if you recall that this was
9 an issue that we discussed a couple of years
10 back actually before we had embarked upon any
11 of these types of regulations.

12 The initial decision was to come up
13 with a regulation that would prohibit elected
14 officials from host communities from gambling
15 in the casino in their host community. So,
16 this is where this regulation would seem to
17 neatly fit. And this is, I think, what it
18 would look like. But we certainly wanted to
19 draw your attention to it.

20 CHAIRMAN CROSBY: Comments? How do
21 others feel about the elected official part?

22 COMMISSIONER ZUNIGA: I do remember
23 the discussion we had almost two and a half
24 years ago as part of the policy discussions.

1 Actually, Bobby and Guy identified that this
2 was a particular area that the statute was
3 silent and we ought to think about especially
4 in the context of the exclusion list in the
5 earlier decisions.

6 I think there's an appearance more
7 than anything else to consider here. It's that
8 appearance that I think we need to be careful
9 where the host community public official
10 gambling at that facility could be interpreted
11 as something going on.

12 CHAIRMAN CROSBY: Yes. Commissioner
13 Stebbins as a former municipal official what's
14 your thought?

15 COMMISSIONER STEBBINS: Wow. Well,
16 I do remember the extensive discussion we had
17 about it. I think it's worthwhile to keep in
18 there. I think it kind of eliminates any
19 problems with perception.

20 And to a degree I think it probably
21 answers a question for a lot of local officials
22 who are trying to figure out what the
23 parameters are when the facility opens, what
24 they can and cannot do when they go into a

1 facility that they've essentially are a
2 signatory on a host agreement on or approved
3 some zoning and licensing decision. I think
4 this gives them a clear direction as to what
5 they can and cannot do.

6 COMMISSIONER CAMERON: I think it's
7 a good provision as well. It is an appearance
8 as well as there have been instances that it's
9 more than appearance. I think it's a good
10 piece of this for us to keep in.

11 CHAIRMAN CROSBY: It certainly seems
12 to me like good public policy. The only
13 question in my mind and it's only vague, is
14 whether it should be we who impose it or with
15 all the deference in the laws to local control,
16 should it be up to the host community to pass
17 those rules? Or is it really -- is this the
18 higher order of our overall responsibility to
19 protect the appearance of integrity. I could
20 sort of go either way. If the consensus is
21 that this is an appropriate thing for us to do,
22 I am comfortable with that.

23 COMMISSIONER MCHUGH: Is this the
24 final version of this or are we just putting

1 this out?

2 MR. GROSSMAN: This is the first
3 draft.

4 COMMISSIONER MCHUGH: So, we can get
5 comments on this. I think we should leave it
6 this way and see what comments we get.

7 CHAIRMAN CROSBY: Right. Maybe
8 somebody remind Ombudsman Ziemba to ask around
9 too.

10 MR. GROSSMAN: We already got an
11 inquiry around that case as we speak.

12 COMMISSIONER ZUNIGA: From an
13 elected official?

14 MR. GROSSMAN: Not exactly.

15 CHAIRMAN CROSBY: Would these
16 people, if this were adopted be on the excluded
17 list?

18 MR. GROSSMAN: No, I don't think so.
19 It would just be a rule.

20 COMMISSIONER MCHUGH: They can go
21 in.

22 COMMISSIONER ZUNIGA: They just
23 cannot place a wager.

24 COMMISSIONER CAMERON: There'll be

1 meetings and retirement dinners and other
2 events that they will be able to attend.

3 MS. WELLS: Just to clarify, my
4 understanding is we were requesting this begin
5 the formal process. I don't think we've done
6 an informal in wanting to move this along. But
7 there would still be an opportunity for
8 comment.

9 CHAIRMAN CROSBY: Anything else?

10 MR. GROSSMAN: If you are inclined
11 to do so, we would ask that you move -- approve
12 this for movement through the promulgation
13 process. And then we have one other point.

14 CHAIRMAN CROSBY: Should we have our
15 vote first?

16 MR. GROSSMAN: Yes.

17 COMMISSIONER STEBBINS: Mr. Chair,
18 I'd move that we initiate the formal
19 promulgation process for 205 CMR 152,
20 individuals excluded from a gaming
21 establishment.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER ZUNIGA: Second.

24 CHAIRMAN CROSBY: Any further

1 discussion? All in favor, aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER STEBBINS: Aye.

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

8 MR. GROSSMAN: With that Section 45
9 of Chapter 23K in paragraph (k) at the very end
10 says the Commission shall pursue an interstate
11 compact for the purposes of sharing information
12 regarding the excluded persons listed.

13 So, we need to start thinking about
14 taking some action towards working with other
15 states toward sharing this information. We see
16 people on their list and letting them gain
17 access to our information.

18 CHAIRMAN CROSBY: We've had the
19 first meeting with the New England Consortium
20 where we put that on the table with other
21 states. And maybe Rick, you could make a note
22 to make sure that we follow up with Mass.
23 Council and with Mark. But it is in the
24 pipeline. However, I had forgotten that it was

1 a mandate.

2 COMMISSIONER ZUNIGA: Is that
3 contract for the exclusion list or the self-
4 exclusion list or both?

5 MR. GROSSMAN: Both.

6 COMMISSIONER ZUNIGA: We have had
7 those conversation for the self-exclusion list.

8 CHAIRMAN CROSBY: You're right. It
9 wasn't about the exclusion list, but we'll
10 expand. Great, thank you.

11 MS. WELLS: The next item on the
12 agenda is the internal controls CMR 138 with
13 the same team, Attorney Grossman and Assistant
14 Director Band.

15 CHAIRMAN CROSBY: Do you need a
16 break before we get into this or is everybody
17 okay to go ahead? Go ahead.

18 MR. GROSSMAN: Today is the
19 culmination of a long process in which we
20 brought these before you on a couple of
21 occasions. They've been circulated for public
22 comment for quite some time. In fact, we've
23 received a lot of public comment from a number
24 of different entities that bear mentioning at

1 the moment.

2 And we're thankful to everyone for
3 participating and collaborating with us on
4 these regulations. They've caused us to really
5 think through and to consider and reconsider a
6 number of important points here that go towards
7 the control of the casino.

8 What we were able to present to you
9 here today is our best judgment as to the best
10 way to go about doing this. So, we got
11 comments from all of the licensees. And we are
12 thankful to all of them for taking the time to
13 do this.

14 And we got extensive comments from
15 the office of the Attorney General. And we are
16 of course appreciative to them for taking the
17 time to go through our drafts and sit down with
18 us and really think through some of the
19 intricacies of what we are proposing here.

20 And we've also received comments
21 from a number of other sources including the
22 UAW and a lot of proposals and comments and
23 recommendations have been incorporated in here.
24 Some in the exact manner requested, others in

1 some way, shape or form reflecting the
2 principles that were being requested.

3 Again, this document here just
4 reflects our best judgment as to the best way
5 to go about doing this. With that, we can go
6 through what we believe some of the highlights
7 to be. Obviously, if there are points of
8 interest we should pause there and go through
9 some of that.

10 All of the red language in here
11 reflects changes from the initial version that
12 you approved to put through the promulgation
13 process. You'll recall we've had a public
14 hearing on these regulations. So at this
15 point, whether today or in the very near
16 future, these are ready to be approved for
17 adoption.

18 CHAIRMAN CROSBY: So, you're going
19 to walk through, hit the highlights. Let's
20 just go through in sequence and if we've got
21 questions along the way.

22 MR. GROSSMAN: Yes, I think that's
23 probably the best way to do this.

24 Why don't we just start on page

1 eight. I will just talk about the language
2 that's in red. When I start talking about
3 things that's what I'm talking about on the
4 page.

5 So, here we beefed up this section
6 to talk about the operations certificate and
7 just clarify this will be in conjunction with
8 the operations certificate regs. that you'll
9 have coming before you again shortly. That all
10 of these internal controls have to be in place
11 and operational before an operations
12 certificate is issued. So, we wanted to
13 tighten that up. And that's reflected right
14 there.

15 On page nine, at the bottom, we're
16 on paragraph six. This section discusses the
17 various provision that pertains solely to the
18 internal controls regulations. We received a
19 number of public comments on this section. And
20 as you can see, we've made a number of
21 adjustments as well.

22 And ultimately what we have here is
23 a procedure by which the Executive Director
24 through the Commission could receive requests

1 from the gaming licensee to grant variances
2 from provisions of the internal controls if he
3 finds that the proposal is at least equivalent
4 to the relative provision in the regulations
5 and/or that it's likely to achieve the same
6 outcome.

7 So, that is the standard that would
8 be applied by the Executive Director when
9 determining whether to grant or disallow a
10 request for a variance. There are a number of
11 standards you could apply. You could apply a
12 good cause standard or go about it in number of
13 different ways. But we put in this one here.
14 And that's what we landed on.

15 COMMISSIONER MCHUGH: It seems to me
16 that this -- And I know you're going to get to
17 the exception provision, the one that's out of
18 bounds that you can't get an exception for. It
19 seems to me that this one is about as tight a
20 standard as you can possibly have, because it
21 allows a variance only if you find that it's at
22 least the equivalent of the standard that
23 you're seeking a variance from, or it's likely
24 to achieve the same outcome as the standard

1 that you're seeking a variance from.

2 That's a very tight standard that
3 allows actually for very little discretion.
4 And it seems to me that it's unlikely that
5 there are going to be variances requested from
6 or granted for major policy issues as opposed
7 to how many doors you have to go through to get
8 into the count room.

9 And with that in mind, a tight
10 standard like this, it seems to me is about --
11 it's not about, it's the most appropriate
12 standard to have. So, I am in favor of it. I
13 think it's a good standard.

14 I understand that a good cause
15 requirement and the other things. But they
16 seem to me at least to allow more discretion
17 than this one does. And the less discretion
18 here, it seems to me, the better.

19 COMMISSIONER STEBBINS: You're
20 talking took about no variance from provisions
21 of 138.41, 138.47, I know we'll get to those
22 but what are those?

23 MR. GROSSMAN: This is the credit
24 regulations, essentially.

1 COMMISSIONER STEBBINS: Okay. So,
2 no variance from those.

3 MR. GROSSMAN: We essentially carve
4 out an exception from the variance provision
5 that says in no case can a variance be granted
6 from the credit provisions. Meaning that what
7 it says here is what the casino internal
8 controls have to comply with.

