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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
215 PUBLIC HEARING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Bruce W. Stebbins

Enrique Zuniga

Gayle Cameron

April 27, 2017, 10:00 a.m. to 1:20 p.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, Massachusetts

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PROCEEDINGS

CHAIRMAN CROSBY: All right. I am happy to call to order Public Meeting Number 215 of the Mass. Gaming Commission, April 27th at our offices at 10 o'clock in the morning. First item up, as always, is the minutes. Commissioner Zuniga, the March 30 minutes, there was a motion made and seconded, and then we tabled it after we made a few reviews.

COMMISSIONER ZUNIGA: Yep. On that note, I would move that the March 30th meeting minutes be approved as presented today.

CHAIRMAN CROSBY: Second?

COMMISSIONER STEBBINS: Second.

CHAIRMAN CROSBY: Discussion again? All in favor? Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Opposed? The ayes have it unanimously.

COMMISSIONER MACDONALD: And just

1 for the record, I abstained because I was not
2 present.

3 CHAIRMAN CROSBY: Right.
4 Commissioner Macdonald abstained. And the
5 13th.

6 COMMISSIONER ZUNIGA: Similarly,
7 Mr. Chair, I would move that the minutes for
8 April 13, 2017, be approved as presented
9 subject to any typographical or nonmaterial
10 corrections.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER CAMERON: Second.

13 COMMISSIONER STEBBINS: Second.

14 CHAIRMAN CROSBY: Any discussion?

15 COMMISSIONER STEBBINS: Just a
16 quick spelling error. At 10:18 a.m., they
17 misspelled our executive director's last
18 name.

19 CHAIRMAN CROSBY: No, come on.
20 10:00 a.m.?

21 COMMISSIONER STEBBINS: 10:18.

22 MR. BEDROSIAN: That's not the
23 first or last time that'll happen.

24 COMMISSIONER STEBBINS: Least of

1 your problems, right?

2 CHAIRMAN CROSBY: Okay. Any other
3 discussion? All in favor? Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: Opposed? And
8 again, Commissioner Macdonald abstained.
9 Otherwise, passed unanimously. We are on
10 then to Item 3, administrative update.

11 MR. BEDROSIAN: Good morning,
12 Commissioners. I have a couple of items.

13 COMMISSIONER CAMERON: Good
14 morning.

15 COMMISSIONER ZUNIGA: Good morning.

16 MR. BEDROSIAN: One of which item
17 (c.), we -- I may ask for a little bit of a
18 delay on only because we have some folks
19 coming from Springfield who I promised I
20 would not start this without them. I have
21 been alerted they are about 10 or 15 minutes
22 out.

23 So, having said that, on a general
24 update, the only thing I would say is we are

1 -- I understand we are tentatively planning
2 for our next meeting to be on May 10th, which
3 is a Wednesday, as opposed to a Thursday. So
4 for people who are watching, that obviously
5 will be posted in compliance with the open
6 meeting law, but we believe it will be a day
7 earlier.

8 CHAIRMAN CROSBY: Right. That's a
9 definite.

10 MR. BEDROSIAN: That's a definite,
11 and I don't think it's tentative. It's a
12 definite.

13 CHAIRMAN CROSBY: Right.

14 MR. BEDROSIAN: Thank you. The
15 second item is something that the Chairman --
16 I had noticed the Chairman brought up
17 previously. I think it was at the beginning
18 of a discussion, which is if you look at our
19 core values and mission statement, which are
20 both on our website and then posted in
21 various parts of our office, they appear to
22 be focused and were thought about when the
23 Commission was in its licensing stage. And
24 when I think I refer to licensing, I talk

1 about the choosing of our licensees, the
2 casinos, as opposed to licensing of
3 employees. And obviously the Commission is
4 past that. So now do we want to think about
5 updating our core values and mission
6 statement as we head towards what I might
7 describe as our steady state operation once
8 the facilities are actually open.

9 To help me with this, I leaned upon
10 our local ethicist, Mr. Grossman. And he
11 made some suggested changes after he and I
12 talked, both the core values and highlighted
13 some areas in the mission statement that we
14 might want to think about.

15 So again, as I said, this is the
16 beginning of a discussion, certainly nothing
17 to be reached today. And Mr. Chairman, I
18 know you had raised this, so I don't know if
19 you have any thoughts on this.

20 CHAIRMAN CROSBY: I do, but I'll
21 wait until the other Commissioners have a
22 chance to speak. If you want. Anybody?

23 COMMISSIONER CAMERON: Well, I do
24 think it makes sense to highlight the

1 regulation as opposed to the licensing, and
2 certainly adding conflict of interest is one
3 of the other things we deal with on a regular
4 basis. So I liked the changes I saw. And
5 it's more apropos to what we're doing now.

6 COMMISSIONER STEBBINS: I just
7 think it's always -- you know, it's always a
8 good thing to kind of come back and revisit.
9 You know, our values and mission statement,
10 periodically, like any other organization or
11 business does. But I went through it, had
12 some small tweaks or comments that I guess I
13 can share with Todd if he's collecting those.

14 COMMISSIONER ZUNIGA: Well, I, for
15 one, think that the licensing that we do and
16 will continue to do on individuals and
17 vendors and non-gaming vendors has a place in
18 the core values. So maybe we can find a way
19 to, you know, wordsmith or reflect that, you
20 know, more clearly, but although I know and
21 realize that when we did these core values,
22 we were clearly thinking about the big
23 licenses, I believe it still applies to, you
24 know, all the licenses and registrations that

1 we do of casino employees and vendors. So I
2 would -- I think that's an important part of
3 our mission and core values, and I would say
4 we need to reflect that somehow.

5 COMMISSIONER CAMERON: I would
6 agree. I just thought of it as part of the
7 regulatory process.

8 COMMISSIONER ZUNIGA: Fair enough.

9 COMMISSIONER CAMERON: So -- but I
10 do it's an important part of what we do.

11 CHAIRMAN CROSBY: Right. Anybody
12 else?

13 COMMISSIONER MACDONALD: I found
14 the suggested changes to be fine, and I think
15 that they -- the statement as a whole is
16 excellent, was excellent, and continues to be
17 excellent. And the licensing clearly remains
18 a very significant part of our function, but
19 as Commissioner Cameron said, that she views
20 licensing as part of regulation, which was my
21 reaction as well, but I don't feel strongly
22 about it.

23 CHAIRMAN CROSBY: Yeah. The key
24 thing was as -- you know, as five years go

1 on, are under our belt, do we think of a
2 different perspective on core values, and the
3 editing is entirely appropriate and updating,
4 and I have some ideas on that. But at a high
5 level, is this still what we really mean to
6 pull out? And from my standpoint, I think it
7 is. You know, I think we've really -- I
8 think we've found the sweet spot for the
9 things that we care about as an institution.
10 So I -- seems like we're in a consensus on
11 that, which is great.

12 I also consider licensees at this
13 stage part of regulation, but I wouldn't care
14 if it said licensing and regulation. It
15 wouldn't matter. I like the adding the
16 conflict of interest law. I didn't
17 understand why the edit to the burden of
18 compliance to say -- this is really down to
19 the wordsmithing. But it used to read, "with
20 the thoughtful balance between the need for
21 rigorous regulation and enforcement and the
22 burden of compliance." And you've added "and
23 the burden involved and effort required to
24 achieve compliance." I don't see what that

1 adds, personally, but --

2 MR. GROSSMAN: Just throwing a
3 thought out there, burden seems -- there's
4 nothing wrong with the word burden, but it
5 seemed as though it -- there is more to
6 compliance and compliance is not necessarily
7 a burden. It's part of being a licensee.
8 That's how it works and that's it. So these
9 were just ideas.

10 CHAIRMAN CROSBY: Yeah. No, that's
11 fine.

12 MR. GROSSMAN: It's certainly not
13 cast in stone.

14 CHAIRMAN CROSBY: Well, that was
15 the only, you know, moderately substantive
16 one that you -- again, I don't feel strongly
17 one way or the other. I don't think it adds
18 much, but whatever. However, in the next
19 one, "We value a diversive workforce and
20 supplier base and inclusive culture
21 internally and among the gaming industry," I
22 think "within the gaming industry" might make
23 more sense.

24 COMMISSIONER ZUNIGA: Yep.

1 CHAIRMAN CROSBY: And on the
2 mission statement, I think the two things --
3 did you highlight -- are those changes? The
4 yellow --

5 MR. GROSSMAN: No. Those are
6 there. I just -- I flagged them in that they
7 still are applicable --

8 CHAIRMAN CROSBY: Right.

9 MR. GROSSMAN: -- and relevant, but
10 might be something worth considering whether
11 we consider ourselves still in the
12 implementation phase or whether the process
13 is still being created and whether those will
14 withstand the test of time or we take a look
15 at them now.

16 CHAIRMAN CROSBY: Right. Well, I
17 think leading -- I think we're always
18 implementing. I think there's -- that's --
19 but I do think that in this sentence above or
20 the line above, "The mission of the
21 Massachusetts Gaming Commission is to create
22 and maintain a fair transparent." You know,
23 we're past creating. Now our job is to
24 maintain. And I think in the paragraph

1 below, in the third to last line it says,
2 "Maximum extent possible the potential
3 negative and unintended consequences."
4 Rather than saying "new legislation," which
5 made sense then, might say "the gaming law,"
6 which references the gaming law up above.
7 "Unintended consequences of the gaming law
8 and allow."

9 COMMISSIONER CAMERON: Just one
10 more thing, Mr. Chair. In rereading -- you
11 know, you probably haven't reread this,
12 although it's up and you see pieces of it,
13 but in rereading this with an idea of does it
14 need to be improved, it just made me think of
15 on a daily basis how much of this is going on
16 in this office where people really care.
17 They care about making the process stronger,
18 the relationships with stakeholders, all the
19 stakeholders. They listen really well, and
20 I'm just very proud of the work that staff
21 does every single day, and you know, really
22 adhering to these principles. I just think
23 that's a -- that's not always the case in a
24 workplace where people strive to improve the

1 process, to understand each other better. So
2 I just -- it made me think of what we do
3 every day when I reread this and attribute to
4 the staff who really works hard at it.

5 CHAIRMAN CROSBY: I agree. Go
6 ahead.

7 COMMISSIONER STEBBINS: Yeah, I
8 just had one other point. I was just kind of
9 rereading back up to the core values section.
10 I know that most of this was drafted and
11 written when there was a lot of excitement
12 and interest in what we were going to with
13 respect to expanded gaming. And if I'm not
14 mistaken, probably when we were adopting
15 this, the racing side of the house was still
16 over at the division of licensure. But I'm
17 wondering if somewhere in our core values,
18 maybe under that second bullet, talk about
19 regulation of expanded gaming and racing in
20 Massachusetts.

21 CHAIRMAN CROSBY: Really good
22 point.

23 COMMISSIONER STEBBINS: I just want
24 to offer some due deference to the other side

1 of our house.

2 COMMISSIONER CAMERON: Although,
3 Commissioner, we did take racing pretty early
4 on.

5 CHAIRMAN CROSBY: We did.

6 COMMISSIONER CAMERON: But it is a
7 good point to note them specifically, because
8 it's a big part of our operation and one that
9 we have spent a lot of time and effort to
10 make sure we're regulating properly.

11 CHAIRMAN CROSBY: Yeah, I think
12 actually I think it's a really good point. I
13 think both in the second paragraph, expanded
14 gaming and racing, and in the next to last
15 paragraph, the Massachusetts gaming and
16 racing industries. That's good.

17 COMMISSIONER ZUNIGA: Yeah, I think
18 they all go pretty well, you know, five years
19 after. You know, I read them with the
20 thought of, you know, what could be missing.
21 What have we been doing that maybe we didn't
22 reflect, and I think it's very balanced. You
23 know, I think they hit the high notes.

24 CHAIRMAN CROSBY: Yeah. And I

1 agree with your comments, you know. The one
2 that, you know, is particularly one of
3 them -- Well, they're all important, but the
4 last one, "a deep commitment to customer
5 service that assures a respectful and
6 professional experience for all with whom we
7 come in contact, no matter their point of
8 entry or point of view." And whether it's
9 talking about our enforcement people or our
10 receptionist and the people who are on the
11 phone, the way we handle MGC comments, you
12 know, I take pride in that. I think we do,
13 and it's a credit to our leadership and to
14 our team. So I feel good about that.

15 MR. BEDROSIAN: Mr. Chair, my
16 suggestion is we'll take your comments today,
17 we'll incorporate them, bring it back. I
18 will turn left and say whether we need to
19 actually have a formal vote on this, we will
20 determine that. It sounds like we have
21 consensus, but we'll put it together for you.
22 You can take one more look at it.

23 You and Commissioner Zuniga do
24 raise an interesting issue that we may want

1 to discuss at a further point about -- you
2 know, we use this term license and licensee
3 very broadly, and I think in our statute in
4 different areas it means different things.
5 And at some point, we may want to figure out
6 how to clarify that. I talk about licensee
7 with maybe it's a big "L." I talk about our
8 casinos licensee, small "l," maybe some other
9 component and that actually does have
10 implications on regulations and stuff like
11 that. So again, just -- probably a subject
12 for another time.

13 CHAIRMAN CROSBY: Right. Okay.
14 Good. Anything else on this?

15 MR. BEDROSIAN: No. Thank you.

16 CHAIRMAN CROSBY: Thank you. And
17 it's with -- for you and Tropty and Derek,
18 you know, let's make sure these are
19 integrated into people's orientation packages
20 and wall postings and awareness.

21 MR. BEDROSIAN: Once we're final,
22 we'll update everything.

23 CHAIRMAN CROSBY: Okay.

24 MR. BEDROSIAN: Thank you. So the

1 third issue, actually, it turns out we had
2 our stakeholders actually show up so we can
3 go forward with this. And I'd like to make
4 some comments to hopefully help frame the
5 Commissioners' thoughts and discussion on
6 this.

7 Commissioners, General Counsel
8 Blue, Director Wells, and I are here today to
9 discuss gaming service employee
10 registrations. Specifically, we have focused
11 on the issue of disqualifications of gaming
12 service employees due to certain criminal
13 convictions. By way of background, there's a
14 memo from us in your packet, and I'd like to
15 make a few comments, as I said, to help the
16 Commission on this issue.

17 First, we recognize that this issue
18 which relates for many stakeholders to a
19 larger criminal offender record information
20 debate is a very important societal issue
21 right now. We also understand that when the
22 Expanded Gaming Act was debated and passed by
23 the Legislature in 2010 and '11, no one knew
24 where the casinos would be located, who the

1 licensees would be, or the type of Commission
2 that would enforce the law. Unquestionably
3 at that time, the legalization of gaming was
4 a very controversial decision.

5 When we considered the registration
6 requirements, we were cognizant of these
7 issues along with the declarations by the
8 Legislature about the intent of the gaming
9 law in Section 1 of Chapter 23K as we
10 outlined in our memo.

11 First and foremost, we had to be
12 guided by law. It is our conclusion that all
13 employees of our casino licensees must be
14 licensed or registered. In that registering
15 gaming service employees subjects them to the
16 mandatory criminal disqualifications of
17 16(b). In reaching that conclusion, we've
18 looked to the law to see if there was a
19 rationale for exempting all of some subset of
20 gaming service employees, like we did on the
21 vendor side with the de minimus exemption for
22 vendors from whom our licensees purchase less
23 than \$10,000 worth of goods or services.
24 Under the current state of law, we could find

1 none. Admittedly, 23K, the enabling
2 legislation, is a complex statute around
3 registering and licensing.

4 A word about administrative law.

5 You may remember when you hired me that I
6 spent time at the attorney general's office,
7 and one of my duties was to oversee the
8 government bureau, which included the
9 administrative law division, the group of
10 lawyers who defended the Commonwealth's
11 regulatory agencies and their decisions. As
12 a result, I came to appreciate a few very
13 fundamental tenets of administrative law.

14 One, enabling legislation can be imperfect,
15 especially when it comes to a new subject
16 matter in the regulatory body enforcing the
17 enabling legislation is often asked to
18 interpret the intent of the Legislature.

19 Two, conflicts in enabling legislation are to
20 be interpreted as harmoniously as possible
21 with other sections to the law and the
22 overall intent of the legislation. And
23 three, I'll look at Commissioner Macdonald on
24 this one. Courts generally do not like to

1 second guess regulatory bodies, especially
2 thoughtful ones who recognize and contemplate
3 challenging issues.

4 Just a couple more thoughts before
5 I have suggestions on process. First, by
6 reaching our legal conclusion on the
7 registered and gaming service employees in
8 the effect of criminal disqualifiers, we do
9 not take a position on the policies debated
10 by the Legislature in 2011. Second, while I
11 think we've come a long way in our licensing
12 process since the opening of Plainridge Park
13 Casino and are working very hard to be
14 prepared to register and license thousands of
15 employees in two basic 90-day periods
16 sometime in the next couple of years, we have
17 yet to open a Category 1 casino. So our
18 internal datapool is comparably small.