9 COMMISSIONER ZUNIGA: What if
10 there's advances in technology for example?

11 MR. GROSSMAN: You do limit yourself
12 in that regard. Whether there would be
13 advances in technology that would affect our
14 credit regulations, I don't know that those
15 have a lot to do with any kind of technology.
16 They're more processes in general and standards
17 and kind of reviews.

18 COMMISSIONER MCHUGH: But if they
19 did, then there is nothing to prevent us from
20 reconsidering the regulation and what this
21 provision does is make sure that that takes
22 place here.

23 COMMISSIONER ZUNIGA: Yes.

24 COMMISSIONER MCHUGH: Which is a

1 good thing.

2 CHAIRMAN CROSBY: You can't put an
3 absolute limit on our ability to change
4 something because we can always change the
5 limit. So, this is really sort of a statement
6 of intent sort of.

7 COMMISSIONER MCHUGH: It's also
8 something to ensure that the discussion goes
9 forward transparently here and that we're not
10 delegating to the Executive Director the power
11 to make those changes and then come tell us
12 what he/she has done.

13 CHAIRMAN CROSBY: Right. This is
14 essentially accommodating the Attorney
15 General's interest too that she called for not
16 permitting variances relative to the consumer
17 protection aspects of this which is largely the
18 credit.

19 MR. GROSSMAN: That was their
20 recommendation. And we found merit in that and
21 we incorporated it.

22 COMMISSIONER MCHUGH: It's a good
23 recommendation in this area. It's an important
24 recommendation. Those are important provisions

1 and we're grateful to her for pointing those
2 out.

3 CHAIRMAN CROSBY: On the issue of
4 the credit regs., I'm fine. Is there any other
5 school of thought from the other side? Are we
6 too rigid? Is it too hard for what our, for
7 example, Commissioner McHugh said, how many
8 doors you have to go through before you get
9 into the count room. And I'd ask Bruce and our
10 consultants, are we making this too hard for
11 everyday, run of the mill variances that would
12 be noncontroversial? Guy?

13 MR. MICHAEL: It depends on what
14 kind of variance we're talking about. For
15 example, we'll use opening night for example,
16 but it could be any night. They are low on
17 staff, so they can't staff the casino, maybe
18 one person shy of what they otherwise are
19 required to do under their controls. Do they
20 have to go through the Executive Director
21 before they can offer gaming on the floor? Or
22 can that authority be delegated a little bit
23 lower than that?

24 Let's assume that they're short of

1 staff or they're one security guard short.
2 There are any number of things that can happen
3 in the course of a day that are emergent and
4 would delay the operation because for the sake
5 of getting to the Executive Director for
6 something that is really trivial. But it would
7 be a variance from their existing control
8 system.

9 We certainly don't disagree with the
10 standard that's imposed here but whether the
11 delegation in certain circumstances could be to
12 a person less than the Executive Director who
13 might not be available for a while.

14 MR. BAND: I would agree with that
15 as well, like in the case of a snow emergency
16 or a snowstorm where people cannot get in and
17 they have to kind of adjust their shifts. That
18 really could be somebody who is onsite's
19 decision because they have visibility of what
20 the crowd is like and everything else can kind
21 of work with the property.

22 COMMISSIONER CAMERON: Can't that
23 person on site make a phone call to the
24 Executive Director or the Deputy who is may be

1 in charge that week or whatever and say this is
2 the situation and be able to verbally authorize
3 that variance?

4 MR. BAND: Yes.

5 MR. DAY: I might also add that the
6 regs. do provide for an exception in the
7 technology point that we were just raising.
8 That's on page nine, number five on page nine.
9 So, we incorporated that thought that things
10 change with technology. And we don't want to
11 have businesses not be able to have the ability
12 to use it. That would be page nine, number
13 five.

14 COMMISSIONER ZUNIGA: Yes. But I
15 guess the discussion was more an extraordinary
16 circumstance.

17 CHAIRMAN CROSBY: Extraordinary or
18 trivial. Would it be constructive to have a
19 sentence here somewhere or other that says that
20 the Executive Director may delegate such
21 authority to the on-site senior person,
22 whatever the word would be, and to give him
23 some limited ability for that delegation?

24 MR. CARROLL: You could add to it

1 notification to the Commissioners at some point
2 so that there's documentation and it's not one
3 person.

4 MR. MICHAEL: Often these things
5 happen at 3:00 in the morning.

6 COMMISSIONER STEBBINS: Rick's
7 available.

8 MR. DAY: Always.

9 CHAIRMAN CROSBY: Was there feedback
10 from licensees on this being overly rigid?

11 MR. GROSSMAN: I think as a general
12 matter, they liked the variance provision.
13 They didn't want to restrict it.

14 CHAIRMAN CROSBY: They didn't want
15 to what?

16 MR. GROSSMAN: They didn't want to
17 restrict it. They wanted us to have the
18 discretion to make judgment calls.

19 CHAIRMAN CROSBY: So, nobody else
20 raised the concern that I'm raising. Lance, do
21 you have any?

22 MR. GEORGE: I certainly would agree
23 with what I'm hearing that there were any of
24 these circumstances at 3:00 a.m., and though I

1 love Rick, I certainly would not want to dial
2 him up for approval. If there was the ability
3 to delegate authority to the highest ranking
4 person on the property that would be very
5 helpful.

6 COMMISSIONER CAMERON: I don't know.
7 I'm not comfortable with that. I'm someone who
8 is very accustomed to a 3:00 a.m. phone call.

9 COMMISSIONER ZUNIGA: Then call
10 Commissioner Cameron.

11 COMMISSIONER CAMERON: I'm just
12 saying it's a real responsibility in my mind.
13 I don't know who the highest ranking person we
14 have. I don't think it's an imposition to
15 receive a phone call for something.

16 MR. DAY: I am not sure as you look
17 at that that the regulations themselves are
18 that restrictive and that the policies that the
19 licensees can supply us can handle some of
20 those particular exceptions.

21 Because for instance just on the
22 staffing side, language is each gaming licensee
23 shall at all times maintain a level of staffing
24 that ensures the proper operation and effective

1 supervision of authorized games.

2 So, I think we may have situations
3 we may have to deal with that aren't covered
4 specifically in the internal controls. But I
5 think we're better off to take a look at those
6 as they come up rather than have some kind of a
7 carte blanc decision at this point.

8 As we approve the internal controls,
9 we can keep that situation in mind and make
10 sure that we're approving internal controls
11 that have some flexibility within.

12 CHAIRMAN CROSBY: I guess the
13 personnel issues that we've just been talking
14 don't really -- aren't included. The
15 hypotheticals we've been using aren't included
16 in the internal controls.

17 MR. DAY: I think that's the case in
18 several areas that we're not quite as
19 restrictive as we think.

20 MR. MICHAEL: That was just an
21 example. I don't want to belabor this but
22 there's a drop schedule for example. I believe
23 that is an internal control you have to have a
24 schedule for the drop. And if they can't do it

1 at the time it was scheduled for, they can do
2 it a half-hour later, does Rick have to get
3 woken up at three in the morning for that?

4 CHAIRMAN CROSBY: What this says is
5 the Executive Director. So, if you can't reach
6 him, you can't do it. It doesn't say the
7 interim director or whoever is taking over
8 while he's on vacation. So, at the moment,
9 it's the Executive Director.

10 We could say or his designee and
11 give the Executive Director the ability to
12 delegate if and as he or she, in this case he,
13 thinks it's appropriate. That could be to
14 Karen when he's on vacation. It could be in a
15 snowstorm to somebody on site. I don't know.

16 COMMISSIONER ZUNIGA: I'll go along
17 with that.

18 COMMISSIONER MCHUGH: Perhaps we
19 ought to think it through, because if you did
20 that it's one thing to take care of these
21 examples that we're hearing about to say that
22 you have a lesser standard for some variance
23 that doesn't last for more than say eight
24 hours, 12 hours.

1 CHAIRMAN CROSBY: One time or
2 something.

3 COMMISSIONER MCHUGH: So, the drop
4 for half an hour, somebody else can do it but
5 that variance only stays in place for a maximum
6 of eight hours. Then you figure out why they
7 asked for it.

8 So, there's a couple ways to do
9 that, but I think we ought to think that
10 through rather than change it on the fly. Can
11 we do that or do we have to approve these
12 today?

13 MR. GROSSMAN: No, you certainly
14 don't have to approve them today. Maybe we
15 should kind of see how many changes we have to
16 make and come back to this. If there's nothing
17 else we might be able to resolve it today. If
18 we have a whole litany of things, we might need
19 to come back in a couple of weeks.

20 COMMISSIONER MCHUGH: Okay.

21 MR. GROSSMAN: In conclusion there,
22 a report would have to accompany any variances
23 that the Executive Director approved so you
24 could see generally speaking what the variances

1 were.

2 Moving on, page 15 on the bottom, I
3 just point out there are a couple of places
4 where we deleted entire sections. And by and
5 large we did that for one primary reason. That
6 is that we decided that the regs. that we had
7 here at one time were better positioned in
8 another section of the regulations.

9 In this case, the floor plan
10 regulations were moved to the certificate of
11 operation section. In some other places, we
12 moved some slot regulations. We took them out
13 because we already have slot regulations that
14 govern this specific subject matter.

15 So, that's why you'll see a couple
16 of instances where we deleted sections from the
17 internal controls in their entirety. And we
18 can go through those individually if that will
19 be helpful but that's why we did that.

20 The next page is page 18. This is
21 the records retention section. And you'll see
22 here we've added in two things. First of all,
23 that the officials from the Attorney General's
24 office will have to be notified and approve of

1 destruction of certain records.

2 The second thing we did was we
3 extended the time in which the casinos had to
4 request that the documents be destructed from
5 15 days to 60 days. The theory being that in
6 the event that there is an investigation
7 ongoing that the office of the Attorney General
8 may need more lead time to know whether a
9 certain document would be required or not.
10 That's where these changes came from.

11 COMMISSIONER ZUNIGA: You said
12 certain records. The regulation says any
13 records.

14 MR. GROSSMAN: Any records, any
15 records covered by the regulations, which is
16 pretty much all of the records.

17 COMMISSIONER MCHUGH: It doesn't say
18 any record covered by the regulations. I take
19 Commissioner Zuniga's point. It's any record.