19 Third, this time next year we'll be
20 on the cusp of MGM's hiring crunch, and staff
21 here is working every day to make sure MGM
22 employees will be registered and licensed on
23 time. You know this, but we're also working
24 on a licensing management system to automate

1 parts of our licensing and registration
2 process, but there will still be human
3 interactions and assessments that need to be
4 made. We further need to work with the
5 appropriate stakeholders to educate potential
6 job applicants on what the actual criminal
7 disqualifier criteria are; what it means to
8 be convicted, the difference between a felony
9 and a misdemeanor, and how someone could
10 obtain their own criminal history.

11 Currently, there may be some
12 confusion that has led to the perception that
13 someone must have a clean CORI or they cannot
14 even apply to work at one of our licensees.
15 We absolutely do not want people
16 self-selecting out of applying for a job due
17 to misinformation.

18 In terms of process, I have a
19 couple of suggestions. First, we as staff
20 are here to answer any questions you may
21 have. Second, there many people, some whom
22 are here today, who have an interest in this
23 and should be given an opportunity to be
24 heard. Third, this is a potentially very

1 broad subject with both legal and policy
2 concerns. It may be help for the Commission
3 to put out to public comment to frame that
4 request. For example, one request might be
5 what specific changes could be made to
6 Chapter 23K to address the issue of
7 appropriate level of review for registering.
8 Another question could be what can we do to
9 educate potential applicants on the
10 registration requirements as it relates to
11 criminal convictions, so they do not
12 self-select out.

13 Finally, folks from MGM Springfield
14 have been especially interested in this
15 issue. And while we as staff have been
16 meeting with them and sharing our analysis
17 informally, this is the first time they will
18 have seen our formal conclusions. I know
19 they will want time to review and, I'm sure,
20 respond. With all this in mind, I would
21 suggest that after today's discussion,
22 seeking public comment and staff's ability to
23 meet with MGM Springfield staff would take
24 about 30 days. Tentatively, the Commission

1 has a meeting scheduled in Springfield on May
2 25th, which I am suggesting would be an
3 appropriate date to readdress this issue
4 after today's discussion. Thank you.

5 CHAIRMAN CROSBY: Thank you. I
6 think the process you're outline makes
7 perfectly good sense pretty much in its
8 totality. And I just, by way of
9 introduction, I want to comment too that this
10 has been an issue that we've sort of nibbled
11 at around the edges for a long time. It's
12 very complicated in that there are two levels
13 of issue.

14 The first issue is what, if any --
15 what does the statute say, and do we have any
16 discretion in interpreting what the statute
17 says, which is enough of a conundrum. And
18 the second is we -- if we do have room to --
19 discretion to interpret the statute, what do
20 we think the right policy should be. That's
21 a conundrum as well. And I -- we have
22 differences of opinion on each of those. So
23 there's kind of a matrix conversation going
24 on here, and I appreciate the fact that

1 everybody has pitched in to try to wrestle
2 this to the ground. But I think what we're
3 starting today is to just say, okay, let's
4 put it on the table, let's get our
5 differences of opinions, if we have them out
6 there, and then we'll go through the very
7 careful and methodical review of our regs as
8 they implement this section of the statutes
9 over the next month or so. Anybody else want
10 to have sort of introductory comments?

11 COMMISSIONER ZUNIGA: Well, let me
12 just -- I think, again, the process that you
13 outline is really thoughtful. I would like
14 to frame that one of the questions, at least,
15 the difference between an automatic
16 disqualification and then there's also the
17 notion of rehabilitation, shown
18 rehabilitation, after some period of time.
19 Very different from -- and you spoke about
20 this, Ed, different from having a record of
21 -- that may include arrests, charges, and so
22 on. It is the actual conviction that becomes
23 the automatic disqualifier in this instance.
24 That does apply to both -- to all employees,

1 including service employees. But if the
2 conviction is ten years or more, there's the
3 notion that they can show and we can
4 ascertain rehabilitation. And I think that's
5 a very important message for our stakeholders
6 and people watching, because I have also seen
7 anecdotally and heard the misconception that
8 in order to be an employee, you need to have
9 a clean CORI, and it's really the conviction
10 that becomes the automatic disqualification.

11 CHAIRMAN CROSBY: For certain
12 things.

13 COMMISSIONER ZUNIGA: For certain
14 things, right.

15 CHAIRMAN CROSBY: Not any CORI, but
16 for certain things.

17 COMMISSIONER ZUNIGA: Right.

18 CHAIRMAN CROSBY: In fact, let's
19 just reiterate to say we're --

20 COMMISSIONER ZUNIGA: You want
21 to --

22 CHAIRMAN CROSBY: Yeah. To be
23 clear, relative to criminal record the
24 statute says you will be denied -- one

1 section of the statute says you will be
2 denied if you have been convicted of a felony
3 or other crime involving embezzlement, theft,
4 fraud, or perjury. It's not any CORI record.
5 It's a felony or any other crime involving
6 embezzlement, theft, fraud, or perjury.
7 There's a question about how you could read
8 that. Does it mean felony and all other --
9 any felony and all other crimes that involve
10 embezzlement, or does it mean a felony
11 involving embezzlement? But be that as it
12 may, we'll get to that.

13 So that's what we're talking about.
14 It's not just any CORI. It's a limited --
15 it's big, but it's a limited --

16 COMMISSIONER ZUNIGA: Right.

17 CHAIRMAN CROSBY: -- criminal
18 background. There are --- I think we have
19 some people -- I know we have some people who
20 are out of town. I don't have any formal
21 signup sheet here. Do you want to make any
22 introductory comments?

23 MS. WELLS: Not at this time.

24 CHAIRMAN CROSBY: Okay.

1 Mike Mathis, I see back there as the senior
2 representative that I -- at least whom I know
3 from Springfield. Do you have a -- is there
4 a group that wants to -- representatives who
5 want to speak? Do you want to speak or how
6 do you want to handle this?

7 MR. MATHIS: Thank you,
8 Mr. Chairman. Good morning, everyone.

9 COMMISSIONER STEBBINS: Good
10 morning.

11 COMMISSIONER ZUNIGA: Good morning.

12 COMMISSIONER MACDONALD: Good
13 morning.

14 MR. MATHIS: I think the process
15 outlined by Director Bedrosian makes sense.
16 I think we'd like to come back in May and
17 have a more robust conversation. We're
18 really here to listen at this point.

19 CHAIRMAN CROSBY: Okay. Fine.
20 Well, do we -- does anybody want to introduce
21 their viewpoint? I've taken the time to try
22 to really lay out carefully how I'm thinking
23 about this, but I'll defer to anybody else if
24 anybody else wants to go first,, so at least

1 put on the table what I think the issues are.

2 COMMISSIONER ZUNIGA: Let me do
3 this. Maybe you were thinking about touching
4 on these or not. And maybe for our upcoming
5 conversations, this is a question I have of
6 Mr. Mathis and our own staff. I understand
7 that at least from the very limited
8 experience that we have -- limited in terms
9 of comparison. We have a big experience with
10 PPC, but there has only been a handful. One
11 service or service employee --

12 MS. WELLS: Right.

13 COMMISSIONER ZUNIGA: -- denied
14 registration because of a criminal
15 conviction.

16 MS. WELLS: Correct.

17 COMMISSIONER ZUNIGA: And you've
18 done -- even though there is 500 plus
19 employees at any given time, it's a multiple
20 of that because there's enough people that
21 come and go in the periods so far.

22 MS. WELLS: I think almost 750.

23 COMMISSIONER ZUNIGA: You've
24 licensed and registered about 750?

1 MS. WELLS: No. That's just
2 registered.

3 COMMISSIONER ZUNIGA: Registered
4 750. So you've licensed many more. And you
5 can get back to me on this. The point I'm
6 trying to make is maybe data is also
7 something that we could use to frame the
8 issue. What you may have seen in other
9 jurisdictions in your recent example -- in
10 your recent opening of National Harbor. What
11 might be the amount of instances that we may
12 be -- that you may be thinking may happen in
13 Springfield and surrounding communities
14 relative to the number of employees that you
15 expect to offer, make offers, et cetera.
16 Just getting a sense of those amounts would
17 be really helpful for our discussions.

18 MR. MATHIS: Yes, Commissioner. I
19 think, you know, data is so important in this
20 discussion as well as the analysis of the
21 statute. And I think one of the challenges
22 that we've all collectively wrestled with is
23 access to the data, and you know, some of
24 what we're talking about today is really what

1 are we going to experience a year from now.
2 And in a year, it'll be in a lot of ways too
3 late to come back and remedy, because of the
4 volume because of the timing, some of the
5 concerns that we have now. So we're being
6 proactive. We would like as much
7 optionality, of course, as we can have. We
8 do, as MGM, and as an employer, I think as
9 dictated by federal law, EEOC, Ban the Box,
10 et cetera, we do a job relatedness analysis
11 when it comes to these considers. So you've
12 got the employer's own threshold review.

13 So I think we've done some -- some
14 what I call desktop analysis of what we think
15 the demographics of Springfield, Western
16 Mass., Holyoke, some of the gateway
17 communities. And as you know, unfortunately,
18 much of the criminal statistics follow
19 poverty, high school dropout. Those are
20 endemic in some of those communities. Those
21 are the very communities that we believe the
22 statute was intended to benefit, which is
23 partly why MGM chose that location. But some
24 of our analysis is that the incidence of

1 felonies and theft related misdemeanors are
2 going to be two to three times what the
3 average is across the Commonwealth. That's
4 imperfect because we're looking at only
5 certain data related to incarcerations and
6 state and county information that's publically
7 available, but I think it's going to be a
8 significant desperate impact.

9 Now, I know everyone collectively
10 is sensitive to that and that's not the only
11 consideration, but we're very concerned that
12 there's going to be a very practical impact
13 in our local hiring recruitment targets
14 commitments if we don't collectively find a
15 way to resolve this.

16 COMMISSIONER ZUNIGA: And to the
17 extend -- I'm sorry, to the extent that we
18 could also tap on colleagues around the
19 country, the Michigan Gaming Commission. I
20 know you speak to them every now and then and
21 others, Pennsylvania. If there could be a
22 conversation relative to what they
23 experienced. And I know there's a chart here
24 that outlines the differences between

1 jurisdictions, but if we could get a sense as
2 to -- given their requirements, what pool of
3 applicants that they end up not licensing, et
4 cetera, relative to their population and
5 demographics, I think it would be also very
6 helpful. Detroit might offer an example that
7 may be comparable in some areas and you
8 operate there, so.

9 COMMISSIONER CAMERON: I think one
10 of the most important pieces here that I've
11 heard today is the talk about education and
12 what's a real barrier and what is not, what
13 is a real disqualifier and what is not;
14 having had a lot of experience hiring a
15 diverse workforce, trying to make it more
16 diverse all the time with a police
17 organization; lots of rumors about why you
18 can't get in and to really work with people
19 so that they understand what's real and
20 what's not. That breaks down some of those
21 barriers and it helps with folks that would
22 otherwise deselect. They just aren't
23 comfortable, they're not confident, and
24 they're not going to continue in the process

1 because of what they've heard, and some of
2 what they've heard was not true. And so
3 that, you know, means being a more welcoming
4 -- And I really like the work that our IEB
5 has been doing and licensing on having
6 meetings, talking to people about what is
7 real and what is not, and you know, kind of
8 encouraging people. I know just listening to
9 different investigations that have been done
10 how we have assisted folks with a hurdle, you
11 know, taking an extra step to make sure the
12 person was able to clean up a piece that may
13 have caused a problem with a license or a
14 registration.

15 So I like that approach. I think
16 if we could do more of that, that could be
17 helpful in these investigations.

18 MS. WELLS: You know, too, Gayle --
19 in Commissioner Cameron's point about the
20 educational --

21 CHAIRMAN CROSBY: Is your mic on?

22 MS. WELLS: Yes, it is. The
23 educational component, one piece which
24 stakeholders might want to consider including

1 in that messaging is the ability to seal
2 records. It won't apply to a felony within
3 the last ten years, but those misdemeanor
4 offenses that the Chair mentioned of crimes
5 involving embezzlement, theft, fraud, or
6 perjury. The Commission made a decision in
7 their regulations that matters that have been
8 sealed are not to be considered by the IEB in
9 the registration of the licensing process.
10 That's a particularly strong tool for the
11 community if they want to work with members
12 who have maybe have something in their
13 background, but may be able to get it sealed
14 and then may be able to work at the casino.
15 So that's something we should just include in
16 the discussion.

17 COMMISSIONER STEBBINS: I would
18 echo what Commissioner Cameron said. I think
19 there's -- you know, I had the opportunity to
20 go out to Springfield to one of MGM's skill
21 smart session, and I'm giving an anecdotal
22 example here. But a woman approached me who
23 asked me if something particular in her
24 background would make her ineligible. I

1 didn't want to become a lawyer on the spot,
2 but I followed up with the individual, and I
3 say stay involved in the process. Because I
4 think what she had read is probably not based
5 on what the statute says. I think in this
6 intervening period, I know MGM has talked
7 about doing work with the community to go
8 through those type of record sealing
9 educational sessions. I think that's
10 helpful. I think, you know, we as state
11 employees have, you know, the opportunity or
12 the ability to call the state ethics
13 commission, you know, and ask to speak to the
14 attorney of the day to help us clarify some
15 questions. I think we should revisit or
16 think about finding a way for the MGC staff
17 to have a similar kind of referral or
18 response role to help address questions that
19 an individual might have.

20 So I think in the intervening
21 period, even while we're still collecting
22 some comment and feedback on the
23 recommendations here, I think we need to kind
24 of revisit what more we can do on the

1 education side so that, to Executive Director
2 Bedrosian's point, we've talked about this,
3 that people aren't self-selecting out of the
4 process.

5 COMMISSIONER ZUNIGA: Can you
6 repeat, again, the notion of the sealed
7 record, Karen. If somebody with a criminal
8 conviction --

9 MS. WELLS: Correct.

10 COMMISSIONER ZUNIGA: -- within ten
11 years, within the last ten years?

12 MS. WELLS: Right. It won't apply
13 to the felonies, but for misdemeanors, so
14 those --

15 COMMISSIONER ZUNIGA: For
16 misdemeanors.

17 MS. WELLS: For those misdemeanors
18 on the crimes involving embezzlement, theft,
19 fraud, or perjury, there is an opportunity to
20 petition to have that record sealed. And
21 that happens.

22 COMMISSIONER ZUNIGA: Even if it's
23 less than ten years?

24 MS. WELLS: Correct. And even if

1 it's a conviction as opposed to a continued
2 without a finding or pretrial probation or
3 dismissed. There -- even a conviction can be
4 sealed. There's a five-year lookback.

5 COMMISSIONER ZUNIGA: A five-year
6 lookback for the?

7 MS. WELLS: For the misdemeanors.

8 COMMISSIONER ZUNIGA: For the
9 misdemeanors.

10 COMMISSIONER CAMERON: Which would
11 have been a disqualifier if, in fact, that
12 record wasn't sealed.

13 COMMISSIONER ZUNIGA: Understood.
14 Which is very good.

15 COMMISSIONER MACDONALD: And it's
16 important to note in this respect that our
17 Supreme Court has fairly recently, actually
18 revised an earlier decision that I was
19 personally involved in that established a
20 very burdensome standard for obtaining the
21 sealing of a criminal record, and without
22 going into the details, it was -- the primary
23 consideration which the SJC in, I think it
24 was, 1994 placed significance on was the

1 First Amendment interest and the access of
2 our media outlets to the records of
3 conviction. And that the result was a very
4 high burden that anybody seeking to have
5 their records sealed had to meet. That has
6 now been revised. And it is -- it's -- and
7 revised in part explicitly with the Court
8 acknowledging the unfair and unfortunate
9 prejudice which people can endure on account
10 of just a single -- the impact of a single
11 conviction of a criminal offense in the past.
12 So our Supreme Court has, in effect,
13 encouraged a greater access to the sealing
14 provisions of the statutes. It's very
15 significant.

16 So I would underscore the
17 importance of an educational component to the
18 people who are interested in working who
19 might be burdened with a conviction that
20 could get sealed.

21 CHAIRMAN CROSBY: Yeah. Wherever
22 we come down on this, I think the education
23 and criteria and strategy is going to be very
24 important. And we can go back to our

1 community college partners. You know, it can
2 start early on in the process. Wherever we
3 come down, that's a very important criteria.

4 Okay. Let me -- I have been one of
5 the ones who has --

6 MR. MATHIS: Sorry, Mr. Chairman.

7 CHAIRMAN CROSBY: Sure.

8 MR. MATHIS: Because I sense you're
9 about to discuss some of your comments. I
10 just wanted -- because I would be remiss not
11 mentioning a couple of the folks that came
12 out with us.

13 CHAIRMAN CROSBY: Okay.

14 MR. MATHIS: If I could. And then
15 one other comment is, as we -- as we spend
16 the next 30 days, because I think it makes
17 sense to come to Springfield. I think we
18 have our quarterly report at the end of May,
19 and to have -- and have a robust discussion
20 with our stakeholders. Because even if the
21 decision is not one that we would all like, I
22 think there is some benefit for feeling like
23 we all got our comments and thoughts on the
24 record. And I certainly think it's important

1 that our stakeholder partners are able to do
2 that. But the one comment -- or reservation
3 that I'd like to try to place on the record
4 is that as we review the data and the policy
5 over the next 30 days, recognizing that
6 there's been a recommendation on the legal
7 opinion of staff. We'd like an opportunity,
8 and hope it's still an open issue, as to what
9 the Commission feels are their legal rights
10 under the statute.