20 COMMISSIONER ZUNIGA: Any record,
21 yes. They could be getting notified all of the
22 time, not just us but the Attorney General's
23 office.

24 MR. GROSSMAN: The way I understand

1 it, there are only certain records that the
2 casino has to retain. There are certain that
3 they don't.

4 We don't have for example, I don't
5 think a requirement that they keep coat check
6 records for any period of time. That was one
7 of the things that came up early on when we
8 streamlined records needed to be retained. And
9 you'll recall we moved over and adopted the
10 state records retention schedule in many
11 respects.

12 And a lot of it has to do with law
13 enforcement and/or financial type records. So,
14 when we say records, and if we need to clarify
15 we can, it intended to be records that this
16 schedule requires you to retain.

17 COMMISSIONER MCHUGH: How about just
18 saying any record described in these
19 regulations?

20 MR. GROSSMAN: Yes, we can do that.

21 COMMISSIONER MCHUGH: That would
22 remove that ambiguity. Let them burn up the
23 coat check records.

24 MR. GROSSMAN: Okay. The next page

1 is page 24. This gets into alcoholic beverage
2 control. So, this works in conjunction with
3 our alcoholic beverage control regulations that
4 you've seen previously and are now going
5 through a comment period.

6 But it was important to capture that
7 their alcoholic beverage control policy has to
8 be submitted as part of the internal controls.
9 And we point out a couple of things that have
10 to be in their policy including proper training
11 of employees, not serving underage or visibly
12 intoxicated individuals, and ensuring that
13 visibly intoxicated or impaired patrons are not
14 permitted to gamble essentially.

15 We also in the next section, 13,
16 which is up on the screen there add into their
17 complimentary service regulations provisions
18 that mirror what we discussed as part of the
19 alcoholic beverage control regulations and the
20 service of so-called free alcoholic beverages
21 and when something is free and when it is not.

22 And we say in here that if the
23 casino intends, as I would anticipate that they
24 all will, to allow payment for alcoholic

1 beverages by way of rewards, points or the like
2 that they detail in their internal controls how
3 that process will work and how they will keep
4 records documenting those transactions. So,
5 that's what is included in here.

6 We are now up to page 32. This
7 provision just basically says in the count room
8 if it's going to be wired that they have to
9 post a sign notifying people that the room is
10 subject to monitoring.

11 On the next page, page --

12 COMMISSIONER MCHUGH: Let me ask a
13 question about that. I saw this. Are the eyes
14 in the sky going to be equipped with audio?

15 MR. BAND: Just in the soft count
16 room.

17 COMMISSIONER MCHUGH: Just in the
18 soft count room. And that's an industry-
19 standard too?

20 MR. BAND: Yes.

21 COMMISSIONER MCHUGH: Okay. Thanks.

22 MR. GROSSMAN: On the next page,
23 page 33, I would just point out that you'll see
24 a lot of strikethroughs in the sections that

1 follow here. And the reason for that is that
2 we consolidated the term slot cash storage
3 boxes, slot drop buckets and slot drop boxes
4 into one term, which we now refer to as slot
5 drop containers.

6 They're all basically the same
7 thing. We created a definition at the
8 beginning of the regs. where we clarified that
9 point. So, you will see a lot of
10 strikethroughs and whatnot. That's the reason
11 that was done.

12 The next page 34, we talk about the
13 possession of firearms. Here we clarify the
14 process that would be undertaken in the event
15 that someone shows up at the casino possessing
16 a firearm.

17 And what we say here is that the
18 gaming licensee shall immediately notify an
19 official in the on-site office of the IEB who
20 shall then be removed from the gaming
21 establishment by officers assigned to the
22 Gaming Enforcement Unit. So, a State Police
23 trooper would do the removal.

24 They would then make -- The gaming

1 licensee would then notify the AG's office
2 within 48 hours that the policy had been
3 violated and this is what happened. So, that's
4 the process we set forth here. That was in
5 consultation with the Attorney General's
6 office.

7 COMMISSIONER MCHUGH: And then is it
8 clear who is responsible for following up on
9 that thereafter? Let's assume that the person
10 with the firearm didn't have a license.

11 MS. WELLS: I could comment. If
12 that is in fact the case, then the office of
13 the Gaming Enforcement Unit, whether it's
14 Plainville PD or the State Police, they could
15 take corrective action then as far as whether
16 an arrest or summons or whatever was necessary
17 as far as initiating some kind of criminal
18 prosecution.

19 And then the Attorney General's
20 office would make a determination about whether
21 or not they would want to be the ones to
22 prosecute the case.

23 COMMISSIONER MCHUGH: Okay. The
24 only reason I ask that is so that the lanes are

1 clear of what happens. Great.

2 MR. GROSSMAN: The next section I
3 think we'll want to touch on is on page 44 and
4 45. Really quickly --

5 COMMISSIONER ZUNIGA: Before we go
6 to that, I had a question on page 35. There's
7 138.21. There's a reference to 205 CMR without
8 a number is that an upcoming --

9 MR. GROSSMAN: Yes. Those are in
10 draft form. I'm not sure of the precise
11 status. They've been before you before,
12 whether they're going through the process
13 formally or not. They will be shortly.

14 The reason there is no number is
15 because the Secretary of State's office can't
16 publish a regulation about a regulation that
17 hasn't been promulgated. That's really just a
18 placeholder.

19 At some point, down the road, once
20 we're done with our regulations, we're going to
21 have to go through all of our regulations and
22 stick in the right reference numbers. That's
23 one of the tricks of promulgating hundreds of
24 pages of regulations all at once. So, we'll

1 have to go back and reconcile all of these
2 numbers.

3 COMMISSIONER MCHUGH: And then what,
4 do we give the Secretary of State another set
5 with all of the numbers plugged in which then
6 goes into the Mass. Register?

7 MR. GROSSMAN: Essentially, we'll
8 have to amend the regulations to go through and
9 say -- I think there are other changes we'll
10 have to make at some point as well. So, we'll
11 probably have to have a whole process where we
12 make whatever tweaks including updating the
13 cross-references.

14 COMMISSIONER MCHUGH: Okay.

15 MR. GROSSMAN: On page 44, and this
16 is kind of a subject that won't come up for
17 some time, but we talk about tips or
18 gratuities.

19 I would just note that we did make a
20 number of adjustments here based upon written
21 comments we received from the UAW. And I'm
22 happy to go through them. But they are
23 certainly notable, especially as they apply to
24 poker dealers.

1 And we separated out how pools for
2 poker dealers would operate.

3 CHAIRMAN CROSBY: I think they made
4 three major suggestions. Were there any we did
5 not agree with?

6 MR. GROSSMAN: There was nothing we
7 didn't agree with. We didn't accept -- The
8 problem is that the statute that this is based
9 on don't recognize poker dealers as a separate
10 entity.

11 So, what we had to do here was
12 basically say that if the poker dealers choose
13 to, they can separate out their tips. But they
14 still have to go into a pool and that they can
15 be paid out then in the exact proportion to the
16 amount that they were paid in.

17 Essentially, you're getting your
18 tips back as opposed to just letting poker
19 dealers keep their tips. So, they do have to
20 go into a pool just because of the way the
21 statute is written. There may have been one or
22 two other details that we didn't capture.

23 CHAIRMAN CROSBY: There was the
24 issue about a licensee "may" designate a

1 percentage of the prize pool for distribution
2 pro rata among all dealers. We believe this
3 percentage should be the subject of collective
4 bargaining and the regulations should clearly
5 allow bargaining on this subject.

6 Where did we come down on that?

7 MR. GROSSMAN: I don't think we
8 included that, did we? I guess that would
9 leave it to bargaining. I don't think we
10 included that.

11 CHAIRMAN CROSBY: So, it would be
12 left because it's may. So, if we choose not to
13 act on it, it would be subject to bargaining, I
14 guess.

15 MR. GROSSMAN: I think that's right.

16 CHAIRMAN CROSBY: Okay. Next?

17 COMMISSIONER ZUNIGA: May I ask a
18 question? Some of the language added since the
19 first draft includes the distribution is based
20 on time spent dealing. If a dealer is waiting
21 -- is assigned to the table but is not dealing,
22 standing out there waiting for customers like I
23 see them sometimes, is that the time spent
24 dealing?

1 MR. BAND: Yes, they would be
2 considered.

3 COMMISSIONER ZUNIGA: Because you're
4 on the clock, you're ready.

5 MR. BAND: Yes.

6 MR. GROSSMAN: The distinction was
7 if the gaming licensee were to tell a dealer
8 that they needed to go to training or do
9 something else that wasn't related to dealing
10 that they shouldn't be allowed to take from the
11 pool at that point. They should be compensated
12 directly by the casino that was the theory
13 there, subject to bargaining.

14 MR. DAY: Todd and Bruce, we're also
15 scheduled to take, because we don't have the
16 dealers in effect as we open, we're scheduled
17 to come back to this topic before the casinos
18 open as well.

19 MR. GROSSMAN: The next page 46 is
20 where we get into credit and the like. So, the
21 first point is 138.40.

22 In paragraph two, we clarify the
23 third-party check language as you can see. As
24 you'll recall, it was the problem gaming

1 framework that first suggested that the cashing
2 of third-party checks by the casinos should be
3 prohibited. So, that's where this originated
4 from.

5 We clarified that that is other than
6 bank issued cashier's checks and travelers
7 checks. But important to note here that all
8 third-party checks would be prohibited from
9 cashing at the casino.

10 COMMISSIONER ZUNIGA: What does New
11 Jersey do, Bruce?

12 MR. BAND: They prohibit third-party
13 checks.

14 MR. GROSSMAN: The next page 47 we
15 added in some language just to clarify --

16 COMMISSIONER MCHUGH: Can I come
17 back to that? Cashier's check payable to a
18 third-party would that be a third-party check?
19 I bring a cashier's check payable to General
20 Motors endorsed purportedly by General Motors
21 to me. What happens to that check?

22 MR. BAND: That would be considered
23 a third-party.

24 COMMISSIONER ZUNIGA: It shouldn't

1 be cashed.