11 For example, I know Commissioner
12 Macdonald mentioned in his memo that his view
13 was slightly different than what I'm hearing
14 the staff's view, which is that there's a
15 conflict and where there's a conflict,
16 discretion can be exercised. This statute,
17 as much as I knew it, I learn something upon
18 every new reading. In our last 48 hours, as
19 we've gotten ready for this discussion, we've
20 learned new things that I think are
21 potentially compelling arguments if the
22 Commission is looking for an opportunity to
23 exercise that discretion, not necessarily the
24 fact-based discretion that I know concerns

1 the staff in terms of administering this, but
2 I think the discretion to potentially create
3 this class, this service gaming class that
4 might be completely exempt.

5 CHAIRMAN CROSBY: Right.

6 MR. MATHIS: So, if we can, I'd
7 like to be able to respond to some of the
8 legal arguments and show you some of the work
9 we've done.

10 CHAIRMAN CROSBY: Yeah. That's
11 absolutely on the table.

12 MR. MATHIS: Great. Thank you.
13 And then I just want to acknowledge the folks
14 that came out with us, and there'll be more
15 that will be participating in May. But we've
16 got representative of the Mayor's Office,
17 Urban League, NAACP, Habitat for Humanity, as
18 well as Friends of the Homeless. And many of
19 them have shared with me anecdotes, because I
20 think part of this is to put a human face on
21 some of the theoretical discussions we're
22 talking about. And there are some really
23 compelling anecdotes for the candidates that
24 we think we'll see that would be really

1 shameful to automatically disqualify. So if
2 we can have an opportunity to have those
3 discussions in Springfield and do some work
4 in between, I think it will make for a
5 very -- for a much better discussion.

6 CHAIRMAN CROSBY: Well, we
7 definitely, I think, will anticipate that. I
8 know our agenda for the 25th is a very
9 business agenda, so I don't know how much
10 room there will be to have many people come
11 and speak, but we can talk about that and
12 maybe some people can submit in writing
13 during the previous month that you can help
14 select out leaders, but there very much will
15 be an opportunity for that, and it will be on
16 both scores. It will be on the legal issue,
17 discretion or not, as well as on the
18 implementation and the policy discussion.

19 Okay. So let me just -- I want to
20 just sort of take the time to lay out what I
21 think the issues are and what's driven me in
22 my wrestling with this. And although I've
23 pushed this off and on now for months, I
24 don't feel emphatically clear where I come

1 down yet, and I'm really interested in
2 hearing other people's comment over time.
3 But just to make sure everybody understands,
4 there are four categories of people whom we
5 said qualify to work in and around the gaming
6 establishment.

7 The first is people involved with
8 the license holder itself, the casino license
9 holder itself. That's the highest level of
10 personnel. That means Steve Wynn who runs
11 Wynn Resorts and Jim Murren who runs MGM
12 Resorts. Those are gaming -- people involved
13 in the gaming license itself. The second
14 part -- but I'm not going to get into -- just
15 think of four different categories of --
16 whatever our terms of art we are, you know.

17 So one category, the highest
18 category are the personnel involved with the
19 casino owner itself. Second we call key
20 gaming employees. That means Mike Mathis,
21 the president of MGM Springfield; or Bob
22 DeSalvio, the president of Wynn Everett
23 Resorts. That's high level, key gaming
24 employees.

1 The third is gaming employees,
2 people who are involved on the gaming floor
3 essentially and in gaming operations, but
4 they might be card dealers or pit bosses or
5 techs, I guess, slot techs. That's called
6 gaming employees. The fourth category is what
7 we call gaming service employees or we also
8 sometimes refer to them as non-gaming
9 employees. Those are people who will work in
10 the hotels, the restaurants, the retail
11 establishments that are part of the gaming
12 establishment but not really involved in the
13 gaming itself. So gaming licensees, key
14 gaming employees, gaming employees, and
15 gaming service employees.

16 Now, Section 16 of our statute is
17 the definitive section in setting out the
18 kind of high level parameters for what will
19 disqualify those categories of people,
20 Section 16A and Section 16B. Section 16A
21 refers to -- Again, I'm just -- colloquial
22 language -- refers to the automatic
23 disqualifiers for the two highest levels:
24 the gaming licensees, the Steve Wynns of the

1 world, and the key gaming employees, and I
2 want to read it to you.

3 "The Commission shall deny an
4 application for a gaming license or a license
5 for a key gaming employee issued under this
6 chapter if the applicant has been convicted
7 of a felony or other crime involving
8 embezzlement, theft, fraud, or perjury; two,
9 submitted an application for a license under
10 this chapter that contains false or
11 misleading information; three, committed
12 prior acts which have not been prosecuted or
13 in which the applicant was not convicted but
14 form a pattern of misconduct that makes the
15 applicant unsuitable for a license under this
16 chapter; or four, has affiliates or close
17 associates that would not qualify for a
18 license or whose relationship with the
19 applicant may cause an injurious threat to
20 the interests of the Commonwealth in awarding
21 a gaming license to the applicant."

22 Those are the four overarching most
23 important criteria which are automatic
24 disqualifiers for the owners of the casino

1 and the key gaming employees.

2 Section 16B applies to gaming
3 employees, the lower-level gaming employees,
4 and gaming service employees. And the
5 standards written in our statute are exactly
6 the same, except for those two categories
7 might have an opportunity to rehabilitate if
8 a crime that's been -- they've been convicted
9 of was ten years or more prior to the time of
10 the application.

11 So this statute appears to --
12 doesn't appear, it does set out the exact
13 same standards for Steve Wynn as it does for
14 the person who works in the restaurant,
15 except that the person in the restaurant, if
16 they committed a crime ten years ago, they
17 have an opportunity to be rehabilitated.
18 That's what that says.

19 Now, if that's all that was in
20 here, this -- we wouldn't be having this
21 conversation, because it's black and white in
22 what that says. If there were nothing else
23 in here, I would be saying does that make
24 sense. Why on earth would they ever -- why

1 would the Legislature ever have set out the
2 fundamentally exact same standard for Mike
3 Mathis as for somebody making beds in the
4 hotel. But that wouldn't be my problem
5 because that's what it says. However, we
6 then get to Section 60 -- I'm sorry, 30,
7 which basically -- And by the way, just for
8 the record, this is me talking. You know,
9 this isn't -- nobody has to agree with this
10 necessarily. This is how I have come to
11 where I am on this issue.

12 Now you get to Section 30 which
13 essentially directs the implementation of
14 Section 16. And it applies for -- there are
15 four sections that applies to the gaming
16 licensees, the Steve Wynns of the world, and
17 to the key employees. Section 30B requires
18 that those two categories of people file an
19 application which includes a criminal and
20 arrest record. It does not have that
21 requirement for gaming employees or gaming
22 service employees. You are not required to
23 file an application. You are not required to
24 submit a criminal or arrest record for

1 gaming, even though supposedly in Section 16,
2 you're subject to the exact same automatic
3 exclusions.

4 Section 30D requires that for Steve
5 Wynn and Mike Mathis that the Commission
6 shall under -- conduct an investigation of
7 those two categories, including
8 fingerprinting. It does not say that about
9 gaming employees or gaming service employees.
10 Again, even though Section 16 says they're
11 supposed to be held to the same standard.

12 Section 30G sets out an appeal
13 process from this investigation and the
14 background check for key gaming employees and
15 gaming licensees, Steve Wynn and Mike Mathis.
16 It sets out an appeal process by which if you
17 are not permitted to get a license because of
18 one of those automatic disqualifiers, you can
19 appeal it. There is no such thing. There is
20 no appeal process for gaming employees or for
21 gaming service employees.

22 Section 30I sets out fees and terms
23 of a license -- lengths of licenses, the
24 authority for us to impose fees, and the term

1 of a license. For license -- for casino
2 owners and for key gaming employees, it does
3 not say anything about fees or terms for
4 gaming employees or for gaming service
5 employees.

6 So I look at that and say wait a
7 second, that just does not make any sense.
8 You know, if Section 16 means that the
9 criteria are identical except for the
10 ten-year rehabilitation possibilities for the
11 offense, for the criminal offense, why does
12 Section 30 not require that the Commission do
13 the same things: get an application, get a
14 criminal record, get fingerprinted, have an
15 appeal process, set fees, set terms of what a
16 license, how long a license should act.

17 So I see this -- that raises to me
18 a huge question about what the Legislature
19 was thinking. Are these internally
20 reconcilable sections.

21 Then we get to 30F which has caused
22 all of us the most trouble, I think. 30F
23 says -- whereas Section 16 says the
24 Commission shall deny a license if there are

1 any of these four criteria met, Section 30F
2 says we may disqualify an applicant for one
3 of those violations cited in Section 16. And
4 furthermore, it says we may permit
5 rehabilitation of any of those people in
6 those categories with no respect to a
7 ten-year term.

8 Now, that is flat out incompatible
9 with the language in Section 16 as I see it.
10 I mean, you just cannot make sense of those
11 two things. I cannot make sense of those
12 two. Maybe some -- I mean, I know there are
13 people who can. So again, this is just me
14 talking. But it simply does not make any
15 sense where one section says "shall" and one
16 section says "may" for the exact same
17 circumstances and where there is an absolute
18 ten-year bar in one section and ignoring the
19 ten-year bar for rehabilitation in another.

20 So that's what I see as I read
21 these things, and I see more every time I
22 read it, too. And again, I'm mindful that,
23 you know, not everybody agrees with me on
24 this. But for me, this raises a series of

1 questions. It gets to the conversations
2 we're going to be having over the next month.

3 One is, in my mind, is clearly
4 confusing. I mean, I just don't see how
5 anybody could read these two -- these two
6 sections and say it isn't confusing. And as
7 Commissioner -- Executive Director Bedrosian
8 said and as Commissioner Macdonald has said,
9 where there is confusion in a statute, an
10 agency, an administrative agency, has
11 discretion to try to reconcile confusing
12 language as best it can, understanding
13 whatever the broad-based policy objectives of
14 the organization are.

15 Two, Section 16 holds the
16 suitability standards for the Steve Wynns of
17 the world as the same standards as for hotel
18 workers and that just doesn't make sense to
19 me. Is it possible that that's really what
20 was intended. Maybe it was, but I ask that
21 question. Is it intended? Except for the
22 issue of the ten-year rehabilitation period,
23 otherwise the exact same standards. In my
24 mind, Section 16 as it is written is

1 clearly -- And as we've implemented it, and I
2 was a part of that implementation. We all
3 agreed to implement it the way we did it
4 implement it. And I -- as I see it,
5 Section 16 as written and as implemented by
6 us to date is a barrier to employment
7 opportunities for some of the people whom we
8 are most targeting by in this act. And we
9 specifically talk about unemployed in the
10 act. We specifically talk about bringing the
11 benefits of the casinos to the broadest
12 economic spread of people as we possibly can.
13 I see this as a barrier to that issue.

14 And finally, because it is, I see a
15 legal and a policy question about whether the
16 Legislature could have intended to single out
17 a class of people, because inevitably, people
18 who are going to be affected by this are
19 going to be a certain demographic class.
20 There's going to be more people of color,
21 more low income people, and so forth.
22 They're going to have a barrier to employment
23 in these kinds of jobs for reasons which
24 don't have, in my view, any nexus to the

1 jobs.

2 You know, if you're a bank teller
3 and you've gone to jail for embezzlement, I
4 get it. That's a problem. If you're working
5 in a hotel, restaurant, or in the -- changing
6 beds, is there a nexus between that criminal
7 offense. And I think there is -- there are
8 subtleties to this, but I think there are
9 legitimate legal and for sure policy
10 questions about whether or not we have been
11 applying this in a way which is compatible
12 with the principles and spirit, if not
13 letter, of EEOC type rules and regs.

14 So putting that all together, it's
15 inherently conflicting. I can't rationalize
16 how the Legislature could have come down
17 where they seem in some senses to have come
18 down. I do think we have the discretion to
19 talk about it. Where we come down will be up
20 to the five members of the Commission after
21 we eventually hear from all of you, but that
22 lays out, for my purposes, what brings me to
23 this conversation.

24 Anybody else want to put their two

1 cents worth, please.

2 COMMISSIONER CAMERON: Yes.

3 Mr. Chair, that's -- many of those thoughts
4 are compelling, but I keep coming back to the
5 fact that we are the regulators, not the
6 legislators. And you know, in my mind, many
7 of these things would have -- would take a
8 legislative fix, frankly. And I think we are
9 fortunate enough to have an attorney on staff
10 who this was the kind of work she did. She
11 interpreted at the AG's office, made sense of
12 policies or statutes that conflicted, and I
13 know has spent some time -- I, for one, would
14 like to hear from Attorney Lillios on this
15 matter in how to distinguish, how to make
16 sense of statutes that may look like they
17 conflict.

18 I would be very interested. I know
19 that that's your background, so for any of us
20 to think we have more experience or can
21 interpret it better, I think I would like to
22 hear and just get that knowledge from someone
23 who actually worked in this field and did
24 this for a living.

1 MS. LILLIOS: So I do have some
2 comments that I am prepared to make, but with
3 the caveat that nothing that I have to say
4 has any bearing on any policy considerations
5 or the questions that you raise, Mr. Chair,
6 about whether it makes sense to have a, you
7 know, Wynn executive the same as a hotel
8 employee or the desirability or the
9 non-desirability of any changes to the
10 legislation. So my comments do not -- are
11 not focussed on those areas.

12 MR. BEDROSIAN: Mr. Chairman, I
13 think in terms of trying to phrase -- frame
14 the issue and get the Commission as much
15 information as we can, a ping-pong match
16 right now might not be the best solution. I
17 think that you phrase some thoughtful
18 interpretations of the law. Obviously,
19 Mr. Mathis said they have a new
20 interpretation of the law that we haven't
21 heard about recently.

22 So both Ms. Lillios and I have a
23 background in administrative law. That was
24 part of what went into our analysis. Perhaps

1 it wasn't as deep as it could have been, and
2 we can share that. But I think at this point
3 the benefit might be -- I don't expect there
4 to be resolution on this issue today at all.

5 CHAIRMAN CROSBY: No. I was partly
6 meaning we have a memo from you and the staff
7 that all of your contributed to which I
8 thought was sort of your definitive view on
9 where you were at with this issue and I
10 wanted to --

11 MR. BEDROSIAN: It is. Having said
12 that, we've now heard things, obviously, to
13 which we might want to respond. I mean
14 there -- your interpretation, I could respond
15 to. I'm not so sure going back and forth
16 with staff and the Commission right now is
17 going to be as beneficial as us sitting down
18 with MGM and perhaps, you know, you framed,
19 obviously, a very broad issue on your
20 interpretation of 16, but I can't -- my gut
21 just tells me I'm concerned about a ping-pong
22 match right now.

23 CHAIRMAN CROSBY: I get you, but
24 I'm reluctant not -- to have any one of the

1 Commissioners feel like there's not been a
2 fair two-sided conversation.

3 COMMISSIONER CAMERON: Well, that's
4 what I'm feeling like. I think the memo just
5 broadly outlines --

6 MR. BEDROSIAN: Yeah.

7 COMMISSIONER CAMERON: -- where
8 there are specific ways that I've learned
9 that -- to try to make sense of these issues
10 that we have to pay attention to. So we did
11 hear kind of one side of the ping-pong match,
12 and I would be interested in hearing -- And
13 again, this is not in order to debate
14 everything here but just to give us more
15 information. These are important decisions,
16 and I think hearing this is an important
17 piece. And I know they'll be more in
18 Springfield.

19 MR. BEDROSIAN: Yeah. So let me
20 set the stage, and then I'll turn it over to
21 Ms. Lillios, who will make the appropriate
22 arguments, because I know her.

23 It feels like the law is very
24 clear, and people may disagree with that.

1 And that, as you said, the Steve Wynns of the
2 world, the qualifiers have to go through the
3 same type of scrutiny under Section 16B as
4 the dishwashers. Yes; although, there are
5 other considerations for qualifiers. 16B, as
6 I understand, doesn't set out all of the
7 qualifiers expectations. So it's not --

8 CHAIRMAN CROSBY: Section 12, too.

9 MR. BEDROSIAN: Right.

10 CHAIRMAN CROSBY: Section 12 gets
11 incorporated in, too.

12 MR. BEDROSIAN: I get it. But it's
13 not -- what my message is, it's not a direct
14 analogy that Steve Wynn and the dishwashers
15 go through the exact same process. It's not
16 the exact same process.

17 It also feels like you have to turn
18 yourself into a pretzel to find a way out of
19 registration when the language is so clear.
20 Again, not agreeing with the policy of
21 registration of these folks, but looking at
22 what the Legislature intended.

23 So I look at a plain read in the
24 statute. I understand there is some -- the

1 "may" component of Section 30F can be
2 confusing, but I think there are some --
3 there are some criteria of Section 16 that
4 are somewhat subjective that refers to.
5 There is some discretion within the IEB as
6 opposed to some of the black and white
7 considerations, which I think the criminal
8 disqualifiers are.