2 COMMISSIONER MCHUGH: I know it
3 shouldn't be cashed.

4 MR. DAY: It shouldn't be cashed.
5 You may be arrested.

6 MR. GROSSMAN: It's payable to you?

7 COMMISSIONER MCHUGH: It's endorsed
8 by General Motors to me, paid to the order of
9 McHugh.

10 MR. GROSSMAN: I think what we're
11 getting after is where the casino is the third-
12 party.

13 COMMISSIONER ZUNIGA: Yes.

14 COMMISSIONER MCHUGH: I understand.
15 But would the check I just described --

16 MR. GROSSMAN: It would have to be a
17 fourth-party check if they were ever going to
18 take it, right?

19 COMMISSIONER MCHUGH: Maybe it would
20 be a fourth-party check.

21 COMMISSIONER ZUNIGA: If General
22 Motors is endorsing a cashier's check that's a
23 bigger problem.

24 COMMISSIONER MCHUGH: The problem is

1 General Motors may not be endorsing it.

2 COMMISSIONER ZUNIGA: I see what you
3 mean.

4 COMMISSIONER MCHUGH: I don't think
5 a cage should take the check.

6 MR. GROSSMAN: The bottom line is
7 that people really need to go to the bank to
8 cash these kinds of checks and not go to the
9 casino.

10 COMMISSIONER MCHUGH: Okay.

11 MR. GROSSMAN: On page 47 we get
12 into specific procedures for the issuance of
13 the counter checks. And we added some language
14 in there clarifying that when the markers are
15 actually issued that they are to include
16 disclosures consistent with the disclosures
17 provided at the time the extension of credit
18 was approved and include the date or time
19 period within which the check will be deposited
20 with the patron's bank.

21 Paragraph eight, we get into -- we
22 mention this in a couple of places, but right
23 here that the casino, we added in, cannot
24 process credit card cash advances. We'll have

1 to clarify that it's credit card cash advances,
2 but that's what that's intended to be.

3 That's an issue that we certainly
4 wanted to bring to your attention. That was
5 based upon comments we received primarily from
6 the office of the Attorney General. So, the
7 issue is whether you want to prohibit any
8 credit card cash advances. This is what it
9 would look like in the regulations.

10 CHAIRMAN CROSBY: That confused me
11 because I was thinking debit cards. But as
12 long as it's clear that what we're talking
13 about is credit card cash advances, which is
14 altogether different, I think that was a really
15 good suggestion from that AG.

16 COMMISSIONER ZUNIGA: Where it says
17 where that number eight ends, where it says to
18 process a cash advance transaction, it should
19 clarify that it's as credit card cash
20 transaction. And that's the point that Todd
21 made.

22 I was initially on the fence on this
23 relative to this is credit that has already
24 been approved by the credit card companies.

1 There's a convenience nature of it. But from a
2 responsible gaming framework, if there's a
3 transaction that constitutes the most risk, if
4 you will, in terms of people making a choice in
5 the heat of the moment or etc., it's the credit
6 card cash advances that may be the ones to
7 limit.

8 That doesn't necessarily mean that
9 there will not be a bank across the street
10 offering that convenience, but at least there
11 is a little bit of a break that happens between
12 that person.

13 COMMISSIONER CAMERON: If they had
14 the money, right, they would use their debit
15 card.

16 COMMISSIONER ZUNIGA: Right.

17 CHAIRMAN CROSBY: Right. It's the
18 worst kind of loan to get.

19 COMMISSIONER MCHUGH: A lot of these
20 suggestions, I take it, came from the Attorney
21 General. They're very helpful and thoughtful.

22 MR. GROSSMAN: A number of them did,
23 yes, some of them came from MGM. Not that one,
24 obviously, but some.

1 COMMISSIONER MCHUGH: Right. I'm
2 specifically focusing on a lot of these credit
3 and other.

4 CHAIRMAN CROSBY: It's probably
5 right in front of me, but did we decide you
6 could not use your credit card to buy chips?

7 MR. GROSSMAN: That's number 10
8 where we say that. A lot of credit cards won't
9 let you do that anyway, but here we're saying
10 you can't do it. And most casinos don't do
11 that as I understand it anyway.

12 CHAIRMAN CROSBY: Is that right?
13 Bob and Guy is that right? Bob, is it
14 customary that casinos typically don't let you
15 buy chips with a credit card?

16 MR. MICHAEL: Yes, very few credit
17 card transactions. Although it's not typical
18 that you can't go to an ATM and get cash with
19 credit cards.

20 CHAIRMAN CROSBY: Right, as long as
21 it's not a cash advance on a credit card.
22 We've prohibited those. You can get it on a
23 debit card.

24 MR. MICHAEL: Even on a credit card

1 if you'd like, you can get a cash advance on a
2 credit card in most casinos.

3 CHAIRMAN CROSBY: Right, but we're
4 prohibiting that.

5 COMMISSIONER ZUNIGA: One of the
6 initial hurdles of online gaming where they
7 allow New Jersey and Nevada was the fact that
8 many credit card companies will not let you use
9 the credit card for that transaction.

10 CHAIRMAN CROSBY: Let me go back to
11 number nine, the 15 feet. We got the 15 feet
12 quite arbitrarily way back, back before the
13 Division of Banks had made a ruling on whether
14 they could be anywhere. Now they can be in the
15 gaming establishment not in the gaming area.
16 The 15 feet has stayed there.

17 MR. BAND: It was originally 100
18 feet. And it kind of changed looking at Penn's
19 plan that that would put the ATM out in the
20 parking lot somewhere. That's why it was
21 shortened.

22 CHAIRMAN CROSBY: I'm just wondering
23 whether -- I know some people have,
24 particularly Senator Rosenberg I know when this

1 debate was going on about the ATMs altogether
2 and he was being protective of the right to
3 have ATMs within the gaming establishment but
4 acknowledging the issue here.

5 And I'm just wondering whether is 15
6 feet the right arbitrary number? It could be
7 15 feet, no less than 15 feet and out of the
8 line of sight from the gaming area. So, at
9 least it's around a corner or something.

10 The theory is, you know what the
11 theory is, to create some kind of cooling off
12 period, break in play. But I'm totally mindful
13 of we're not trying to make life miserable for
14 the 80 to 90 percent of people who are fine.
15 What does everybody think about that?

16 COMMISSIONER ZUNIGA: I think we
17 should, and we are looking at all of these a
18 little bit holistically. If we were accepting
19 credit card cash advances maybe there would be
20 a bigger business case to think about that 15
21 feet, but we are not.

22 And also there is a number of other
23 provisions and enhancements that have happened
24 as a result of all of these comments and

1 discussions with the Attorney General and
2 others, credit extension, etc. that I think
3 complement and supplement this notion of the
4 ATM's proximity.

5 So, I am very comfortable with the
6 15 feet because it doesn't work in isolation.
7 It works with all of these other measures that
8 we've taken to balance between the convenience
9 and the protections.

10 COMMISSIONER CAMERON: And I was
11 wondering if we could, since it is an arbitrary
12 number we could make it a little -- I
13 understand 100 would be prohibitive. But could
14 it be somewhere in between?

15 I realize Penn is a small facility,
16 but even if that meant walking into one of the
17 restaurants or something as opposed to just a
18 little bit longer walk, certainly not to the
19 parking lot. Just was thinking maybe it could
20 be somewhere in between so you really do have
21 to walk, 25 feet?

22 CHAIRMAN CROSBY: Other thoughts any
23 Commissioner, Commissioner McHugh?

24 COMMISSIONER MCHUGH: No, I don't.

1 CHAIRMAN CROSBY: You're all right
2 with 15, I guess.

3 COMMISSIONER MCHUGH: Fifteen has
4 been there. I don't think it's drawn a
5 particular amount of comment. It has drawn
6 some but by definition talk about arbitrary
7 numbers. If this proves to be a problem we can
8 change them. I think that's one of the
9 benefits of gathering data and finding out
10 what's happening.

11 And this is a good start, and we do
12 have provisions for keeping extensive records
13 of what's happening in these casinos. So, that
14 could be one of the variables that's used in
15 the study of the GameSense. So, I think
16 there's a lot of opportunities to figure out if
17 this is the right number or not. I would leave
18 it where it is at the moment.

19 COMMISSIONER CAMERON: Is changing
20 it after-the-fact a little more difficult
21 though, taking a machine away and moving it? I
22 just don't know if that's a little more
23 difficult.

24 CHAIRMAN CROSBY: I don't think

1 moving it 10 feet or 15 feet or 20 feet is a
2 big deal.

3 COMMISSIONER CAMERON: Well, if they
4 built a kiosk around it.

5 CHAIRMAN CROSBY: Oh, I see what you
6 mean. Commissioner Stebbins?

7 COMMISSIONER STEBBINS: We have put
8 this one specific issue out for comment for a
9 great period of time even before we got to the
10 drafting of the internal control regs., if I'm
11 not mistaken.

12 MR. GROSSMAN: We did get a lot of
13 comments on this both sides. Some people said
14 put it on a different floor. Put it out of the
15 building or where it is is fine. They were all
16 over the board, the comments. I don't think
17 there was any rhyme or reason.

18 CHAIRMAN CROSBY: I find
19 Commissioner Zuniga's point -- We are pretty
20 strict about a lot of other aspects and may be
21 taken together, the totality of that makes the
22 point.

23 COMMISSIONER ZUNIGA: Reasonable.

24 CHAIRMAN CROSBY: I brought it up.

1 I'm okay with sticking with this.

2 COMMISSIONER ZUNIGA: I am. As I
3 said, I think the whole point is to encourage a
4 break. There's places where the ATMS are on
5 the casino floor. And we've gone outside of
6 the casino floor.

7 CHAIRMAN CROSBY: Okay.

8 MR. GROSSMAN: Okay. I just wanted
9 to point out really paragraph 11 and then going
10 back to paragraph three here in this section.
11 These both talk about ID and other controls
12 relative to the acceptance of cash.

13 There was a comment made by the
14 Office of the Attorney General relative to
15 anti-money laundering provisions and the like.
16 And I thought it would just be helpful to point
17 out that we do have a number provisions in here
18 that address those issues.

19 We didn't flesh them out any further
20 because as we understand it, anyway, the Bank
21 Secrecy Act, which is federal law of course and
22 associated anti-money laundering statutes and
23 regulations under federal law impose a number
24 of requirements on all casinos, which have been

1 deemed financial institutions under the Act, to
2 engage in a number of practices, including the
3 filing of currency transaction reports of
4 course for transactions of \$10,000 coming or
5 going into the casino in cash.