9 So having said that, let me ask
10 Ms. Lillios, who also worked in that division
11 on a daily basis and wasn't just someone up
12 top reviewing the work, if she has any
13 thoughts on that.

14 COMMISSIONER MACDONALD: Before she
15 presents, just for the record. The -- we
16 have in the packet, which is available to the
17 public, your memorandum.

18 MR. BEDROSIAN: Sure.

19 COMMISSIONER MACDONALD: And on
20 this issue, is it not accurate to say that
21 the staff did not reach a consensus on this
22 particular legal issue.

23 MR. BEDROSIAN: Absolutely. These
24 are my opinion -- that was my opinions.

1 Absolutely. You're absolutely right,
2 Commissioner.

3 COMMISSIONER MACDONALD: Yeah.
4 There is some things that you did reach
5 consensus on, and one of them was that
6 they're, if I understand it right, is that
7 the statute is not ambiguous about the
8 requirement for registration of all
9 employees, service and otherwise, correct?

10 MR. BEDROSIAN: That is correct,
11 sir. Yes.

12 CHAIRMAN CROSBY: Yeah. And I
13 actually think to a certain extent, there's a
14 certain benefit, because we do have an
15 audience here who I know is invested in this
16 issue, and it'll give you some sense of
17 how -- what we're where wrestling with and
18 maybe help you help us when you're commenting
19 on this over the course of the next 30 days,
20 so --

21 MS. WELLS: I think we just really
22 want to be respectful of -- You know, I don't
23 want create a situation that's, you know,
24 we're not being helpful in the discussion. I

1 guess is the --

2 COMMISSIONER CAMERON: Agreed. I
3 think the information you have could be very
4 helpful, frankly. I mean, I've had
5 conversations with both of you about this to
6 help me understand it better, and I think
7 those conversations in public are important
8 to help us understand how complicated this is
9 and -- but also, you know, how these things
10 are read and there are good reasons why --
11 how you make sense of two that may appear
12 conflicting statutes. So I, for one, would
13 welcome some of that expertise.

14 MS. WELLS: Okay.

15 MS. Lillios: So this is a little
16 bit more awkward than I thought it might have
17 been initially, but. So I have given some
18 thought to the interplay between Section 16
19 and Section 30F for some time now. And even
20 before I started with the Commission, when I
21 was an assistant attorney general, I was
22 serving as a special advisor to the Attorney
23 General's Office on the then newly enacted
24 gaming legislation, and I have a background

1 in statutory analysis, so I have a laser
2 focus on permissive language in the statute
3 versus mandatory language in the statute.
4 Essentially, I'm trained to look out for the
5 "mays" and the "shalls."

6 And I, first of all, want to say in
7 my experience 23K and our -- even the
8 Expanded Gaming Act is a very well crafted
9 piece of legislation, and the Legislature
10 should really be commended for the clarity
11 and consistency. It's a statute, which it
12 was a huge undertaking given how
13 comprehensive it is and covers the bidding
14 process, the award process, the licensing
15 process, background, community mitigation,
16 casino operations, the research study
17 exclusion, and so on. And it's in stark
18 contrast to some other statutes that I have
19 experience in and, with all due respect to
20 the Legislature, I've had the opportunity or
21 the misfortune, maybe, to have been involved
22 with other pieces of legislation that were
23 rightly subject to challenge on
24 constitutional and other basis.

1 And I was on the front lines when
2 the Commonwealth enacted community parole
3 supervision for life. And I tried one of the
4 first cases in the Commonwealth on some other
5 major pieces of legislation that were then
6 challenged in the Supreme Judicial Court, and
7 I handled and supervised those challenges and
8 -- resulting in the SJC striking down
9 portions of legislation and the Legislature
10 having to go back to the drawing board.

11 Same as Ed referenced in the
12 Attorney General's Office, I represented
13 agencies in the Superior Court and the
14 Appellate Courts. And in all of those cases,
15 statutory interpretation was at the heart of
16 the dispute, whether reconciling provisions
17 of a federal statute in the state counterpart
18 or in other areas. And mercifully, 23K is a
19 picture of clarity when compared with some of
20 those other pieces of legislation.

21 But back to Section 30F and 16. So
22 there's been, you know, all this discussion
23 about the tensions between 30 and 16, and
24 when reconciling tensions in a statute,

1 thankfully, we are not left to our own
2 devices to figure it out on our own, but the
3 courts have given us a roadmap to resolve
4 tensions or ambiguities in the statutes, and
5 this area of statutory interpretation or
6 statutory construction is one area where the
7 courts are in agreement. So the United
8 States Supreme Court and the Federal Courts
9 and our own Supreme Judicial Court are in
10 agreement on the principles that apply in
11 this area.

12 And so applying those principles,
13 if we see an ambiguity in a statute, we are
14 first required to look at the intent of the
15 Legislature. And here again, we are lucky
16 because the Legislature in 23K explicitly
17 said that the paramount objective is
18 integrity and gaming licensing and a strict
19 regulatory oversight and also explicitly said
20 this is a job creations bill, particularly
21 for the unemployed. So we know what the
22 intent was.

23 These principles also tell us that
24 we must read the statute as a whole. We

1 cannot read a provision in isolation. These
2 principles also tell us that we must assume,
3 and this is very difficult to do, but that we
4 must assume that the Legislature meant what
5 it said and we must give meaning to all
6 provisions in the statute unless to do so
7 would be nonsensical.

8 So we can't say, really, the
9 Legislature meant to say shall if they said
10 may. We must accept what the Legislature
11 said and we must -- and Ed referred to this.
12 The overarching theme is this theme of
13 harmony. We must harmonize various
14 provisions of a statute, recognizing that the
15 Legislature did not intend internal
16 contradictions in the statute. If a sensible
17 construction is available, we must accept it,
18 and where a conflict -- where a conflict
19 exists, the more specific terms in a statute
20 prevail over the more general terms.

21 So applying those principles to 30F
22 and 16, we see in covering some of the same
23 grounds that you covered, Mr. Chair, is that
24 Section 16 sets out the grounds for denial of

1 applications and registrations, and
2 Section 16 sets out very specific information
3 about the disqualifiers. 16A talks to the
4 four mandatory disqualifiers for the two
5 categories, the keys and the gaming
6 licensees. The first disqualifier is the --
7 certain types of criminal convictions, and
8 the remaining three disqualifiers are for
9 falsity on the application, pattern of
10 misconduct, behavior, and associational
11 issues.

12 16B then sets out the disqualifiers
13 for the lower level of employees, the service
14 employees and the gaming employees and, as
15 you noted, the disqualifiers in 16B match
16 word for word the disqualifiers in 16A;
17 however, on the criminal disqualifier, that
18 one of the four, those lower level of
19 employees have the opportunity to demonstrate
20 rehabilitation if a conviction occurred ten
21 years prior to the application.

22 So in that area, we see explicitly
23 that the Legislature made some accommodation
24 on the employment side of their intention for

1 these lower levels of employees.

2 So turning then to 30F, the first
3 clause of 30F addresses all categories of
4 employees with the same language. It says,
5 "The Commission may deny a license or a
6 registration for a key, a gaming employee, or
7 a registrant if the person is disqualified."

8 And then the second provision of
9 30F goes on to mirror 16B's rehabilitation
10 component for service employees and gaming
11 employees with ten-year-old's or more
12 convictions. So we are left to determine,
13 does the may language in 30F give the
14 Commission discretion to grant a registration
15 to a service employee with the disqualifying
16 offense within the ten-year period.

17 So applying those principles of
18 statutory construction, in my analysis, which
19 again is not policy directed, but applying
20 those principles, if we interpret the may to
21 give the Commission the discretion, we would
22 have to ignore the plain detailed specific
23 language of 16B as it applies to service
24 employees, and ignoring language is something

1 that we're not supposed to do under the
2 principles of statutory construction if we
3 can harmonize the two, because we have to
4 accept the Legislature wanted to give effect
5 to every provision.

6 If we select out from Section 30F
7 service employees and subject them to this
8 discretionary treatment by the Commission for
9 the criminal conviction disqualifier but
10 leave in gaming employees and key employees,
11 we are reaching a nonsensical result, because
12 the statute simply does not say that. It
13 treats all categories the same with respect
14 to the may language in Section 30.

15 We could, however, harmonize the
16 two provisions by viewing the may in Section
17 30F as a grant of authority to the Commission
18 to deny a license or registration rather than
19 as a grant to exercise discretion with one
20 category of employees, service employees, and
21 for one of the four categories of
22 disqualifiers. This, in my way, is -- in my
23 view, is the way to read the statute as a
24 whole and harmonize and give meaning to both

1 provisions as we are required to do.

2 Now, Mr. Chair, you also mentioned
3 something with Section 30C that I'd like to
4 address. You talked about how Section 30B
5 gives this whole litany of things that keys
6 and gaming employees have to provide in their
7 application form.

8 CHAIRMAN CROSBY: Gaming licenses
9 and keys.

10 MS. Lillios: Correct. And then
11 30C talks about gaming employees and -- I'm
12 sorry, service employees required to register
13 and shall produce information as the Bureau
14 may require -- be -- require them to do. So
15 it doesn't give out the whole litany. There
16 is a harmonization piece there as well which
17 can be found in the way the regulations are
18 currently drafted, which allows that service
19 employees to get to work first, and you know,
20 a background to be performed on them at a
21 later date with information, as the statute
22 says that the Bureau requires to see that
23 these other provisions of 30 and 16B are
24 fulfilled.

1 But in any event, in my view, this
2 analysis is in keeping with the balance of
3 purposes and the statute's dual goals of
4 integrity and as a jobs-creation bill. And,
5 now, I recognize that, as Ed referred to,
6 that courts give broad discretion to agencies
7 and would to the Commission to interpret and
8 implement its own enabling registration. A
9 review in court would -- If a court reviewed
10 the Commission's actions in this area, a
11 review in court would apply these principles
12 of statutory construction that we've been
13 discussing under the framework of allowing an
14 agency, you know, broad discretion, but those
15 principles would be applied.

16 COMMISSIONER ZUNIGA: Thank you.
17 Loretta, can you go back to your conclusion
18 on the harmonization piece. I think that was
19 key, and I want to make sure I jot it down.
20 How do you reconcile the two sections, 30 and
21 16, and that "may"? That "may" effectively
22 gives us the discretion to issue a license.

23 MS. Lillios: Well, that is -- you
24 know, if you view the "may" as it's a

1 discretionary "may," then we're in a
2 difficult position because then you'd have to
3 be saying, well, we have the discretion to
4 give a license to one of the categories --
5 even though in --

6 COMMISSIONER ZUNIGA: It talks
7 about the four.

8 MS. Lillios: -- in three --
9 everybody is all mixed together. And we have
10 the discretion on one of the disqualifiers
11 for one of the categories, even though
12 there's four disqualifiers, and to me, that's
13 a stretch. But if you interpret the "may" as
14 -- This section is Section 30. It's a more
15 general section on the licensing process as
16 opposed to Section 16 which is very specific
17 speaking about --

18 COMMISSIONER ZUNIGA: What are
19 disqualifications?

20 MS. LILLIOS: -- disqualifiers. So
21 if you view the "may" in 30 as this is your
22 grant of authority. You may deny it. You
23 know, you have the authority to deny it. And
24 then coupled with what we must deny in

1 Section 16, that was how I viewed you could
2 read both sections together. You wouldn't
3 have to say we'd have to cross out one of the
4 sections. We're just not going to give
5 effect to it.

6 COMMISSIONER ZUNIGA: Right.

7 MS. LILLIOS: But again --

8 COMMISSIONER ZUNIGA: You're
9 distinguishing between the granting, which is
10 permissive, and the denial, which is
11 mandatory in reading these two. Is that a
12 fair summary?

13 MS. LILLIOS: I'm distinguishing
14 between a grant of authority to deny a
15 license with a grant of discretion to decide
16 whether to deny or allow a license.

17 COMMISSIONER ZUNIGA: Okay. Thank
18 you.

19 MR. BEDROSIAN: So just to clarify,
20 and I think Commissioner Macdonald hit on
21 this point. We didn't have unanimity. We
22 didn't really address this issue as staff
23 with unanimity like we did the registration,
24 flat out registration requirement. Part of

1 which because I think what we did agree upon
2 is the grant of authority if interpreted in
3 Section F came with a grant of authority to
4 engage in a rehabilitation analysis for
5 people convicted within ten years and given
6 the context, which I think I referred to
7 earlier, of trying to register 1,200 service
8 employees for MGM and potentially 2,300
9 service employees for Wynn within a 90-day
10 period at the same time doing all the -- as
11 you referred to, Mr. Chairman, all the higher
12 level actual analysis we had to do, seemed
13 unworkable.

14 So I think what you heard from Ms.
15 Lillios was based on her background and her
16 experience. It wasn't, at this point, a
17 unanimous position of staff, because we
18 didn't sit in a room and come to a conclusion
19 on that.

20 COMMISSIONER CAMERON: Because you
21 didn't think it was necessary because you
22 didn't think it was workable.

23 MR. BEDROSIAN: Well, we thought --
24 yeah. We thought that obviously this issue

1 of getting to a rehabilitation analysis was,
2 you know, unfortunately, given the context of
3 all the other things we have to do, was
4 unworkable, quite frankly.

5 COMMISSIONER ZUNIGA: You know --

6 COMMISSIONER MACDONALD: I think
7 that's an important point, too, for people to
8 understand. And that is that as I read the
9 staff memorandum that you basically
10 identified that you couldn't come to an
11 agreement amongst the legal staff, but that
12 it kind of doesn't make any difference,
13 because if you just -- if you concluded that
14 the Commission did have discretion to apply
15 these multiple factors to determine
16 rehabilitation, in as much as the IEB is
17 going to be faced with literally thousands of
18 prospective employees, there's no way in the
19 world that the Commission staff could
20 accomplish that and be faithful to the larger
21 objective --

22 MR. BEDROSIAN: Exactly.

23 COMMISSIONER MACDONALD: -- of the
24 Gaming Act. So I view this and I found it

1 convincing as, we just -- we don't need to
2 fight about this particular issue. Let's
3 focus on whether or not -- or what remedies
4 might be available, and you listed those out.

5 MR. BEDROSIAN: Right. Exactly.
6 Thank you.

7 COMMISSIONER ZUNIGA: I'm
8 remembering attending really early on a
9 gaming policy advisory committee meeting
10 where this issue was talked about. And there
11 was even then, and as I suspect there might
12 still be, disagreement as to the intention of
13 this topic even among members of the general
14 court, one of them talking about also a
15 member of the GPAC.

16 I'm wondering if it's worthwhile to
17 try to ask the Legislature for some
18 clarification in this topic or is it just
19 really not a good time given that
20 the legislative process?

21 MR. BEDROSIAN: You know, I'll turn
22 it over to the general counsel. I suspect
23 what you would get back is see Section 1.

24 MS. BLUE: We did a legislative

1 history search on it and there was -- there
2 were differing ways that this section was
3 drafted and there were roughly 13 bills that
4 eventually became the Expanded Gaming Act.
5 There is no legislative history on it. There
6 are things that the Legislature changed,
7 which I have been advised by judges in oral
8 arguments, what ends up at the end is what
9 counts, not how good the changes were.
10 Something -- the fact that something is not
11 included in a particular bill does not mean
12 something else was rejected or accepted.

13 So there is no good legislative
14 history. If you ask a particular legislator,
15 they may have an opinion on it, but there is
16 no, you know, good legislative history that
17 says this was what they meant or this is
18 where they were going.

19 CHAIRMAN CROSBY: And if we were --
20 we were advised by the senate president's
21 office that if we wanted to get -- if we --
22 on other places we were trying to figure out
23 what the Legislature was intending, and they
24 said you can ask the senate counsel office.

1 Don't call up the legislators and ask them
2 what their intent was.

3 COMMISSIONER ZUNIGA: Well, I was
4 meaning more of -- along the lines of
5 technical correction, whether these could
6 feed under a technical correction, but given
7 all the discussion, it sounds like --

8 MS. BLUE: I think this is pretty
9 complicated so it's much more than a
10 technical correction.

11 COMMISSIONER ZUNIGA: It really --
12 Okay.

13 CHAIRMAN CROSBY: Yeah. Please.

14 MR. MATHIS: Mr. Chair, thank you
15 for allowing me to make an additional
16 comment. And Executive Direction Bedrosian's
17 fears of the ping-pong match have been
18 realized, because I feel compelled to give
19 you just a preview. And I think this, you
20 know, as a geeky lawyer, a former geeky
21 lawyer, some of this is intellectually
22 satisfying, because even some of the
23 arguments that I've heard today, despite an
24 exhaustive review, are new to me.

1 But I wanted to give you a preview
2 of -- we haven't had the benefit of looking
3 at the memo, which we will do and some of the
4 other comments, but I wanted to give you a
5 preview. Because I think our sense is that
6 if -- And I don't want to speak for the
7 Commission. If 16B didn't compel what you
8 feel like it compels, then there's many other
9 provisions and many policy arguments to allow
10 for some discretion on non-gaming employees.
11 And we have a read of 16B that we think
12 allows for that.