6 And for suspicious activity reports
7 to be filed by the casino when \$5000 or
8 aggregate \$5000 movements of money or behavior
9 are detected by the casinos. I believe casinos
10 are required to appoint an anti-money
11 laundering officer under federal law.

12 And there are all kinds of other
13 particulars along those lines that the federal
14 government has imposed upon casinos.

15 So, I just wanted to make clear that
16 all of the licensees are under obligations
17 under federal law to implement anti-money
18 laundering procedures.

19 We chose for that reason not to
20 flesh it out any further. We could certainly
21 revisit that if we decided that we wanted to be
22 more actively involved in that process.

23 COMMISSIONER MCHUGH: So, what do we
24 say about anti-money laundering in these

1 regulations?

2 MR. GROSSMAN: Well, we say just in
3 paragraph -- There are a couple of places
4 throughout where we require them, the casinos
5 to verify identities and things like that.
6 That gets into anti-money laundering
7 procedures.

8 But specifically in paragraph three,
9 we say that they have to have ID requirements
10 at the time that a patron deposits funds
11 including controls in place to ensure that any
12 cash received on deposit is done so in
13 accordance with the required currency
14 transaction reporting and anti-money laundering
15 criteria.

16 In paragraph 11 then, we get into
17 procedures including a log verifying accounting
18 for wire transfers and electronic fund
19 transfers.

20 So, all of these will be part of the
21 internal controls. They'll also be part of the
22 Bank Secrecy Act requirements.

23 So, it seems to me that there are a
24 number of places where this issue is addressed.

1 And as I said, at some point or now if it would
2 be helpful, we could try to flesh it out even
3 further.

4 COMMISSIONER STEBBINS: So, are you
5 suggesting somewhere in regs. just making
6 reference for our licensee to follow federal
7 requirements like the Bank Secrecy Act?

8 MR. GROSSMAN: Well, I'm suggesting
9 it's already covered. We don't have to tell
10 them to follow federal law. We can if that
11 provides a level of comfort.

12 CHAIRMAN CROSBY: Well, the Attorney
13 General recommends record keeping, which we
14 mandate. That's a change. Recommends that it
15 be part of the training program of casino
16 employees and I believe of our employees. And
17 I believe that is happening. That will be
18 happening.

19 She also requests, suggests that in
20 addition to the reporting requirement of the
21 Bank Secrecy Act that we require, I guess, she
22 means the same reports to the Commission and to
23 the AGO.

24 Is that a good idea or is that sort

1 of stumbling into somebody else's line of work?

2 MR. CARROLL: If they're going to
3 provide it already, it shouldn't be a problem
4 to provide it to you and also provide to the
5 AG's.

6 I might add just as a practical
7 matter, FinCEN and the IRS may drop in and want
8 to see the reports periodically, often
9 unannounced. And they'll review suspicious
10 activity report and CTRs. That's a side note
11 you might get investigation.

12 So, the operators all know that.
13 They know they have to keep it available and
14 copies can be mailed electronically filed with
15 the Commission. Candidly, you wouldn't refer
16 to them all that much but there are times when
17 you may have to for investigations and the IEB
18 may have something that they may want to look
19 at or if you get a request from another agency.
20 But all of that the operators know and
21 understand that obligation.

22 CHAIRMAN CROSBY: So, by requiring
23 reporting to us and to the AGO as well that's
24 not doing anything about getting inside

1 somebody else's lane? That's not to be
2 considered disruptive in any way? Well, then,
3 in that case that seems be something that we
4 could add that she recommended.

5 MR. DAY: Just for informational
6 purposes, the Bank Secrecy Act and money
7 laundering is a condition of the license as
8 well.

9 CHAIRMAN CROSBY: Right. We're
10 going further than that. We're saying that the
11 reporting that is required under that Act be
12 copied to us and to the AG as an additional
13 step.

14 COMMISSIONER MCHUGH: As long as we
15 are discussing this topic, the American Gaming
16 Association has created a set of recommended
17 anti-money laundering procedures. They just
18 did that a while ago. Where do they fit in?
19 Do they go in regulations? Are they best
20 practices for casinos? Are they things that
21 are required by the code of federal
22 regulations? What is the role of them?

23 MS. WELLS: The AGA or the
24 recommendation?

1 COMMISSIONER MCHUGH: The
2 recommendations, where would they go?

3 MR. GROSSMAN: I have it right here.
4 I think they're best practices. They say it
5 right in there. It's the guideline for the
6 casinos.

7 COMMISSIONER MCHUGH: Where do you
8 say that?

9 MR. GROSSMAN: It's a long document.
10 It was issued by the AGA in December.

11 COMMISSIONER MCHUGH: That's right.
12 That's what I'm talking about. But is it in
13 these regulations?

14 MR. GROSSMAN: No, it's not in here.

15 COMMISSIONER MCHUGH: Or referenced
16 in these regulations?

17 MR. GROSSMAN: It's not a reference.

18 COMMISSIONER MCHUGH: I guess my
19 question was imprecise. Recommendations like
20 that on the money laundering front, which are
21 extensive and comprehensive and obviously
22 thoughtful, are they just things that people
23 are expected to do? Are they things that
24 should find their way into regulations? Are

1 they things that should be --

2 MR. DAY: They're recommended
3 standards. The best spot for them would be in
4 internal controls.

5 CHAIRMAN CROSBY: In our regs.

6 MR. DAY: Yes. If we were going to
7 adopt those standards kind of like we do with
8 the gaming machines and the gaming machines
9 standard, we've adopted those, many of those in
10 regulations.

11 CHAIRMAN CROSBY: Are those best
12 practices adopted as a practical matter in our
13 regs., or are they best practices that we
14 wanted to have adopted from the AGA into our
15 regs. as well?

16 COMMISSIONER MCHUGH: Are they left
17 to the internal controls for each of the
18 casinos to determine which of them they think
19 are appropriate for their kind of operation, to
20 tailor them to their operations? So, we would
21 expect when we see the internal controls to see
22 an outline of their anti-money laundering
23 approaches?

24 MR. DAY: They definitely, each

1 licensee could and that's part of what American
2 Gaming Standards that's what it's all about is
3 for licensees for the industry itself.

4 COMMISSIONER MCHUGH: To put in
5 their system of internal controls.

6 MR. DAY: So, they could actually
7 when they submit their -- because that's what
8 we lose track of is what we're asking for is a
9 licensee that this is our standard from the
10 Commission. We're saying send in your policies
11 that at least comply with this level of
12 internal control.

13 So, they could choose to include any
14 kind of standards in those policies that they
15 set forward and submit it to us.

16 COMMISSIONER MCHUGH: Do we say just
17 in general terms that your internal controls
18 have to include your anti-money laundering and
19 Bank Secrecy Act approaches?

20 MR. GROSSMAN: No, other than what
21 we say in paragraph three.

22 COMMISSIONER MCHUGH: Should they?
23 Just say that. I'm not talking about now. I
24 understand. I'm not talking about spelling out

1 a whole list of procedures but just your system
2 of internal controls should show us what your
3 anti-money laundering and Bank Secrecy Act
4 compliance procedures are.

5 MR. GROSSMAN: We can certainly
6 clarify them, yes.

7 COMMISSIONER MCHUGH: I know we can.
8 Is it a good idea to do that?

9 MR. BAND: I think it's something
10 they have to do anyway for the federal
11 government. So, I don't know if that would
12 really be beneficial to add into our
13 regulations.

14 CHAIRMAN CROSBY: Just because it's
15 already going to happen. But there's no
16 downside to doing it.

17
18 COMMISSIONER ZUNIGA: Just like we
19 would say you have to comply with federal law.

20 COMMISSIONER CAMERON: Mr. Michael,
21 do you have a thought on that?

22 MR. MICHAEL: I can't speak for the
23 AGA. My guess is that the last thing they
24 wanted to do is create more regulations.

1 COMMISSIONER MCHUGH: I am by the
2 regulation piece. I get that.

3 MR. MICHAEL: In terms of best
4 practice, I think, yes. It would be something
5 that would be encouraged that the casinos
6 follow the best practice and this is
7 recommended by their lobbying group.

8 But anything more than just their
9 subject to review their internal controls to
10 see if they comply with your regulations and if
11 they adequately create processes that are
12 compliant with the Bank Secrecy Act that would
13 be sufficient.

14 COMMISSIONER MCHUGH: When the feds.
15 come and look at them, they're going to be
16 looking for their anti-money laundering and
17 Bank Secrecy controls, right? That's already
18 going to be done. So, if we see them in their
19 controls that's fine. And we undoubtedly will
20 because they're taking a serious risk if they
21 don't have them. That was a lot of detail
22 about that.

23 CHAIRMAN CROSBY: What about the
24 issue of having us be copied -- us and the AG

1 being copied on Bank Secrecy filings? I think
2 that's a good idea.

3 COMMISSIONER CAMERON: I do too.

4 MR. GROSSMAN: You just want I
5 assume the CTRs and the SARs or do you want
6 all --

7 CHAIRMAN CROSBY: I was trying to
8 take it from the AG's letter, and I'm not
9 exactly sure what she's referring to. But it
10 sounds like what she is referring to is the
11 reports of suspicious transactions and -- So,
12 yes.

13 COMMISSIONER MCHUGH: I think that's
14 fair. It's a report that's being created
15 anyway.

16 MR. GROSSMAN: Okay. Page 49, now
17 we are getting into the establishment of the
18 patron credit accounts and the standard that
19 are applied when a casino is evaluating whether
20 to extend credit to an applicant or not.

21 Of course, we've received a lot of
22 comment on these provisions here. I would
23 submit that paragraph (a) and (b) under 138.43
24 really set out the standard that's to be

1 applied. We say that the casino has to prior
2 to issuing credit to a patron, evaluate the
3 creditworthiness of the patron, has to
4 establish in a commercially reasonable manner
5 in the context of their ability to repay the
6 amount of credit requested or to be extended.

7 As you'll see, we included and added
8 the term commercially reasonable manner as we
9 did in a number of the places throughout here
10 just to fortify the standard that the casino
11 should use when determining whether to extend
12 credit and other like activities, other
13 associated activities.

14 Then the second part of is that
15 credit should not be extended to an individual
16 in an amount beyond which the information
17 reviewed demonstrates that they have a
18 reasonable ability to repay.

19 We did receive the Attorney
20 General's letter that talks about this ability
21 to repay standard as well. We left it here.
22 It appears generally that this is -- (a) and
23 (b) set out a clear standard for both the
24 casino to understand and for us to understand

1 in enforcing it. That's why we elected to
2 leave it as it reads.

3 COMMISSIONER MCHUGH: I mentioned
4 this to you before. The letter talked about in
5 (1)(a) their ability to repay the amount of the
6 credit requested or be extended in accordance
7 with the terms of the credit extension. I
8 don't see why we can't add those words.

9 That's what the letter, as I read
10 it, suggested we do. And it seems to me that
11 it may be implicit but it seems to me it would
12 do no harm to make it clearer. In other words,
13 if there's a repayment obligation of \$1000 a
14 month the question is not whether the person
15 can repay -- for six months, the question is
16 not whether the person could repay \$6000 at
17 some point but whether the person can repay
18 \$1000 a month.

19 COMMISSIONER ZUNIGA: Is it a
20 question a casino credit being not real credit?
21 The whole marker and what happens to the marker
22 and substituted once you win and after you
23 leave, etc.?

24 COMMISSIONER MCHUGH: But those are

1 part of the terms of the credit extension. I
2 don't see how it's not a credit extension, but
3 I don't want to fight that fight.

4 But somebody has got to repay the
5 amount advanced at some point. And it seems to
6 me that the Attorney General's letter says that
7 if it says you have to repay before you leave
8 the casino that the credit analysis ought to
9 make sure you have the ability to do that as
10 opposed to you've got to repay within 30 days.

11 CHAIRMAN CROSBY: All you're doing
12 is saying make sure that it's in the terms of
13 the credit extension itself.

14 COMMISSIONER MCHUGH: If you look at
15 (a) and it says, third line, credit requested
16 would be extended in accordance with -- I would
17 add in accordance with the terms of the credit
18 extension.

19 CHAIRMAN CROSBY: I don't see
20 anything controversial about that.

21 COMMISSIONER CAMERON: I don't
22 either. I think it makes sense. It just
23 clarifies it.

24 MR. GROSSMAN: Okay. We'll add

1 that. And at (c) I think it's just important
2 to point out this is where we have the \$10,000
3 minimum threshold, which we'll come back to in
4 a moment. But I think that's an important
5 component to the credit extension regulation.

6 The next section page 51 we should
7 discuss. In the middle of the page, this is
8 the verification section. This goes through
9 all of the elements that need to be verified on
10 a patron's application before credit can be
11 extended.

12 And we just added in language again
13 that the verification process has to be
14 performed in a commercially reasonable manner
15 and that the process has to be documented in
16 the patron's file. And as we flip over to the
17 next page --

18 COMMISSIONER MCHUGH: What page are
19 we on now?

20 MR. GROSSMAN: -- 52, this goes
21 through a little more of the particulars as to
22 how the verification of these elements is
23 performed.

24 There are four things essentially

1 that have to be verified. It's the patron's
2 residence, their casino credit limits, which is
3 essentially Central Credit, the patron's
4 outstanding indebtedness, which is verified by
5 two ways but primarily with the consumer credit
6 check.

7 And fourth a patron's checking
8 account information is supposed to be verified.
9 These are the four areas that have to be
10 verified. With the latter three we basically
11 say that the casino has to use commercially
12 reasonable methods to attempt to verify. We go
13 through some of the ways that they need to do
14 this.

15 In the event that they're unable to
16 do for whatever reason, if the person lives out
17 of the country and doesn't have a consumer
18 credit report that that would be indicated in
19 the patron credit file. And that would be
20 considered -- The verification requirement
21 would be deemed satisfied.

22 Of course, if certain information
23 isn't in existence that doesn't alleviate the
24 necessity that the gaming licensee find that

1 the person has an ability to repay the amount
2 and what have you. So, they still have to get
3 to that point. But if they are unable to
4 verify certain information, we say that that
5 will be okay in certain circumstances.

6 CHAIRMAN CROSBY: Anybody?

7 COMMISSIONER CAMERON: So, there
8 would be other ways to verify.

9 MR. GROSSMAN: You can verify
10 certain pieces of information if other pieces
11 aren't available and still get to the finding
12 you need to make.

13 CHAIRMAN CROSBY: It looks to me
14 like we have pretty well agreed with and
15 accommodated virtually everything that the
16 Attorney General raised. At this stage of the
17 game, is there anything major where we had a
18 really substantive disagreement where we have
19 not?

20 MR. GROSSMAN: A substantive
21 disagreement, we can go to page 57. I don't
22 know if you'd call it a substantive
23 disagreement, but page 57 we added in language
24 that discusses the gaming licensee's obligation

1 to maintain certain data relative to the
2 extension of credit and the issuance of markers
3 and the collection of the markers. I think we
4 essentially agreed on the metrics.

5 COMMISSIONER MCHUGH: May I
6 interrupt for a second. Can we go to page 57
7 up there? There it is. Good, thanks. Go
8 ahead.

9 MR. GROSSMAN: The language we added
10 in here would require the gaming licensees to
11 maintain this data and have it accessible in
12 the event that the Commission, its designee or
13 the office of the Attorney General want to go
14 look at it. But that it wouldn't require an
15 annual report be submitted to us for review in
16 that manner.

17 So, that is an area where we didn't
18 adopt the exact recommendation made by the
19 Attorney General's office.

20 COMMISSIONER MCHUGH: So, what was
21 the recommendation that an annual report be
22 filed?

23 MR. GROSSMAN: That's right.

24 COMMISSIONER ZUNIGA: In this case,

1 if it's filed as a matter of course, it can
2 become a public record. And there may be
3 information here that we may not want or might
4 put some of the licensees under a competitive
5 disadvantage.

6 CHAIRMAN CROSBY: But it's available
7 to any agency that wants to check it.

8 COMMISSIONER ZUNIGA: Available,
9 yes, submitted as a matter of course, a
10 different story.

11 Actually, I was going to ask as to
12 why and deliberate as to why we would need that
13 to be further than this Commission or its
14 designee. I suppose the Atty. Gen. has access
15 to a subpoena power, just like us.

16 COMMISSIONER STEBBINS: Who would
17 our designees be?

18 MR. GROSSMAN: Probably Mr. Band,
19 maybe Mr. Vander Linden people along those
20 lines.

21 COMMISSIONER ZUNIGA: Our auditors,
22 consultants.

23 COMMISSIONER STEBBINS: So, it's
24 internal to the Commission.

1 MR. GROSSMAN: That's how I would
2 envision it.

3 COMMISSIONER ZUNIGA: My preference
4 would be to keep it with the Commission or its
5 designee.

6 COMMISSIONER MCHUGH: The Attorney
7 General is constantly doing studies about
8 consumer credit practices, and tailoring
9 regulations to problems that the consumer
10 protection division sees in consumer credit
11 transactions.

12 And I think there's a legitimate
13 need -- a legitimate desire to find out
14 information about that. I'm sure they get
15 similar information from banks about what
16 they're doing it, where they're doing it, where
17 they're extending it, what terms they're using,
18 how many of these things bounce, how many
19 collection efforts do they have to achieve.

20 And that kind of study is not
21 necessarily going to lead to enforcement of
22 some regulation against the casino, but it may
23 add to a body of knowledge against which they
24 make further regulations. It seems me there is

1 knowledge to have that.

2 COMMISSIONER ZUNIGA: I don't know
3 that they do that to get that from banks
4 necessarily. The Division of Banks might --

5 COMMISSIONER MCHUGH: Maybe they
6 don't get it from banks but maybe they get it
7 from health clubs. I am confident that they
8 are constantly engaged in gathering this kind
9 of data for that purpose.

10 CHAIRMAN CROSBY: It seems to me
11 it's harmless, I think. This is an area, the
12 consumer protection in general is an important
13 Attorney General priority. This particular
14 Attorney General has spoken about this
15 particular aspect of consumer protection.

16 I think it's perfectly reasonable to
17 have it be available to her. As we begin to
18 work out these lanes, as you say, we don't want
19 to be stumbling over each other. We don't want
20 two agencies coming in and asking for the same
21 data or two agencies competing with one another
22 anything like that. Those are issues that I
23 think are important to be squared away.

24 Who has accountability for what and

1 when is an important issue. But in general to
2 have information like this available to the
3 Attorney General upon reasonable request seems
4 entirely appropriate. And as I say at totally
5 absolute worst harmless.

6 COMMISSIONER ZUNIGA: I guess I'd
7 rather us be that conduit but maybe it's just a
8 minor point.

9 COMMISSIONER CAMERON: It's upon
10 request. So, it's not something -- They'll be
11 required to keep it and we each have a role in
12 regulating. So, I don't see an issue either.

13 CHAIRMAN CROSBY: Okay.

14 MR. GROSSMAN: Just two more things
15 and then I'll stop.

16 CHAIRMAN CROSBY: Oh no, this is
17 fun.

18 MR. GROSSMAN: Page 61, right
19 towards the middle of the page, the bottom
20 middle right there, this talks about the gaming
21 licensees being prohibited from selling or
22 pledging as collateral any debts owed to the
23 gaming licensee as a result of a gaming loss.

24 And then we modified it with the

1 exceptions to that based upon a comment made by
2 MGM. And it's just important to point this out
3 we thought in that this is one way in which the
4 casinos have a skin in the game, so to speak,
5 and will help ensure sound credit extension
6 practices, to the extent that there was any
7 concern about those.

8 And to that end, there are really
9 three things that I think are important in
10 summing this whole credit section up relative
11 to ensuring that we have a robust set of
12 regulations. One is this section.

13 I think this is an important section
14 and we're thankful that the AG pointed this
15 issue out to us. The second is that \$10,000
16 minimum threshold for the issuance of credit.
17 I think that is helpful as well.

18 And the third thing, which is not in
19 these regs. but that's important to bear in
20 mind here is that under the taxation law in the
21 gross gaming revenue calculation, the moment
22 the chips are played, if you will, or the money
23 is placed into the slot machine, it counts
24 toward the calculation of gross gaming revenue.