13 So what I point you to is the
14 definition of applicant, which I think is --
15 you know, we talk about the provisions, but
16 we don't necessarily talk about the meaning
17 of the words. So if you go to the definition
18 of applicant, an applicant is a person who
19 has applied for a license to engage in
20 activity regulated under this chapter.

21 CHAIRMAN CROSBY: Interesting.

22 MR. MATHIS: Not a registrant.

23 CHAIRMAN CROSBY: Got it. I hear
24 it.

1 MR. MATHIS: 16B sets forth a
2 series of automatic disqualifiers for
3 applicants. So we believe that there's a
4 reading of 16B that, if you use your four
5 tiers, 16A is owners and key, and 16B is just
6 gaming employee, and it allows for a
7 discretionary discussion, a different set of
8 considerations, logically, as you pointed
9 out, for registrants.

10 MR. STRATTON: And if I could add
11 one point on that, Mike, because there's --
12 and I'm sure folks are aware there is the
13 word "registration" in 16B, but it talks
14 about in terms of an applicant. There
15 theoretically could be an application for
16 registration, because when you look at 30C
17 that gives broad discretion to the Commission
18 to set up a registration process, that has
19 this category of people who are not key
20 gaming employees, they're not gaming
21 employees, but they have access to the areas
22 of the gaming establishment who can't fall
23 under 30C. Those are something different --
24 that's a new category. And that could be an

1 applicant for registration that's something
2 different from a registrant that doesn't need
3 to go through the application process under
4 Section 16.

5 CHAIRMAN CROSBY: Yeah.
6 Interesting. Okay. Well, I think we've all
7 heard stuff we haven't heard before, which
8 shows how complicated this is. And those of
9 you who are interested in participating in
10 this conversation in the next month, you
11 know, anecdotes are interesting and -- but
12 not as persuasive as data and as legal
13 analysis.

14 So if anything you can give us --
15 anecdotes have a role, but data and legal
16 analysis will, I think, be more persuasive to
17 us as we try to wrestle this to the ground.
18 Did you have a -- Yeah. Quickly.

19 (Audience member speaking. Inaudible.)

20 CHAIRMAN CROSBY: Can you hear,
21 Mike? Can you hear?

22 COMMISSIONER ZUNIGA: Just identify
23 yourself.

24 CHAIRMAN CROSBY: Take a mic.

1 Thank you very much, Loretta.

2 Mike.

3 MR. HAYDEN: Jeff Hayden, Holyoke
4 Community College in Massachusetts, casino
5 careers training institute. Try to say that
6 twice fast. And thank you for the
7 opportunity. I'll be very brief. We will
8 have some data that we'll present to you at
9 the May meeting. We actually take data on
10 this issue, especially for those entering any
11 training program. And right now there are
12 two categories that are important to know.
13 One is the number of people within training
14 programs who have an issue, and usually it's
15 two or three a class. So if a class is 15
16 people, then it's that amount.

17 The other category that is actually
18 more frightening to us because it's all about
19 building the workforce for the industry in
20 Western Massachusetts is the number of people
21 who don't even show up at the door because
22 they have a CORI issue. We estimate about
23 30 percent of those who inquire about the
24 training program do not enroll or drop out

1 after enrollment because of CORI related
2 issues, conviction of a felony or those other
3 misdemeanors that you mentioned earlier,
4 Mr. Chairman. So we'll have the specific
5 data for you, but that's a sample of about
6 700 people who've taken workforce classes.
7 It's a fairly large pool of people who cannot
8 participate yet in the opportunity for jobs.

9 And I think the piece that I like
10 to remind folks of is that we're at a perfect
11 storm in Western Massachusetts. We've got
12 some great development activity. MGM is a
13 great example of that that's going on, but we
14 also have, in our suburban communities,
15 extremely low unemployment. In our cities,
16 we still have challenges with employment, but
17 those challenges are people who have been out
18 of the workforce for a long time. So long
19 term-unemployed, long-term underemployed,
20 people with low educational attainment. So
21 getting them ready for the workforce will
22 take some time and work and effort. And this
23 obstacle related to their criminal background
24 is significant. So I'll get more data to

1 you.

2 COMMISSIONER STEBBINS: Quick
3 question, Jeff. And thank you for your help.
4 I think one of the things we have been
5 struggling with is finding data. But the
6 30 percent you talked about who inquire about
7 a program, they're inquiring about your
8 culinary program?

9 MR. HAYDEN: At this point, it's --
10 all of our workforce related programs. So
11 whether it's healthcare, manufacturing,
12 that's about 25 percent. For hospitality and
13 culinary, it's 30 percent.

14 COMMISSIONER STEBBINS: Okay.
15 Thank you.

16 COMMISSIONER CAMERON: You heard
17 the earlier discussion, Jeff, about educating
18 people. With this 30 percent, are there
19 folks there that maybe could have a record
20 sealed and be eligible, but they're not aware
21 of that option? I mean, how --

22 MR. HAYDEN: I think there are a
23 fair number of those. There are some people
24 who opt out without really knowing what the

1 legislation says.

2 COMMISSIONER CAMERON: So would it
3 help --

4 MR. HAYDEN: Education would be
5 useful.

6 COMMISSIONER CAMERON: Okay.

7 MR. HAYDEN: I think though that
8 it's still a significant number of people who
9 are excluded in a very limited labor pool.

10 COMMISSIONER CAMERON: In a very
11 limited labor pool.

12 MR. HAYDEN: Right. So there are
13 approximately 10,000 people in Hampshire and
14 Hampden County that are unemployed, and of
15 that population, these are the significantly
16 hard to train and place. These are folks who
17 have been out of the workforce for a
18 significant amount of time.

19 And so, you know, when a company
20 like MGM comes in and says we're going to
21 hire 3,000 people, where are they going to
22 get the 3,000 people? And even if we account
23 for people moving from existing jobs to a
24 company like MGM, we need to also recognize

1 the fact that we still need to fill that
2 other position. So from our point of view,
3 there's a very limited number of people in
4 Western Massachusetts who are looking for
5 jobs. Everyone's always looking for a better
6 job, but very limited pool who can go in at
7 entry level positions and do the work that's
8 required. We're concerned not only in terms
9 of potentially the hospitality in culinary,
10 but also potentially with the gaming
11 positions themselves.

12 COMMISSIONER CAMERON: Thank you.

13 CHAIRMAN CROSBY: Thank you all
14 very much for all this. Really helpful, and
15 we will look toward to a well informed next
16 round at the end of next month.

17 Why don't we take a real quick
18 break and we'll come back.

19 Are you done, Director Bedrosian,
20 with your item?

21 MR. BEDROSIAN: You think I could
22 top that? I am done.

23 CHAIRMAN CROSBY: All right. We'll
24 be back in just a minute.

1 (Break taken.)

2 CHAIRMAN CROSBY: We are
3 reconvening Public Meeting Number 215 I think
4 it is, and it turns out Executive Director
5 Bedrosian has one other topic.

6 MR. BEDROSIAN: I do. Thank you,
7 Commissioner. As Director Griffin has
8 reminded me, she had asked me to make an
9 announcement that Wynn was having an update
10 meeting for former and current Suffolk Downs
11 workers, as I think Mr. DeSalvio has talked
12 about doing that. And it is this Saturday,
13 April 29th, 9:00 to 11:00 at the Hilton
14 Garden Inn in East Boston on Boardman Street.
15 So just in case there are folks watching,
16 please be aware of that. And I know we'll
17 probably --

18 CHAIRMAN CROSBY: Say again when it
19 is.

20 MR. BEDROSIAN: It is this
21 Saturday, April 29th. It's going to be a
22 beautiful day, by the way, 9:00 --

23 CHAIRMAN CROSBY: This is for
24 former Suffolk Downs employees who might be

1 interested in working at the Wynn Casino.

2 MR. BEDROSIAN: Current and former.

3 CHAIRMAN CROSBY: Current and
4 former Suffolk Downs employees who and be
5 interested in working at the Wynn Resort.

6 MR. BEDROSIAN: And learning about
7 the range of job opportunities at the Wynn
8 facility.

9 CHAIRMAN CROSBY: Great.

10 MR. BEDROSIAN: Yes. So with that,
11 thank you, Mr. Chairman.

12 CHAIRMAN CROSBY: Director Wells,
13 welcome back.

14 MS. WELLS: Thank you, sir. So the
15 next item on the agenda, under 4(a.), is the
16 licensee outside director background checks
17 item. At the last meeting we had in --
18 before the Commission, you had asked me to
19 take a look at what other jurisdictions do
20 with respect to licensing outside directors
21 of the high level casino companies, your
22 Wynns, your MGMs, your Penn Nationals. And
23 we had submitted a chart, which is in the
24 packet again this week I believe. And then

1 at the conclusion of that discussion, we had
2 put the request out for comment. And as a
3 result of that request in your packet are
4 some comments from MGM by way of Fox
5 Rothschild, a comment page from Wynn Resorts,
6 something from the American Gaming
7 Association, and also from an individual Hal
8 Shear. So I believe --

9 CHAIRMAN CROSBY: Whom I will
10 recognize is right behind you. The managing
11 partner of Board Assets. Thank you,
12 Mr. Shear, for coming.

13 MS. WELLS: That's nice. So I know
14 Mr. Chairman, this has been a topic of
15 interest to you. These are the comments. I
16 think that the way it's set now, right now we
17 do capture all the outside directors of all
18 our casino companies, and then the question
19 before the Commission is does the Commission
20 wish to make a change in any respect to the
21 regulations that are currently promulgated?

22 MR. BEDROSIAN: And Mr. Chairman,
23 just one data point because it might be
24 noticeable. You had introduced the subject,

1 I think, because you had been at a event with
2 Mr. Wilmot, who is obviously in charge of
3 Penn. Penn didn't specifically submit
4 comments, but I will remind you -- which I
5 had to be reminded, Mr. Wilmot is a board
6 member of the AGA.

7 CHAIRMAN CROSBY: Okay. Yeah.
8 Remind me of two things. What -- how does
9 the statute -- what does the statute --
10 what's our flexibility? I know we have some.
11 I can't remember exactly how it's
12 constructed.

13 MS. WELLS: You know, I'm going to
14 have to get back to you on that.

15 CHAIRMAN CROSBY: All right.

16 MS. WELLS: I mean, I think the
17 statute -- you know, I did look at it. I
18 think that in looking at the statute, I did
19 not personally see. And I would, you know,
20 request if we're going to go down this road,
21 we should have the legal department look at
22 it, because I didn't look at it to that
23 extent, but I -- when I took a cursory
24 review, I did not see anything that would

1 prohibit making some adjustments that some
2 other states have done. But before
3 promulgating any change, we should make sure
4 the legal department is on board with that.

5 CHAIRMAN CROSBY: And what is -- do
6 you know what the number of the reg. is,
7 Catherine, offhand?

8 MS. BLUE: I don't offhand. It's
9 not the licensing reg, but the qualifier
10 reg., which is a little bit earlier in the --
11 but we can check and --

12 CHAIRMAN CROSBY: Yeah. I'd like
13 to go back. You know, let's do look that.
14 Well -- So both of you put that issue on the
15 table. Is this something we want to pursue
16 further?

17 COMMISSIONER ZUNIGA: Yeah. I
18 think so. I read the comments with interest.
19 I did not think at the time when we last
20 discussed this when we were talking about
21 this issue and comparing ourselves with other
22 jurisdictions and liking, in particular, the
23 approach by Pennsylvania, which we spoke
24 about last time, the notion of reciprocity

1 which is also clearly in the statute and
2 something that a couple of the comments
3 highlight. If direct -- outside directors
4 have already gone through the suitability
5 process in another jurisdiction, like many of
6 them have frankly, that might be an easy tool
7 for us to implement quite simply as allowed
8 in the statute and take that, you know, in
9 consideration.

10 I think my recollection of the
11 statute in this context is that the IEB looks
12 at the whole org. chart and determines who is
13 going to be subject for licensure -- or who
14 is going to be a qualifier and in that
15 discretion -- you know, the outside directors
16 may fall in, which is why I like particularly
17 the Pennsylvania approach as well as -- as I
18 stated earlier, or even the reciprocity
19 notion.

20 COMMISSIONER CAMERON: So you like
21 -- Commissioner, you like the directors and
22 privately held companies --

23 COMMISSIONER ZUNIGA: Yes.

24 COMMISSIONER CAMERON: -- but not

1 necessarily a public company.

2 COMMISSIONER ZUNIGA: Yes. And
3 this clearly applies very importantly to us
4 because the three licensees that we have are
5 all public companies.

6 COMMISSIONER CAMERON: Correct.

7 COMMISSIONER ZUNIGA: But as I
8 mentioned last time, there's a lot that can
9 be gleaned from public information about
10 directors for public companies. There's a
11 lot of scrutiny that is placed by the SEC on
12 public companies, and I think making that
13 distinction is something that would be very
14 helpful in our context.

15 COMMISSIONER CAMERON: And I know
16 with the issue of reciprocity, we do use
17 other jurisdictions' information and it may
18 shortcut our investigation, but certainly not
19 just cart blanche.

20 COMMISSIONER ZUNIGA: A blanket.

21 COMMISSIONER CAMERON: You know, I
22 know that any investigator would want to not
23 give their blessing until they've at least --
24 And it's the same form. So it wouldn't be

1 like that outside director would have to
2 recreate the wheel. The form has already
3 been filled out for another jurisdiction and
4 it may just be updated. Say, for example,
5 they were licensed four years ago. It may
6 just be a quick update of what's happened in
7 the last four years with that individual.

8 So I think, Director Wells, that
9 information is useful and can shortcut, but
10 certainly it -- an update would be necessary
11 if we choose to stay with all directors. Is
12 that accurate?

13 MS. WELLS: Correct. Yeah, for
14 example, you may have -- hypothetically, you
15 may have an outside director who was licensed
16 by jurisdiction X, but jurisdiction -- then
17 say that was three years ago, but then
18 jurisdiction X relied on jurisdiction Y,
19 which was another three years ago. So now
20 you've got stuff that is six years old. So
21 you just have to take it on a case-by-case
22 basis and look at what the information is.

23 COMMISSIONER ZUNIGA: That's true
24 enough. But there's also -- my understanding

1 is that at least for public companies, these
2 outside directors have -- there's a rotation,
3 if you will, of outside directors. It's the
4 exception to have somebody with many, many
5 years.

6 MS. WELLS: Okay. That's a good
7 point.

8 COMMISSIONER ZUNIGA: As opposed to
9 somebody that comes for a term and then, you
10 know, leaves.

11 MR. BEDROSIAN: One option,
12 Mr. Chairman, would be if the Commission has
13 a sense that it would like staff to explore
14 the Pennsylvania model, I think we might call
15 it, which was referenced in a bunch of
16 letters, which I think in the end has a
17 catch-all discretionary provision for, you
18 know, the type of reciprocity or exclusion
19 but with the discretion on an individual
20 basis of doing a background.

21 If the Commission would like staff
22 to explore that, we would look at our
23 regulations and determine first as a
24 condition precedent by legal department that

1 we can do that. And then secondly, once we
2 determined -- legal department determines we
3 can do that, we give you a red line version
4 of what we think -- you know, our input into
5 a sort of Pennsylvania model might look like
6 and it might frame your discussions once you
7 actually see it on paper.

8 CHAIRMAN CROSBY: There are a
9 couple of other things that I think -- I
10 definitely would like to pursue this. I
11 think let's keep this going for a while.
12 There are to couple of things that I would
13 like to pursue. We have had now all three of
14 our licensees and one of my college roommates
15 say this is a discouragement to good, quality
16 candidates, but that's just -- that's an
17 anecdote. That's an assertion.

18 And I think it was actually
19 Mr. Shear suggested that it would be worth
20 going to some of these search firms, and we
21 have major ones here with whom we have good
22 connections, who do board searches to see,
23 you know, find out who does casino companies
24 in their director search and hear from the

1 horse's mouth, you know, is this really an
2 issue or is this -- You know, another friend
3 of mine said the benefits of serving on a
4 public board are so great, it's not going to
5 discourage too many people. So I've got
6 different views of this. But I think that
7 would be another place we could get some
8 data.

9 And then secondly, I for one have
10 no idea what the scrutiny -- beside the best
11 practice that Mr. Shear refers to that a
12 corporate search firm will take a vetting --
13 do a vetting process. I don't have any idea
14 what the SEC, for example, does, if anything,
15 and we don't have to look too far to see that
16 there's a lot of board members out there on
17 SEC approved companies that aren't doing so
18 well. So I'd be interested in knowing what
19 else there is.

20 So those would be two data points
21 that we could add to the one you described,
22 the Pennsylvania, as we think about this a
23 little more. Anybody else have comments
24 or --

1 COMMISSIONER STEBBINS: No. I
2 would -- I echo that. I'd like to look at
3 this a little bit further. You know, I'd
4 look through the comments. I think some of
5 the comments pertain to how difficult it is
6 to recruit board members. I don't think
7 extends exclusively to gaming companies. I
8 think -- you know, Sarbanes-Oxley probably
9 put a lot of new requirements on board
10 members from any publically traded company. I
11 think -- So, you know, and into your point,
12 you know, these are pretty lucrative
13 positions that I don't know how much filling
14 out a form chases somebody away. But I'm
15 curious to explore the Pennsylvania model a
16 little bit further into the -- in -- you
17 know, to not be deaf to the industry, to find
18 a way to use the multi-jurisdictional form
19 and the Massachusetts supplemental form which
20 is not a big piece of paper. I think
21 there's, you know, some easy paperwork
22 hurdles for us to get over, but to take a
23 look at some of the directors that -- again,
24 you know, Sarbanes-Oxley I think kind of --

1 and Enrique probably knows more about this
2 than I do. But I think that changed the
3 obligations of directors and changed their
4 authority probably more than anything.