1 The casinos are not allowed to offset money if
2 it's played on credit.

3 So, what that means essentially is
4 if someone plays \$10,000 that is taxable. So
5 \$4900 comes to the Commonwealth and then the
6 casino has to go collect it. So, they have
7 every incentive right there to ensure they
8 engage in responsible credit extension
9 practices, because they are paying taxes on the
10 money whether they collect it or not.

11 So, those three things I think are
12 important components to bear in mind when you
13 look holistically at our credit extension
14 regulations, which I think are really robust
15 and hopefully workable for everybody.

16 COMMISSIONER MCHUGH: I think that's
17 a really important point to make.

18 MR. GROSSMAN: The last thing, and
19 then I will wrap it up is on page 63. That's
20 the ATM section. You've already talked about
21 most of these issues. This is where the 15-
22 foot rule again is located. It clarifies that
23 there are no cash advance transactions.

24 And finally, it prohibits the gaming

1 licensee from essentially engaging in data
2 mining from the ATM. That was based upon a
3 comment as well. That's where that is
4 included. And with that --

5 COMMISSIONER MCHUGH: I was unaware
6 that that could be done at all. I gather it
7 can be.

8 MR. GROSSMAN: Apparently, it can be
9 done. They can tell who took money out and how
10 much they took out.

11 COMMISSIONER MCHUGH: I know they
12 can but I was unaware that they did. I would
13 urge the Attorney General to look at that.

14 MR. GROSSMAN: I don't know if any
15 of our licensees do.

16 COMMISSIONER ZUNIGA: You know those
17 privacy notices that sometimes the credit card
18 companies send you when they change and notify
19 you whether they sell data or not.

20 CHAIRMAN CROSBY: The 60 pages.

21 COMMISSIONER MCHUGH: It's 47 pages
22 down.

23 CHAIRMAN CROSBY: We've heard about
24 this before that this does happen.

1 COMMISSIONER MCHUGH: Right.

2 MR. GROSSMAN: With that I think
3 we'll rest.

4 COMMISSIONER MCHUGH: We joke about
5 whether this is fun or not. This is really,
6 really important. And I think this is a very
7 thoughtful, highly detailed comprehensive job
8 on a sometimes numbing in detail topic. But
9 it's critical for the sound operation of these
10 casinos and the interactive process and the
11 cooperation and thoughtful comments we got not
12 only from the Attorney General but the public
13 and the licensees has been an enormous help to
14 get through this piece. And I think we've got
15 a good set of regulations here.

16 CHAIRMAN CROSBY: Agreed.

17 MR. GROSSMAN: There was that one
18 last issue that we were going to come back to
19 and I can't even remember what --

20 COMMISSIONER MCHUGH: It was the
21 variance question.

22 MR. GROSSMAN: Right.

23 CHAIRMAN CROSBY: I think the sense
24 of the group that we would like to see some

1 kind of extreme opportunity whether it is in
2 the discretion of the ED to delegate his
3 authority under certain circumstances that may
4 be the easiest way to do it. But it seemed to
5 me that there was at least a mild consensus
6 that some such flexibility would make sense.

7 COMMISSIONER MCHUGH: And perhaps
8 cabined by a time, length of time for
9 emergencies but I'm not sure of that. I would
10 like to see what we come up with.

11 COMMISSIONER CAMERON: I would like
12 to see it as well.

13 COMMISSIONER MCHUGH: I think it's
14 important and I'd like to see it even at the
15 risk of delaying this slightly.

16 CHAIRMAN CROSBY: Okay. Not now.
17 Down boy, down.

18 MR. GROSSMAN: Should we bring this
19 back at the next meeting?

20 CHAIRMAN CROSBY: Yes. See what you
21 come up or send us around some options or visit
22 us. So, we don't need a vote as of yet?

23 COMMISSIONER MCHUGH: Right.

24 MR. DAY: Well, I think we are

1 coming down to the wire here to get these
2 enacted final for Penn.

3 COMMISSIONER STEBBINS: Does a two-
4 week delay kill that?

5 MR. DAY: They are in the process of
6 submitting their internal controls at this
7 point.

8 COMMISSIONER MCHUGH: Everything
9 would be the way it is here, except for this
10 one section about variances. So, they can rest
11 assured that this is what they are going to
12 see.

13 CHAIRMAN CROSBY: With the minor
14 changes that we've made.

15 COMMISSIONER MCHUGH: Yes, that we
16 discussed here today. What comes out what we
17 discussed today, the only open item is the
18 variance piece.

19 MR. DAY: So, we would come back
20 with the changes that were discussed today and
21 the variance piece.

22 COMMISSIONER MCHUGH: Yes, but the
23 change, apart from the variance piece, we know
24 what the changes are. They are minor.

1 CHAIRMAN CROSBY: For purposes of
2 Penn --

3 COMMISSIONER MCHUGH: For purposes
4 of Penn, they can count on nothing else
5 changing from our discussion today except the
6 variance piece.

7 COMMISSIONER ZUNIGA: And the
8 variance piece is a narrow one. There will be
9 a place for variances.

10 CHAIRMAN CROSBY: It'll be less
11 rigorous than it is now.

12 COMMISSIONER ZUNIGA: It might be
13 less rigorous than the way it's written.

14 COMMISSIONER MCHUGH: It really
15 doesn't affect or maybe it does but it's a
16 small piece of their internal controls.

17 CHAIRMAN CROSBY: Mr. George, is
18 that okay?

19 MR. GEORGE: Yes, that works.

20 CHAIRMAN CROSBY: Okay.

21 MS. WELLS: Next on the agenda, we
22 have Attorney Lillios and Assistant Director
23 Band on the gaming equipment regulations. And
24 that we're looking to begin the formal process,

1 the formal comment on those. I believe you've
2 had an opportunity to review those in your
3 packet.

4 MS. LILLIOS: Before you is
5 regulation 205 CMR 146, gaming equipment. It's
6 already been through the informal process. We
7 have received some informal comments from the
8 two Category 1 licensees that we did solicit,
9 some comment through discussions from some
10 equipment manufacturers.

11 So, this reg. as it appears now
12 focuses on equipment for table games. It's
13 divided into various sections that set forth
14 specifications for physical characteristics and
15 handling of equipment, including for instance
16 inventory procedures.

17 There's also a section on Commission
18 inspection and approval of gaming equipment.
19 And the framework presented sets out standards
20 for uniformity to ensure game protection and
21 overall integrity of table games at each of the
22 Category 1 properties.

23 COMMISSIONER ZUNIGA: I have a
24 general comment or a fundamental comment in

1 light of the comments from MGM. It's a two-
2 part comment. We may have discussed this last
3 time when we started the informal process, but
4 if we are two years away from table games why
5 is this now necessary?

6 And in the context of the letter
7 from MGM where they point out that there's a
8 lot of detail, there's a lot of prescription
9 and some of the games may change, etc., is
10 there an alternative worthy of exploring in
11 this sort of fundamental way?

12 MS. LILLIOS: I'll let Mr. Day
13 address the first question. As to the second
14 question, this is not a redlined version of
15 what you saw before because it was so
16 unreadable to put before you in a redlined
17 version.

18 But we have exercised greater
19 balance with that prescriptive formula. In
20 fact, we have cut maybe 20 percent of the pages
21 at a minimum and still feel confident about the
22 level of uniformity and standardization that's
23 in here.

24 So, we did take those comments from

1 MGM to heart and took pen paper so to speak.

2 COMMISSIONER ZUNIGA: So, the letter
3 then it reflects comments from an earlier
4 version that is not necessarily reflected here.

5 MS. LILLIOS: Correct.

6 MR. BAND: Originally, the reason
7 that we had addressed this had sections on the
8 slot machines in there. And that's why we put
9 it forth. We have since moved that over to the
10 slot regulations itself.

11 COMMISSIONER ZUNIGA: Maybe that may
12 be the answer, but did you want to add to that?

13 MR. DAY: I think Bruce just hit on
14 the answer. We had a couple of sections that
15 applied, so we had already added up that we
16 should just go ahead and move it forward in the
17 process.

18 CHAIRMAN CROSBY: Maybe it would be
19 better actually to sit on it a while. Why go
20 through -- This is a question, not a rhetorical
21 question. Why go through the process of
22 getting approved by the Secretary of State and
23 locked in stone years before we need them?
24 Maybe we ought to just let them sit.

1 MR. BAND: Can I add another
2 recommendation? They kind of goes in
3 conjunction with the rules of the game because
4 they kind of go hand in hand. There's a lot of
5 references from one to the other. Some of the
6 requests are really addressed in the rules of
7 the games, not here that the various licensees
8 made. So, maybe that would be the better time
9 to move them both forward.

10 COMMISSIONER ZUNIGA: We have not
11 yet seen the rules of the game?

12 MR. BAND: I have them, but they
13 have not come before you yet.

14 COMMISSIONER ZUNIGA: I would be in
15 favor of that because some of the comments from
16 Wynn start to get into perhaps just what you're
17 talking about, Bruce, in terms of they may be
18 addressed in the rules of the game.

19 MR. BAND: Yes.

20 COMMISSIONER ZUNIGA: And there's
21 perhaps a second reason to sit on them for a
22 little bit.

23 MR. DAY: I think right we've got
24 fall targeted for rules of the game.

1 CHAIRMAN CROSBY: That seems right.

2 COMMISSIONER ZUNIGA: That seems
3 fine to me.

4 CHAIRMAN CROSBY: So, we'll just
5 hold these for a while.

6 MS. WELLS: Any other comments on
7 those regulations? You're all set?

8 COMMISSIONER CAMERON: No, this is
9 for Director Wells. The one thing we didn't
10 discuss from the Attorney General's letter was
11 the trafficking issue. And I know there was
12 talk about making sure that there would be
13 training in those issues; is that correct?

14 MS. WELLS: Yes, that's correct. As
15 the Commission knows, Assistant Director Band
16 has put together an intensive training for
17 gaming agents and members of the Gaming
18 Enforcement Unit including Plainville PD and
19 the State Police.

20 We've had discussion with the
21 Attorney General's office about them
22 participating in that training. And I expect
23 that will be part of the training over the next
24 three weeks or the three weeks starting on May

1 11.