5 COMMISSIONER ZUNIGA: It did a lot
6 more on management, but you're right.
7 There's a lot of controls, you know, a lot
8 of -- relative to audit committees that
9 legislation, you know, puts on in terms of
10 scrutiny of -- at the board level.

11 I would argue, however, that for
12 qualifiers, the form is pretty onerous. The
13 multi-jurisdictional and supplemental form
14 is -- you know, can be, especially with
15 somebody that has, you know, a lifetime of
16 activity in terms of financial information
17 and so on and so forth.

18 But I think we should -- we're all
19 coalescing here around the notion of let's
20 keep studying the topic. As I mentioned
21 already, I think the Pennsylvania approach is
22 a very sensible one. It carves out the
23 directors that have the most relative to
24 audit, audit findings, internal controls, and

1 the chairman of the board or the audit
2 committee members, and I think that's a great
3 compromise when it comes to these companies.

4 CHAIRMAN CROSBY: All right. So is
5 that a clear enough --

6 COMMISSIONER MACDONALD: I would
7 actually be interested in hearing from
8 Mr. Shear, since he's here.

9 CHAIRMAN CROSBY: Okay.

10 COMMISSIONER MACDONALD: That -- if
11 he has a moment, because I was a little bit
12 unclear from having read his e-mail what his
13 bottom line was on this. And Mr. Shear, if
14 you could, just preliminarily describe this
15 Board Assets organization that you are
16 associated with.

17 CHAIRMAN CROSBY: Is the green
18 light on?

19 MR. SHEAR: The green light is on.
20 Yes, sir. Board Assets is my organization.
21 I'm a many year involved in the world of
22 corporate directors. I was CEO and chair
23 here in New England of the
24 National Association of Corporate Directors.

1 I serve around the country training and
2 educating directors and also serve as an
3 expert witness in a variety of court cases
4 relative to corporate governance.

5 And I looked at the -- Do you have
6 a specific question, or did you want me just
7 to, you know, provide my comments that I
8 made?

9 CHAIRMAN CROSBY: Well, I don't
10 want you to repeat your comments. They're
11 part of the public record.

12 MR. SHEAR: I would say one thing.

13 COMMISSIONER MACDONALD: I was
14 wondering where you were coming down on this
15 in terms of -- in practical terms that the --
16 it seems to me -- your conclusion is, "it
17 seems to me that regulators are better served
18 focussing on the performance of directors,
19 not merely their background." And what does
20 that mean in practical terms?

21 MR. SHEER: Well, you know, I tried
22 to point out in my comments that the process
23 of recruiting and electing directors to
24 public company boards is a rather rigorous

1 one, and it's hard for me to believe that the
2 four criteria that we talked about before
3 that -- you've been talking about would not
4 be present in the background checks that were
5 done prior to a recommendation for election
6 to the board. So I don't think those in
7 particular would -- you know, would need to
8 be additionally applied by this authority,
9 and it would seem to me that you could rely
10 on the work that's been done to get a, by the
11 way, independent outside director. I want to
12 be clear that that language independent
13 defines somebody. It has no relationship
14 with the company, except their status as a
15 director. Because some other -- the word
16 outside director might be defined to be
17 somebody for example in the family, but does
18 not serve in a management capacity in the
19 company. So to be clear about that.

20 But that being the case, it seems
21 to me to be a waste of time to spend. I
22 understand the form is a 67 page form and a
23 fairly rigorous process, and you all could
24 depend on these other checks that the public

1 company would make on a director before they
2 would elect them to their board, or her. And
3 to the extent that you had other
4 jurisdictions that were going through the
5 same process, that would just make me feel
6 even better about the need not to do rather
7 extensive work for your process of approving
8 an independent outside director. I would
9 say --

10 And the reason I said about
11 performance, it's conceivable that the actual
12 corporation, the actual director serves in
13 another corporation which engages in activity
14 that you wouldn't find helpful in terms of
15 the role that you had here -- that they would
16 have in Massachusetts and that's what I meant
17 when I said you might look at their
18 performance as a director. I wasn't talking
19 about their, you know, attendance at meetings
20 or something, but being involved in another
21 corporation which was involved in a fraud or
22 outside money coming in or some other issue.

23 COMMISSIONER MACDONALD: I see. So
24 that -- just sort of summarizing that, if I

1 understand it right. You're saying that the
2 practice is amongst public companies now that
3 in order for an independent director to be
4 appointed as a director, is that he or she
5 goes through a very significant vetting
6 process necessarily and that we could attach
7 significance to that fact.

8 MR. SHEAR: That's correct.

9 COMMISSIONER MACDONALD: And then
10 secondly, I hear you saying that if a
11 director had been approved by another
12 jurisdiction for his or her place on a gaming
13 public company's board, then it would be
14 appropriate to attach significance to that.

15 MR. SHEAR: Correct.

16 COMMISSIONER MACDONALD: And then
17 finally, that even if somebody by definition
18 had been appointed, even if somebody by
19 definition had been approved or permitted to
20 be -- approved to be qualified in another --
21 by another gaming jurisdiction, that you
22 would advise that -- in our investigation,
23 that we focus on whether or not that director
24 had served on other public companies and then

1 make an inquiry as to the record in effect
2 the performance of these public companies to
3 see whether or not there were any issues of a
4 lack of oversight by the board of directors
5 at that public company while he or she had
6 served on it.

7 MR. SHEAR: Yeah. I was thinking
8 more in the current -- in their current
9 roles. So in other words, not what they had
10 done in the past, because that would have
11 been caught before they were elected to the
12 board of this particular gaming company, but
13 rather, you know, in the last fiscal year,
14 whatever it was, whether they were -- one of
15 the other companies they served on the board
16 had a particular issue.

17 COMMISSIONER MACDONALD: Okay.

18 MR. SHEAR: And that would be a
19 fairly easy thing to do I think not requiring
20 a lot of effort.

21 COMMISSIONER MACDONALD: That's
22 helpful. Thank you.

23 CHAIRMAN CROSBY: Anybody else?
24 Thank you, Mr. Shear.

1 MR. SHEAR: Thank you.

2 CHAIRMAN CROSBY: Okay. So we have
3 a process in place for persuing. Director
4 Wells, you're back.

5 MS. WELLS: I'm sorry. I'm back,
6 sir. The next item on the agenda is
7 qualifier suitability determination. You've
8 already received the background investigation
9 report for the MGM qualifier Yakima Brookins.
10 So what's on the agenda this morning are the
11 results of the suitability investigation and
12 a vote by the Commission on her suitability.

13 Ms. Brookins has been working for
14 MGM since 2006. As a result of a promotion
15 to executive director internal audit at MGM
16 Resorts regional operations in Maryland in
17 January 2016, she was determined to be an
18 individual qualifier for the Massachusetts
19 Category 1 license Blue Tarp Redevelopment,
20 LLC. She submitted all the required forms
21 and supplemental document requests to the
22 licensing division and the IEB, and
23 investigators conducted the rigorous
24 background check. I've gone over those areas

1 before, including employment history,
2 criminal record, education, et cetera.

3 She was interviewed in person by
4 the state police and financial investigators
5 as part of the investigation protocol and
6 they also conducted a financial
7 responsibility evaluation and that resulted
8 in a conclusion of a positive determination
9 for suitability. Ms. Brookins attended Alma
10 College in Alma, Michigan and Oakland
11 Community College in Royal Oak, Michigan.
12 She then attended Walsh College of
13 Accountancy and Business Administration where
14 she was awarded a bachelor of business
15 administration in finance in 1987 and later a
16 master of business administration in 2001.

17 As I stated, she's currently an
18 executive director internal audit of MGM
19 Resorts at regional operations. Prior to
20 that position, at Beau Rivage Casino, she was
21 the director of internal audit. At The Gold
22 Strike Casino, she was the director of
23 internal audit. She was, prior to that,
24 senior manager and director of internal audit

1 at MGM Grand, Detroit. And then prior to
2 that, she had other jobs not in the gaming
3 industry, including being a business analyst
4 -- pardon me, an officer of fraud
5 investigative services at a bank, a business
6 analyst at a company, and in addition, she
7 also did data processing and office services.

8 Ms. Brookins is registered license
9 or has been found suitable in the three
10 following gaming jurisdictions, by the
11 Michigan Gaming Control Board, the
12 Mississippi Gaming Commission, and the
13 Maryland Lottery and Gaming Commission.
14 Investigators confirmed that she has been
15 found to be in good standing in all of those
16 listed jurisdictions. Overall, no
17 significant issues uncovered related to her
18 application for licensure, and she
19 demonstrated by clear and convincing evidence
20 she was suitable for licensure in
21 Massachusetts, Therefore, the IEB is
22 recommending the Commission to find her
23 suitable as a qualifier for MGM Resorts.

24 CHAIRMAN CROSBY: Thank you very

1 much. Questions, comments?

2 COMMISSIONER CAMERON: Mr. Chair, I
3 agree with the conclusions of IEB and move
4 that we find Ms. Brookins suitable for this
5 position.

6 CHAIRMAN CROSBY: Second?

7 COMMISSIONER STEBBINS: Second.

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

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER CAMERON: Aye.

14 CHAIRMAN CROSBY: Opposed? The
15 ayes have it unanimously. Thank you very
16 much. Next up.

17 MR. CONNELLY: Now for the fun
18 stuff.

19 CHAIRMAN CROSBY: And what do you
20 think about gaming services? No, I'm
21 kidding.

22 MS. WELLS: Do not say a word.

23 MR. CONNELLY: A lot, every day. I
24 have a few items on the agenda for you today.

1 First up --

2 COMMISSIONER MACDONALD: Can he
3 introduce himself on the record?

4 CHAIRMAN CROSBY: Yeah. Can you
5 introduce yourself, Paul.

6 MR. CONNELLY: Oh, I'm sorry. Paul
7 Connelly, director of licensing. The first
8 up is the licensing quarterly report. The
9 reason behind this quarterly report is, as
10 you remember, when we made adjustments to
11 134, some employees and vendors that
12 previously went in front of the Commission
13 are now -- come out of the Bureau, the
14 determination. So we thought it would be
15 important since you were seeing fewer of
16 these in realtime in front of you to put
17 together a quarterly report to discuss
18 activity and open it up for any questions you
19 might have.

20 So what you see in front of you on
21 the two slides is purely an activity count.
22 The first slide regards the number of vendors
23 that have been licensed or registered in the
24 first quarter of this year. Of note, that

1 64, the non-gaming vendors, back in -- again
2 at the end of January, changes to 134 went
3 into effect that required a statement of
4 business relationship from an NGV before we
5 would process them, as well as opened up a de
6 minimus exemption for anyone who is expected
7 to receive under \$10,000 in one year from a
8 casino. That has actually significantly
9 impacted the number of non-gaming vendors
10 that have come through our shop. I fully
11 expect, even though there will probably be
12 increased activity with the two class one
13 licensees in the next quarter, that that
14 number will drop from this quarter because
15 the statement of business relationship has
16 had a tremendous impact in terms of
17 streamlining the number of application we
18 see. In short, it's really -- it's had its
19 intended effect.

20 CHAIRMAN CROSBY: Because the
21 statement of business intent puts in the
22 amount of money?

23 MR. CONNELLY: The statement of
24 business relationship basically indicates

1 that it's reasonable likely or assured that a
2 company will do business with the licensee.
3 The previous model is that anyone who wanted
4 to seek registration, we would process them.
5 And what it ended up with is a relatively low
6 utilization rate, if you look at it in terms
7 of the number of companies that we have
8 registered versus those that are actually
9 doing business, which also meant it was a
10 significant resource issue on our side to
11 process both the applications and do the
12 investigation on each one. So that was the
13 rationale we had to bring it forward and it
14 really has had an impact. We're seeing the
15 intent.

16 I also want to point out, you know,
17 not only that. There's been a lot of process
18 changes with that and I want to thank and
19 commend the licensees for helping us out
20 through that process, through that change.
21 It really -- you know, it started out as a
22 little bit different, and we're really in a
23 good place right now.

24 COMMISSIONER CAMERON: Great.

1 COMMISSIONER ZUNIGA: Paul, in this
2 first slide, do you get a sense as to whether
3 there is any of these that are already
4 pertaining to MGM, or is this mostly PPC?

5 MR. CONNELLY: This is across all
6 three licensees.

7 COMMISSIONER ZUNIGA: Including
8 them. Oh, of course.

9 MR. CONNELLY: As a matter of fact,
10 if you look at the secondaries, three of the
11 five are directly related to MGM. A number
12 of the non-gaming vendors -- I don't know the
13 number offhand, nor do I have it in front of
14 me, but a number of those relate to Wynn.
15 The one primary obviously is -- relates to
16 Plainridge Park. However, just as a note,
17 where we stand right now, we're both in the
18 renewal phase for existing primary vendors.
19 So we're starting to notify those primary
20 vendors, you know, that they have to get
21 their applications in for renewal, because
22 again, it's a three-year cycle, as well as
23 identifying in collaboration with the
24 licensees the primary vendors that they

1 intend to utilize upon opening. So we're
2 gathering that list, working diligently,
3 because we know -- you know, if you think of
4 what can kind of choke the system, it's those
5 primaries because they're big, they're
6 complex, and they take a lot of time, not
7 only to get the information but to do the
8 investigation. So we're working very hard
9 right now to identify them and get them into
10 the pipeline.

11 COMMISSIONER CAMERON: Okay.

12 MR. CONNELLY: The second slide
13 pertains to employees that we've licensed or
14 registered in the first quarter. Again, the
15 vast majority of those would be Plainridge
16 Park, although there are a number that are
17 MGM and Wynn as they're -- MGM in particular
18 is starting to ramp up some of their
19 executive staff as well as some of their
20 support staff. So some of those service
21 employees, really we see it as the keys and
22 the service where MGM is having an impact.

23 CHAIRMAN CROSBY: Where are the
24 service employees going at this stage of the

1 game?

2 MR. CONNELLY: So again, service
3 employees who might be working in MGM's
4 offices in Springfield right now, but they're
5 not, you know, related to gaming nor are
6 they, you know, the higher executives. It's
7 really -- you have that kind of top of the
8 pyramid as well as support staff right now,
9 where they stand in their function.

10 Obviously, that's why you don't really see
11 any gaming employees from them yet, because
12 those are a lot of the folks who tend to be
13 that core gaming function type individual.

14 So next up is --

15 COMMISSIONER ZUNIGA: Before we
16 move on.

17 MR. CONNELLY: Sure.

18 COMMISSIONER ZUNIGA: I think it's
19 great. And as we talked about, we appreciate
20 these reports and look forward to the next
21 ones. Maybe on a future one, I'd be
22 interested in starting to get some metrics as
23 to an average time it takes you to do certain
24 level of, you know, any one of the categories

1 to try -- And I know you've done a lot of
2 work on these, and elements is going to help
3 you tremendously in terms of getting an
4 accurate average of time and there's always
5 exceptions, but to the extent that we could
6 get a sense as to how long some of these
7 licensing and investigations take, turnaround
8 times and so on, I think on an average basis,
9 that could be really helpful.

10 MR. CONNELLY: I think an average
11 by category would be, you know, pretty easily
12 achievable.

13 COMMISSIONER STEBBINS: I would add
14 to that, obviously, because of the changes in
15 the regs, you're also opening up the
16 opportunity to put somebody on administrative
17 closure. It would be interesting to kind of
18 keep tracking your success or what those
19 numbers start to appear like.

20 MR. CONNELLY: Absolutely. And
21 that's the item after the forms. Thank you
22 for setting that up. Just as a point of
23 note, Karen had mentioned earlier, and I
24 didn't have the number in front of me, the

1 number of service employees that --
2 applications that we've actually seen
3 throughout time. The number is 739 as of
4 about last week. So just -- I had that. I
5 couldn't file through my papers quick enough
6 to --

7 CHAIRMAN CROSBY: With one denial.

8 MR. CONNELLY: One denial on the
9 stat -- on the automatic disqualifier.

10 CHAIRMAN CROSBY: One automatic
11 disqualifier.

12 MR. CONNELLY: Correct. So next up
13 is the forms. Last meeting we were in front
14 of you to introduce this. And today we're
15 hoping if it is possible to have a vote to
16 approve the new forms. Again, with the 134
17 reg. change that was implemented in January,
18 the previous iteration was that every element
19 in every application was specifically
20 outlined in the regs. That had been very
21 helpful, but it also had its points that were
22 difficult. It was difficult to change and be
23 flexible and nimble. You could always point
24 to the reg. to say we asked for it because it

1 -- you know it's there, but what we did
2 instead was to change the reg. such that now
3 division of licensing can make changes to the
4 form, present them to the Commission for
5 approval. Obviously, they're not in effect
6 until you approve them. And then some
7 nonmaterial changes. For example, maybe some
8 instructional language or anything that
9 didn't have a significant impact, we could
10 make in consultation with the executive
11 director.

12 To back it up a step again, these
13 forms are really tools to accomplish two
14 things. One is to identify someone. So that
15 we're starting that relationship as a
16 registrant or a licensee with the Commission.
17 So we clearly identify someone, create a file
18 on them so to speak. In the electronic
19 world, we create a master record that's going
20 to track all activity about that person in
21 terms of licensure and registration
22 throughout their life cycle with us. And the
23 second set of information is information to
24 support the background investigation, to

1 support the statutory requirements.

2 So the first thing we did when we
3 wanted to review the forms was we sat down,
4 IEB and licensing, and did the analysis of
5 are we asking the questions we need to ask?
6 Right? Are we getting all the information we
7 need? Is there a more efficient way? And
8 also, are there any question that are really
9 kind of low value questions; meaning, they're
10 answered very seldom, and when they are we're
11 really not deriving much value from them, so
12 let's be efficient.

13 The second pass on the analysis was
14 to try and kind of rationalize these. So
15 each form asks similar questions but often in
16 a different sequence. So we went through and
17 just put them in the same order, but also
18 worked to make sure that the order of the
19 questions made sense as someone was going
20 through.

21 I constantly try -- and my team,
22 you know, Bill Curtis is a master at this.
23 We sit down and try and play the role of an
24 applicant. We really do and say what's it

1 like to fill this out? What's hard, you
2 know, what do you have to do homework on?
3 Constantly trying to think of that piece.
4 Where do you have to go and get a secondary
5 document? What -- You know, because again,
6 all of these questions feed into the
7 electronic world where if we want you to sit
8 down and do an application, we want it as
9 seamless as possible. We don't want you to
10 have to go to the -- you know, go to the
11 filing cabinet at home or the safe to pull up
12 information. We want you to have to do that
13 as seldom as possible, or more importantly,
14 as efficiently as possible. So we went
15 through and did that analysis.

16 And finally, we went through and
17 tried to simplify wherever possible. A place
18 you see that probably most prominently as
19 compared to the previous forms is in the
20 instructions. We cut them by about half.
21 Went through and really made sure that what
22 we're putting in the instructional
23 information is the most important, the most
24 relevant, the most understandable. And also

1 in some of the notes and we had a good
2 discussion with Commissioner Macdonald about
3 this yesterday, making sure that, one, we're
4 noting where folks have to -- where they're
5 getting fingerprinted, you know, but how that
6 plays into a background investigation because
7 we want people to understand what they're
8 getting into when they start this process.
9 And secondly, and very importantly, is that
10 these forms are subject in part to public
11 records request. You know, people need to
12 know that when they're providing us
13 information as we all know. You know,
14 everything we do is open to public scrutiny
15 and public records requests.

16 So we went through and tried to
17 simplify. I'll have to admit, I had grander
18 designs on simplifying than I was able to
19 achieve. And there was a really good reason
20 for that which is why it's always good to go
21 back and do these exercises. Every question,
22 we're looking for very specific information,
23 and it's really hard to ask for specific
24 information with a general question. So we

1 -- I wasn't as successful at kind of, you
2 know, making the questions shorter, but we
3 certainly did -- wherever we could, we did do
4 that.

5 Of note, as kind of a theme
6 throughout the applications, we added
7 wherever possible the ability for someone to
8 indicate that this question doesn't apply to
9 me. That from a process perspective had been
10 a bit of an achilles heel, where if someone
11 didn't answer a question, because they said,
12 obviously, I left it blank because it doesn't
13 apply to me. Unfortunately, in our world,
14 the absence of an answer does not indicate an
15 answer. So we'd have to send it back and say
16 just indicate, you know, NA or whatever. So
17 we're trying to get rid of that by making it
18 pretty clear.

19 Of note, too, on the -- based on
20 discussion and feedback on the service
21 employee application, we've removed the DOR
22 request. So previously, we had asked for
23 that. That, after discussion, is no longer
24 part of the application.

1 COMMISSIONER ZUNIGA: For the SERs?

2 MR. CONNELLY: For the SERs only,
3 correct.

4 CHAIRMAN CROSBY: Yes. Question,
5 sir.

6 MR. CONNELLY: I'm sorry, Chairman.
7 Just one note. Again, these are the paper
8 forms. A subset of these you'll see in LMS,
9 so we'll be back to talk about that. But in
10 substance, you'll see kind of an extract of
11 these same questions, but what we don't ask
12 for electronically and we're putting into
13 that PDF as part of the hybrid version,
14 you'll comport over into the LMS world.

15 CHAIRMAN CROSBY: Great. Comments
16 or questions?

17 COMMISSIONER ZUNIGA: I like these
18 forms very much. I went back and compared
19 them to the initial forms and -- just to get
20 a reminder of how much we've evolved really
21 in terms of much of it prompted by the
22 efforts of the LMS, by the way, which can
23 incorporate attachments and so on and so
24 forth. But it's a great reminder of the

1 efforts that you've done all these few months
2 really, in terms of trying to streamline,
3 simplify and really obtain the information
4 that you most need to CORI and license and
5 investigate and so on and so forth. So I
6 think it's great.

7 MR. CONNELLY: Thank you. And
8 again, this was really the definition of a
9 team effort. The whole licensing team was
10 involved. Bill Curtis was -- you know,
11 really ran point on a lot of this, IEB. You
12 know, we did -- to your point, we really did
13 go back and try and question everything. So
14 it took a long time, but it was well worth
15 the effort.

16 COMMISSIONER ZUNIGA: And now
17 coupled with our regulations that have also
18 been simplified significantly and these are
19 incorporated by reference, I think the job is
20 overall really in a direction that we really
21 wanted and is beneficial to the applicants.

22 COMMISSIONER CAMERON: Yeah. I
23 would concur. And I do appreciate the
24 exercise of having your staff sit down and

1 fill it out as an applicant would and what
2 are the challenges, what are the pieces that
3 aren't that easy to maneuver, so that's
4 really worthwhile and it does take a lot of
5 time. So congrats to your team. These are
6 well done.

7 MR. CONNELLY: Thank you.

8 CHAIRMAN CROSBY: I told you when
9 we talked that I have concerns about the GSE
10 form, but that's subsumed in the other
11 conversation. As long as we're doing things
12 the way we are, then this form is
13 appropriate.

14 COMMISSIONER CAMERON: Correct.

15 CHAIRMAN CROSBY: But Enrique in
16 particular made some comments, I guess I did,
17 too, that I thought you had accepted. I
18 didn't keep a list of them thinking you were.
19 But I see, too, that -- I thought a change
20 had happened. One is the adding
21 Hispanic/Latino to the category, and the
22 other one was you were going to say something
23 about self-answered -- the descriptive
24 information so you don't get into -- came up

1 in the gender issue, and you were going to
2 put something about self-selection or
3 something like that.

4 MR. CONNELLY: Right. The bad news
5 is this is this not the last time you'll see
6 me. We are -- we're revisiting that whole
7 section about race and gender, and we're
8 trying to do it smart. So you'll see it us,
9 I'm sure, shortly coming back with some
10 recommendations on how to change that.

11 CHAIRMAN CROSBY: Okay. So this
12 does not reflect all of the comments that we
13 made?

14 MS. WELLS: I would add, though, I
15 note from the regulations that for small
16 change, like administrative changes like
17 that, the director of licensing can go to the
18 executive director for approval for that kind
19 of thing. If the Commission thinks that's a
20 good idea, we can just do it
21 administratively. You wouldn't necessarily
22 for smaller things have to go before the
23 Commission.

24 CHAIRMAN CROSBY: Well, it's not --

1 that -- the only issue is that there were
2 some things I thought that Enrique and I
3 agreed should happen that haven't happened
4 and -- but assuming they would, I didn't keep
5 a list. So I don't know whether there's
6 anything else that didn't happen here.

7 MR. CONNELLY: So -- and on those,
8 we did -- you know, in talking with different
9 Commissioners, we -- that kind of erupted
10 into a we need to look at the whole race and
11 gender. Just to be honest, we want some
12 very -- I want some very strong guidance in
13 terms of what that should look like. As I've
14 said, we have looked across a number of
15 different state agencies, and if you look
16 across a broad section, you see it different
17 ways and there's not, unfortunately, one
18 standard, which would be great. And when we
19 do it, my only caveat is we just want to make
20 sure we do it thoughtfully and carefully,
21 which I know we would, but -- because I'm
22 always thinking how this impacts LMS. That
23 is a significant kind of data model change,
24 where suddenly now -- that's not one of those

1 things where we're just changing the form at
2 a whim, which is part of our design by
3 intention, but this would be something that's
4 part of the master record on a person,
5 demographic information that would be.

6 So at a certain point, too, we'll
7 have a change where the population up to that
8 point was recorded this way. It'll change.
9 That's no big deal. That happens all the
10 time and should never be a barrier to change.
11 But we just want to make sure that when we do
12 it, it's a -- you know, we're doing it and
13 coding it properly.

14 COMMISSIONER ZUNIGA: And we're
15 doing it once.

16 MR. CONNELLY: And we're doing it
17 once, as it calls for each time, as it makes
18 sense to do it again.

19 COMMISSIONER ZUNIGA: Right.

20 COMMISSIONER CAMERON: So different
21 state agencies record this data differently?

22 MR. CONNELLY: They do. And
23 there's -- and we have in the past, you know,
24 a lot of times, leaned on and relied on some

1 of the law enforcement databases for a couple
2 of reasons. One, because they've been doing
3 it for a very long time. Number two, it
4 meshes very clearly with doing background
5 checks, and if you're running criminal
6 checks, you're seeing things line up one to
7 one. And also it was an area that a number
8 of those kinds of databases had been worked
9 on recently and had been trying to update.
10 But to be honest, it's an area well outside
11 my expertise, so we're trying to figure out
12 the best way to draw up the categories. And
13 also, you know, as you said, even with
14 gender, you know, how do we approach it and
15 that's a quickly evolving topic.

16 CHAIRMAN CROSBY: The most obvious
17 one that Commissioner Zuniga and I talked
18 about is that to say Hispanic, there is no
19 place on here for people of Portuguese decent
20 from Central and South America, who -- they
21 would not consider themselves Hispanic and we
22 suggested that if we call it Latino/Hispanic,
23 which would include Brazilians and so forth.

24 COMMISSIONER ZUNIGA: And to that

1 end, I've seen more confusing forms, you
2 know, at state agencies where that -- you
3 know, much more, where Hispanic is a second
4 question, is not a race.

5 CHAIRMAN CROSBY: And non-Hispanic
6 white.

7 COMMISSIONER ZUNIGA: Non-Hispanic
8 white and that, you know, produces, even for
9 people like me or my family, confusing in a
10 confusing environment.

11 CHAIRMAN CROSBY: Okay. All right.
12 So was there anything else that we talked
13 about that hasn't been done here that's still
14 an open question?

15 WELLS: Hold on. I took notes. I
16 think Enrique and I -- Commissioner Zuniga
17 and I talked about another issue, so I think
18 that's resolved, but that's all I have. The
19 Hispanic/Latino.

20 MR. BEDROSIAN: Karen, is your mic
21 on?

22 MS. WELLS: Oh. Yeah. That
23 Hispanic/Latino, and there was one other
24 issue that Commissioner Zuniga and I talked

1 about, but I think we're all set for now.

2 COMMISSIONER CAMERON: It is
3 something you have to be careful with. I
4 mean, in New Jersey, it's optional now, The
5 race question, because they've had lawsuits.
6 And so I like the fact that you're being
7 thorough in trying to think through the best
8 way to do it.

9 MR. CONNELLY: Right. And off
10 topic, but just as we -- you know, as we
11 think about this area in particular, wherever
12 we go with it. You know, I'd always
13 advocate, too, that we're collecting this
14 information at LMS. It has obviously no
15 impact on a licensing decision, but is used
16 more for kind of reporting. But to that
17 point, it's not -- I would suggest we don't
18 use it for reporting but as a way to verify
19 reporting from the licensees as they report
20 their statistics, we can say it's in
21 alignment for exactly those reasons. People
22 may go through two different applications and
23 answer differently two different times or not
24 answer at one time or another. And so it's a

1 difficult area for reporting sometimes
2 because you can have -- you know, just where
3 it doesn't match up for very, very rational,
4 understandable reasons. So just again, one
5 of those other areas these seem like they're
6 simple questions, and then when you get smart
7 people in the room, you realize they're not.

8 CHAIRMAN CROSBY: When you get
9 nitpickers in the room, you realize they're
10 not.

11 COMMISSIONER STEBBINS: Paul, one
12 quick question. Places on the application,
13 albeit in paper form. You say you need more
14 space, you know, attach a separate piece of
15 paper. How will that work when LMS is up and
16 running?

17 MR. CONNELLY: So in the LMS world,
18 it will work a couple of different ways.
19 We've actually -- in the draft of the kind of
20 PDF in LMS, it has a second page or an extra
21 page already in it that you can upload. But
22 we can also -- as long as you can scan a
23 document, you can upload it and give it an
24 attachment name. So we -- fortunately, we've

1 accounted for that because we know it's going
2 to happen. What we hope, too, is that --
3 we're seeing it less and less to be honest,
4 because we're kind of right sized based on
5 experience with the space. So it'll be an
6 infrequent event, but you can always in LMS
7 update, upload initial documents. And worst
8 case scenario, there's always the ability,
9 too, if someone were unable to achieve it for
10 whatever reason in LMS, they could send it to
11 us and we could add it to their file.

12 COMMISSIONER STEBBINS: Okay.

13 Thank you.

14 CHAIRMAN CROSBY: Okay. Anything
15 else? So what do we need to do here?

16 COMMISSIONER ZUNIGA: A vote.

17 CHAIRMAN CROSBY: Are we a vote
18 here?

19 MR. BEDROSIAN: This is a vote.

20 CHAIRMAN CROSBY: All right.

21 COMMISSIONER STEBBINS: Mr. Chair,
22 I'd move that the Commission approve the
23 updated license and registration form as
24 provided in the packet.

1 COMMISSIONER MACDONALD: Second.

2 CHAIRMAN CROSBY: For -- with
3 somehow subject to a pending review of the
4 demographic section.

5 MR. CONNELLY: Right.

6 CHAIRMAN CROSBY: Okay. Any
7 further discussion? All in favor? Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 COMMISSIONER STEBBINS: Aye.

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER CAMERON: Aye.

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

14 COMMISSIONER ZUNIGA: This applies
15 to all three in the packet, right?

16 CHAIRMAN CROSBY: All four.

17 MR. CONNELLY: There's four:
18 Service employee, gaming employees, key
19 gaming standing, and the non-gaming vendor.

20 COMMISSIONER ZUNIGA: And the
21 non-gaming vendor.

22 CHAIRMAN CROSBY: Great. Thank
23 you.

24 MR. CONNELLY: Next on the agenda,

1 this is the first time you've seen this, so
2 this is a request to change an existing
3 regulation regarding administrative closure
4 that Commissioner Stebbins had mentioned a
5 moment ago. This is a relatively new element
6 of our regs. We added it when we updated
7 134, because previously we hadn't had the
8 ability to close out an application.
9 Essentially, take an application off our
10 books so to speak.

11 I say that. We'll always keep it.
12 We'll always have it so nothing gets lost,
13 but enable to kind of take it off our active
14 roles of what we're -- have to be accounting
15 for. Administrative closure, again, is for
16 someone who is nonresponsive in the process.
17 So if Karen applies and in the licensing
18 process before she has been -- you know,
19 submitted a completed application, if there's
20 something outstanding and we request it and
21 she does no comply, we can administratively
22 close her application. Additionally, if she
23 does have status already as a registrant or
24 has a temporary license, an investigator, as

1 they're going through, says, hey, you know
2 what, there's something else that we'd need
3 or I'd like to see. If she's nonresponsive
4 at that point, we could administratively
5 close her -- close her application. So we
6 currently have that ability based on the
7 existing reg., but what we're asking is that
8 we make a few changes. And the changes are
9 the following.

10 First of all, we have two different
11 time frames existing for vendors and
12 employees. I'll be the first to admit, I
13 think we were a little bit trying to be too
14 clever when we wrote the first draft. We
15 gave 30 days to a vendor, 14 days to an
16 employee, thinking that if someone is part of
17 an employment process, it should be top of
18 mind, two weeks is plenty of time to get it
19 back, whereas sometimes business, they have a
20 lot going on. Maybe the business they're
21 trying to chase is a few months down the line
22 and so they -- you know, we gave them more
23 time.

24 It sounds great, but what we're

1 asking to do now is to basically harmonize
2 those to 21 days each. The second major
3 change is that when you -- an application was
4 administratively closed and currently -- not
5 was, but currently under the existing reg.,
6 that there's a 30-day period, kind of a
7 penalty period, right. So that it was some
8 teeth to the reg. to enforce compliance. If
9 we close you out, you're basically on ice for
10 30 days and you can't reapply. That was
11 based on, you know, our experience from
12 awhile back that, frankly, we don't think is
13 relevant anymore. We think that we can still
14 gain the same kind of compliance and -- by
15 removing that 30 day, to allow -- so once we
16 close you, you can come right back.