2 COMMISSIONER CAMERON: Training in
3 both drug and human trafficking?

4 MS. WELLS: I will comment that the
5 commanding officer of the Gaming Enforcement
6 Unit is an expert in narcotics trafficking
7 investigations. So, we have in-house expertise
8 on that as well. So, I'm very confident in
9 that.

10 COMMISSIONER CAMERON: I think it's
11 important in particular with gaming agents who
12 may not be as familiar to have that training.

13 MS. WELLS: Yes.

14 CHAIRMAN CROSBY: Does the training
15 of the employees include sensitivity to money
16 laundering, drug trafficking.

17 MR. BAND: For our employees?

18 CHAIRMAN CROSBY: No, no for the
19 casino employees.

20 MR. BAND: I would assume. That
21 would be a question that Lance would really
22 have to answer for sure.

23 CHAIRMAN CROSBY: I see some nodding
24 head, so yes. So, the Attorney General's

1 suggestion is appropriate and people are on top
2 of that it sounds like. And we're going to
3 share the experience with them so they'll have
4 an insight as to how thorough it is or not.

5 MS. WELLS: Correct.

6 CHAIRMAN CROSBY: Great, thanks for
7 bringing that up.

8 MS. WELLS: I have two other brief
9 matters on the agenda. The first one I have
10 Mr. George representing Penn National. There's
11 a request for a name change. I believe that
12 request was sent formally to General Counsel
13 Blue. And the request is in your packet.

14 COMMISSIONER MCHUGH: Not for your
15 name change.

16 MR. GEORGE: No, Sir.

17 CHAIRMAN CROSBY: Go ahead.

18 MR. GEORGE: I don't know that
19 there's more to it than what you folks are
20 reading. I simply want to clear up any
21 confusion. I know when I call the Commission,
22 they're confused with Springfield Gaming and
23 Redevelopment. So, we are asking to make this
24 change to better realign or align with where

1 we're located.

2 CHAIRMAN CROSBY: Here, here.

3 COMMISSIONER STEBBINS: I like the
4 Springfield.

5 COMMISSIONER MCHUGH: This is for a
6 name change insofar as we're concerned. There
7 are other agencies that have to pass on this as
8 well, right -- the Secretary of State, right?

9 MS. BLUE: They are a Delaware
10 company. So, the first step would be in
11 Delaware, file the forms. They would need to
12 be registered here. So, you'd need to file
13 something here too.

14 COMMISSIONER MCHUGH: Right. So,
15 this is so far as we're concerned.

16 CHAIRMAN CROSBY: Do I have a
17 motion?

18 COMMISSIONER STEBBINS: Move to
19 approve --

20 COMMISSIONER MCHUGH: I don't want
21 to overly complicate things. Do we need to
22 make it contingent on those other changes being
23 effective? I'm sure they're going to happen.

24 MS. BLUE: Yes. We should say that

1 those other changes have to be in place.
2 You're approving it subject to those other
3 changes and the appropriate forms being filed.

4 COMMISSIONER MCHUGH: All right.
5 So, then I would --

6 COMMISSIONER STEBBINS: No, no, no.
7 I'm handing off.

8 COMMISSIONER MCHUGH: I would move
9 that the petition for a name change requested
10 by Blue Tarp Redevelopment -- no, no. I move
11 that the request for a name change --

12 CHAIRMAN CROSBY: Can we go back to
13 Mr. Stebbins?

14 COMMISSIONER MCHUGH: -- requested
15 by Springfield Redevelopment be allowed in the
16 form contained in the packet conditioned upon
17 the name change request being filed and
18 approved by other appropriate regulatory
19 authorities.

20 COMMISSIONER STEBBINS: Second.

21 CHAIRMAN CROSBY: Further
22 discussion? All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

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

5 COMMISSIONER MCHUGH: Blue Tarp
6 Redevelopment is untouched by that.

7 MS. WELLS: Just to wrap up the
8 agenda this morning, at our last Commission
9 meeting on March 19, 2015, the Commission
10 granted the IEB authority to grant temporary
11 licenses for primary vendors and temporary key
12 gaming employee licenses. And the delegated
13 authority was conditioned on reporting by the
14 IEB back to the Commission.

15 And I am today reporting that we
16 issued four key gaming employee temporary
17 licenses, Jeremy Howland, the VP of Finance at
18 Penn National, Shannon Wells, VP of Human
19 Resources Penn National, Michael Thoma, VP of
20 Operations Penn National and Michelle Collins,
21 VP of Marketing at Penn National.

22 And we also issued three temporary
23 primary vendor licenses, Aristocrat
24 Technologies, WMS Gaming and Bally Gaming.

1 Each application was deemed complete by the
2 Division of Licensing and the petitioner had
3 certified and the IEB found that after
4 reviewing the proposed equipment delivery dates
5 and the operational plan for the facility that
6 each temporary license was necessary for the
7 operation of the gaming establishment given
8 their planned June 24, 2015 opening date and
9 was not designed to circumvent normal licensing
10 procedures.

11 The IEB found in each case the
12 license was reasonably likely to be issued upon
13 completion of the investigation. Once those
14 investigations are complete and the reports are
15 done, the appropriate steps will be taken to
16 bring it for the Commission.

17 COMMISSIONER STEBBINS: Were any of
18 these folks licensed in other jurisdictions?
19 Michelle said she was.

20 MS. WELLS: I think all four of the
21 individuals were. And certainly the three
22 vendors are all licensed in multiple
23 jurisdictions.

24 COMMISSIONER CAMERON: Thank you for

1 that update, Director.

2 CHAIRMAN CROSBY: Are you all set?

3 MS. WELLS: Yes, I think we're set.

4 CHAIRMAN CROSBY: Director Wells,
5 thank you.

6 COMMISSIONER MCHUGH: Just a minute,
7 it should go back to Commissioner Stebbins
8 because I only dealt with half of what was
9 Springfield Gaming and Redevelopment wanted.
10 So, I'd like to withdraw the previous motion
11 and do it right.

12 So, I'd move that the Commission
13 approve the name -- change of the name
14 Springfield Gaming and Redevelopment, LLC to
15 Plainville Gaming and Redevelopment, LLC and
16 the change of the name of the licensee's
17 managing member Western Mass. Gaming Ventures,
18 LLC to Massachusetts Gaming Ventures, LLC
19 subject to appropriate filings with the
20 Delaware authorities and with the Commonwealth
21 of Massachusetts Secretary of State.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER STEBBINS: Second.

24 CHAIRMAN CROSBY: All in favor, aye.

1 COMMISSIONER MCHUGH: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously. I think we are finished.
7 Any other business? Everybody's fine, Director
8 Day?

9 MR. DAY: None here.

10 COMMISSIONER CAMERON: Move to
11 adjourn.

12 CHAIRMAN CROSBY: All in favor, aye.

13 COMMISSIONER MCHUGH: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 COMMISSIONER STEBBINS: Aye.

17

18 (Meeting adjourned at 4:26 p.m.)

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1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission April
4 2, 2015 Notice of Meeting and Agenda
- 5 2. Massachusetts Gaming Commission March
6 19, 2015 Meeting Minutes
- 7 3. HLT Advisory April 1, 2015 Market
8 Assessment Region C
- 9 4. March 31, 2015 Memorandum of Brockton
10 Mayor Carpenter Regarding Region C Casino
11 License
- 12 5. March 30, 2015 Memorandum of Donnelly &
13 Clark Regarding Mass Gaming and
14 Entertainment, LLC
- 15 6. March 27, 2015 Memorandum of Beauregard,
16 Burke & Franco Regarding Region C
- 17 7. Massachusetts Gaming Commission March 25,
18 2015 Memorandum Regarding Meeting Request
19 with Assistant Secretary Washburn
- 20 8. Massachusetts Gaming Commission (Vander
21 Linden) April 2, 2105 Memorandum Regarding
22 Evaluation Services Procurement
- 23 9. Massachusetts Gaming Commission (Vander
24 Linden) April 2, 2105 Memorandum Regarding

- 1 Marketing and Advertising Services
- 2 Procurement
- 3 10. Penn National Gaming Marketing &
- 4 Hospitality Plan
- 5 11. MGC Gaming Technology Laboratory - Update
- 6 April 2, 2015
- 7 12. Massachusetts Gaming Commission Record
- 8 Retention Policy
- 9 13. 205 CMR 152 Individuals Excluded from a
- 10 Gaming Establishment - DRAFT
- 11 14. 205 CMR 138 Uniform Standards of
- 12 Accounting Procedures and Internal
- 13 Controls - DRAFT
- 14 15. 205 CMR 146 Gaming Equipment - DRAFT
- 15 16. March 27, 2015 letter of the Office of the
- 16 Attorney General Regarding Internal
- 17 Controls, Consumer Protection Regulations
- 18 & Additional Gaming Issues
- 19 17. November 17, 2014 letter of Brown Rudnick
- 20 Blue Tarp Redevelopment Comments on
- 21 Proposed Gaming Equipment Regulations
- 22 18. November 13, 2014 letter of Wynn
- 23 Resorts Regarding 205 CMR 138 and 146
- 24 19. Petition of JCM American Corporation for

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Exception of Licensing as a Gaming Vendor
Primary
20. February 2, 2105 letter of Penn National
Regarding Name Change Request

1 GUEST SPEAKERS:

2 Robert Carroll - Michael & Carroll

3 Guy Michael - Michael & Carroll

4 Dr. Debi LaPlante - Cambridge Health Alliance

5 Dr. Howard Shaffer - Cambridge Health Alliance

6 Donna Gittens - MORE Advertising

7 Dean Hendrickson - JCM

8 Laura McAllister Cox, Esq. - Greenberg Traurig

9 (for JCM)

10 Lance George - Penn National

11 Michelle Collins - Penn National

12 MASSACHUSETTS GAMING COMMISSION STAFF:

13 Bruce Band, Assistant Director IEB

14 Catherine Blue, General Counsel

15 Richard Day, Executive Director

16 Elaine Driscoll, Director Public Relations

17 John Glennon, CIO

18 Jill Griffin, Director Workforce, Supplier &

19 Diversity Development

20 Todd Grossman, Deputy General Counsel

21 Loretta Lillios, Deputy General Counsel

22 Mark Vander Linden, Dir. Research and Problem

23 Gambling

24 Karen Wells, Director IEB

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 6th day of April, 2015.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018