17 Additionally, and very importantly,
18 in conversations with the licensees, there
19 was concern that kind of putting someone on
20 hold for 30 days, especially on the
21 employment side, could be disastrous and
22 create too much uncertainty for them. So
23 we're very sensitive to that, and it really
24 made a lot of sense.

1 So what we're asking for now is
2 that, once closed, someone can immediately
3 reapply, right. But in order to do so, they
4 have to submit a complete new application.
5 That sounds more onerous than it really will
6 be, particularly in the LMS world, because
7 what that would mean is someone would have to
8 go back in. They basically can resurrect
9 their old file, add what's new, but then
10 importantly and technologically, submit it as
11 a new instance. And we would know that they
12 had originally been administratively closed.
13 We'd make sure that they provided to us what
14 it was we were looking for in order to
15 completely process them.

16 And so those -- that's really the
17 thrust of the changes that we're looking for,
18 and we think it'll make the tool a much more
19 effective tool without some of the collateral
20 damage that it may have caused with that
21 30-day cooling off period. And importantly,
22 too, this will make it a lot easier to
23 develop the flow in LMS and account for it.

24 COMMISSIONER CAMERON: I think

1 what's important to note here, too, is that
2 you don't only ask once for the information.

3 MR. CONNELLY: Correct.

4 COMMISSIONER CAMERON: You have a
5 particular system in place where an e-mail is
6 generated, and/or a call, just, hey, we're
7 still waiting on this. So the person is not
8 just notified once and 21 days later they're
9 closed out.

10 MR. CONNELLY: Correct.

11 COMMISSIONER CAMERON: They will be
12 notified in a interim way.

13 MR. CONNELLY: Right. That the
14 clock is ticking.

15 CHAIRMAN CROSBY: Does the LMS do
16 that automatically?

17 MR. CONNELLY: So it -- Currently,
18 it doesn't, but that's absolutely -- we're
19 building that in. And we already have kind
20 of the guts for it, so to speak, in terms of
21 once we have your e-mail address, we can
22 notify you about several kinds of events. We
23 have been talking with the licensees about
24 some things that might make sense for them.

1 They want to kind of -- in the same way, it
2 follows really hand and glove with the
3 administrative closure. It's kind of an
4 inactivity flag. If someone hasn't touched
5 their account, you know, if they're of a
6 status prior to registration or licensure and
7 they haven't touched their account in so and
8 so many days that they get an automated
9 e-mail. Same thing, all to make sure that
10 people are moving, you know, advocating for
11 themselves, moving their own app along. So
12 we can -- we certainly can do that and are
13 talking about that now.

14 COMMISSIONER STEBBINS: I think
15 that's essential is having the relationship
16 with our licensees so that they're aware of
17 it. It's just not a communication between us
18 and the employee, but we don't want our
19 licensees to be surprised --

20 MR. CONNELLY: Right.

21 COMMISSIONER STEBBINS: -- when
22 Karen can't show up for work because she's
23 been administratively closed and all of a
24 sudden they're fretting about where she is.

1 MR. CONNELLY: Right. We both --
2 you know, everyone has an interest in moving
3 those employees through, and theirs is
4 obviously different than ours because they're
5 looking to get someone working on the floor
6 and fill a space. And so we -- we're very
7 mindful of that.

8 COMMISSIONER ZUNIGA: So are these
9 here for -- to begin the formal promulgation
10 process? Remind me what --

11 MS. BLUE: This is here for your
12 initial review. If you would like, we can
13 put them out for informal comments, but you
14 need not vote on them today.

15 COMMISSIONER ZUNIGA: Okay.

16 CHAIRMAN CROSBY: Do we need to put
17 them out for informal before we go to the
18 formal process?

19 MS. BLUE: No, you don't have to.
20 We've done that in the past, but if you feel
21 comfortable with it, we can just --

22 CHAIRMAN CROSBY: Yeah. I mean, I
23 don't see why we wouldn't just go ahead and
24 start.

1 MS. WELLS: Although, is it -- does
2 it need a vote for that? It's not listed as
3 vote on the agenda.

4 MS. BLUE: Yeah. You'd need a vote
5 to take them through the formal process. So
6 we've not scheduled to have you vote on them
7 today because you hadn't seen these before,
8 but we can bring them back at the next
9 meeting and then do the vote and take it
10 forward.

11 CHAIRMAN CROSBY: Okay. Fine.

12 MS. WELLS: Great.

13 MR. BEDROSIAN: And obviously, if
14 someone was watching and wanted to comment,
15 we'd take that.

16 CHAIRMAN CROSBY: Okay.

17 COMMISSIONER CAMERON: Thank you.

18 MR. CONNELLY: Thank you.

19 CHAIRMAN CROSBY: Thanks. Item 6,
20 legal division.

21 MS. BLUE: We have Mr. Grossman and
22 Mr. Glennon here to talk to you about the
23 changes to 205 CMR 143.

24 CHAIRMAN CROSBY: Groovy.

1 MR. GROSSMAN: Okay. The draft
2 before you you've seen once before. It was
3 here two weeks ago. We've circulated this
4 for informal public comment. We, in fact,
5 did receive one comment from Scientific Games
6 which we're in the process of reviewing. We
7 will be in communication with them.

8 We are here before you today,
9 though, to seek your approval to begin the
10 formal promulgation process for this set of
11 draft regulations. There are certainly a
12 number of provisions in here that we're
13 interested in receiving comment on, notably
14 the provision that provides that the
15 malfunction voids all-paids. We've had some
16 spirited internal discussion about what the
17 process should be, what the language should
18 be in that regard. So we'll look forward to
19 discussing that in the future.

20 I'd also just quickly draw your
21 attention to the very end of the document
22 where there's some green language. That is
23 new based upon some internal discussions
24 we've had. It pertains to certain reports

1 that are required --

2 CHAIRMAN CROSBY: Where is the
3 green language?

4 MR. GROSSMAN: Yours does not have
5 green language.

6 MS. BLUE: I think it's red.

7 MR. GROSSMAN: Oh, did it make it
8 into red?

9 COMMISSIONER CAMERON: We all have
10 red.

11 CHAIRMAN CROSBY: Everything is in
12 red.

13 COMMISSIONER CAMERON: Just give us
14 the section. We'll --

15 MR. GROSSMAN: It's 139.04. Do you
16 have --

17 MR. BEDROSIAN: Section 16?

18 MR. GROSSMAN: Well, okay. There's
19 an updated one that has 16 and 17 on it. I
20 guess you don't have that.

21 CHAIRMAN CROSBY: We don't have
22 that.

23 COMMISSIONER CAMERON: No.

24 MR. GROSSMAN: Okay. We can do

1 that separately. That's not -- it has to do
2 with reports. So a preview of coming
3 attractions. We'll come back before you with
4 some reporting language. In any event, at
5 this point, then we would just seek your
6 approval to begin the promulgation process.
7 We'll have these filed and file the
8 appropriate notice and set up a public
9 hearing.

10 COMMISSIONER ZUNIGA: If you had
11 already thought of -- oh, well, the formal
12 promulgation process would still allow us to
13 come back with 16 and 17.

14 MS. BLUE: It definitely would.

15 COMMISSIONER ZUNIGA: Right. Or
16 any other changes based on comments.

17 MS. BLUE: There may be other
18 changes as well.

19 COMMISSIONER STEBBINS: Right.
20 Other comments. Yeah.

21 MR. GROSSMAN: Sure. Yes. We'll
22 speak to GLI about these and all of that in
23 between now and the time you re-review these.

24 CHAIRMAN CROSBY: Any questions,

1 comments? Do I have a motion?

2 COMMISSIONER MACDONALD: So moved
3 to begin the formal -- Oh, there it is.
4 There is the --

5 COMMISSIONER CAMERON: 16 and 17?

6 COMMISSIONER MACDONALD: The
7 language.

8 CHAIRMAN CROSBY: All right. So we
9 have a motion to begin the formal approval
10 promulgation process.

11 COMMISSIONER ZUNIGA: 205 CMR 143.

12 COMMISSIONER STEBBINS: Point 01.

13 MR. GROSSMAN: So it's 143.01.
14 It's 138.56 and 139.04. The green language
15 that I was referencing actually just popped
16 up on the screen there. There it is. I can
17 just represent to you, having obviously not
18 seen this before, that it just has to do with
19 a number of reports of certain data that
20 comes out of the slot machines relative to
21 gaming revenue and the like. Of course at
22 this point it would just go out for public
23 comment. I don't think there's tremendous
24 risk in circulating it, including it as part

1 of the draft at this point.

2 MR. BARRAGA: So just to add to
3 Todd's point. These reports are to
4 incorporate the daily and financial
5 information provided by the casino. So when
6 you have four different licensees, there are
7 a number of reports where one casino
8 licensees provided -- provides it in one
9 format and then another casino licensee
10 provides it in a completely different format.

11 So we're trying to standardize
12 those reports so that our financial team
13 doesn't have to translate that information
14 and create data entry error.

15 COMMISSIONER CAMERON: It makes
16 sense.

17 CHAIRMAN CROSBY: Right. So
18 there's a motion on the table that was a
19 mishmash of three or four speakers. Do I
20 have a second?

21 COMMISSIONER STEBBINS: Second.

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Do I have further
24 discussion? All in favor? Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER MACDONALD: Aye.

4 COMMISSIONER CAMERON: Aye.

5 CHAIRMAN CROSBY: Opposed? The
6 ayes have it unanimously. Mr. Vander Linden
7 is now where to be found. We'll take a quick
8 break.

9 (Break taken.)

10 CHAIRMAN CROSBY: Okay. We're
11 ready to reconvene in a sec. Reconvening
12 Public Meeting Number 215 and the next item
13 on the business is Director Vander Linden.

14 MR. VANDER LINDEN: Good afternoon.

15 CHAIRMAN CROSBY: Good afternoon.

16 COMMISSIONER MACDONALD: Good
17 afternoon.

18 COMMISSIONER CAMERON: Good
19 afternoon.

20 MR. VANDER LINDEN: This is our
21 final agenda item for the day, I believe. I
22 wanted to kind of give you a general update
23 on what's happening with the research agenda
24 that covers a couple of things.

1 One is kind of reviewing with you
2 what are the reports and studies that are
3 going to be coming out over the next several
4 months, and then also just a very brief
5 update on where things stand with the special
6 population study that we have out right now,
7 what the status of the applications are.

8 So first, I wanted to just give you
9 an update here of the studies that we have in
10 the field. I'll talk to you about what's
11 happening with SEIGMA and MAGIC, Social and
12 Economic Impacts of Gaming in Massachusetts;
13 and MAGIC, the Massachusetts Gaming Impact
14 Cohort. Both of these studies are being led
15 by the University of Massachusetts Amherst.

16 MAGIC is a study that the
17 Commission launched back in 2015. A cohort
18 is basically our ability to follow a group of
19 people over the course of time. What we get
20 from following a cohort of individuals is it
21 tells us a lot about what is the incidence of
22 problem gambling in Massachusetts. That is
23 different than prevalence incidences. It's
24 going to tell us more about what are the new

1 cases that are coming into the general
2 population in Massachusetts versus
3 prevalence, which is really just a snapshot
4 in any given point in time. That is
5 important for us, very important to inform a
6 public health approach to addressing problem
7 gambling because it will tell us a lot about
8 what is leading up an individual developing a
9 gambling disorder or gambling problem. It'll
10 tell us a lot about what is the difference
11 between somebody who takes a path towards
12 recovery versus stays on the course or
13 continues to have a gambling problem. It'll
14 tell us a lot about recovery and what
15 supports somebody in recovery. This is an
16 unprecedented study and a huge undertaking by
17 ourselves, the Gaming Commission, as well as
18 University of Massachusetts, lead by
19 Drs. Volberg and Williams.

20 I am excited to report that we will
21 have a report on wave two of that study. And
22 wave two will be a comparison basically of
23 what happened from wave one, and so we'll
24 begin to be able to put some details to how

1 is that cohort doing and what are some of the
2 characteristics of the cohort. Wave one, by
3 the way, was pulled in the general population
4 survey, that very large survey of 10,000
5 individuals, adult Massachusetts residents.
6 So wave two is a deeper analysis of those
7 individuals, but it's comparing it to the
8 general population baseline information that
9 we have on them.

10 This report will be first released
11 during the UMass. annual meeting. That
12 annual meeting is on June 9th. That is
13 certainly something that our research team is
14 working on pulling together that agenda right
15 now, but this will be front and center, I'm
16 sure, at that time. In and around that time
17 we'll also be sure to bring that -- bring
18 Rachel and possibly Rob to a Commission
19 meeting so they can give you an update on
20 that and give a full report of it as well.

21 COMMISSIONER MACDONALD: Mark, what
22 is this UMass. annual meeting?

23 MR. VANDER LINDEN: Well, thanks
24 for asking. I actually am pulling together a

1 save the date right now. For as long as
2 we've been working with UMass., four years
3 now, they have hosted an annual meeting, and
4 it's basically a way to do a deeper dive in
5 describing what are the research activities
6 and methods that they're undertaking.

7 COMMISSIONER MACDONALD: I'm sorry,
8 so an annual meeting of our research team?

9 MR. VANDER LINDEN: Correct.

10 COMMISSIONER MACDONALD: At the
11 University of Massachusetts; it's not a
12 larger --

13 MR. VANDER LINDEN: No.

14 COMMISSIONER MACDONALD: --
15 University of Massachusetts undertaking?

16 MR. VANDER LINDEN: Right.

17 CHAIRMAN CROSBY: No. But our
18 search time is more than just UMass. The
19 second PI is from Lester --

20 COMMISSIONER ZUNIGA: Lethbridge
21 University.

22 CHAIRMAN CROSBY: Lethbridge
23 University in Canada, and we have key
24 investigators from University of Las Vegas

1 Nevada, et cetera.

2 MR. VANDER LINDEN: They host an
3 annual meeting for the research team, and
4 coinciding with that is an annual meeting
5 where they invite a whole host of
6 stakeholders to come in and learn more about
7 the research projects. They will be on
8 June 9th. And certainly as a training, we'll
9 make sure that Commissioners are invited.

10 Next moving to the SEIGMA study,
11 the Social and Economic Impacts of Gaming in
12 Massachusetts. For quite some time, for the
13 past couple of years, they've been working on
14 what we call the CHIA report and that's data
15 pulled from the Center for Health Information
16 and Analysis. I like to call this the big
17 data report because the database that this is
18 being pulled from is the Massachusetts
19 All-Payer Claims Database, which is really
20 covers all medical, pharmacy, and dental
21 claims and information in Massachusetts. So
22 pulling from an enormous amount of data and
23 being able to draw out individuals that have
24 been diagnosed as having a gambling problem

1 or gambling disorder and being able to see a
2 lot more about what other types of medical
3 services that they received, what's the cost
4 of those medical services so you can begin
5 putting to some degree a dollar amount on
6 what is the cost of treating individuals with
7 problem gambling in Massachusetts. Again,
8 another, I believe, a cutting edge study that
9 looks at the true costs of problem gambling
10 from a slightly different angle than what has
11 been done before.

12 This also will be presented during
13 the annual meeting on June 9th. This is --
14 the report is largely done. It's been
15 submitted to a peer-reviewed journal. It's
16 going through that process right now of
17 through the peer-review process, and they're
18 making a determination on whether or not it
19 will be selected for publication.

20 I suspect that we will have this
21 report in our hands probably very, very soon.
22 As opposed to going through our own
23 peer-review process, this is going through
24 the peer-review processes at these journals,

1 and so it's a slightly different path than
2 what we're doing right now.

3 Moving on to the second page, the
4 Patron Survey Report. So the Patron Survey
5 Report is actually conducted by the -- it's a
6 school within UMass. It's a school of
7 hospitality and -- I'm sorry, I'm drawing a
8 blank on the name of the exact school, but
9 still it falls within the larger SEIGMA
10 study. And the idea for this is to get
11 clarification on patron origin. Are we
12 recouping dollars from individuals that are
13 coming or are we gaining dollars from
14 individuals that are visiting from Rhode
15 Island or Connecticut or New Hampshire,
16 Vermont who is coming to Massachusetts. Are
17 we repatriating the dollars that before this
18 casino existed were leaving the state. And
19 getting some clearer idea how they're
20 spending their dollars during their visit to
21 the casino and the surrounding area.

22 We also included a number of
23 questions at GameSense, knowledge about
24 GameSense, attitudes about GameSense, and

1 that will be added to the GameSense
2 evaluation being done by the Cambridge Health
3 Alliance.

4 COMMISSIONER MACDONALD: By
5 definition, will this be limited to the
6 patrons at Plainridge?

7 MR. VANDER LINDEN: Correct. So
8 the method for this is they did two patron
9 intercept surveys; one in July of 2015 and a
10 second in February of 2016. They selected at
11 random patrons that were leaving the casino
12 to interview them. They also did a license
13 plate survey within the parking lot.

14 COMMISSIONER STEBBINS: Mark, on
15 this topic and a couple others further down
16 in your report, I just want to be clear.
17 You're talking about a final report is
18 expected on a certain date. Final report
19 meaning no further patron surveys, or there's
20 a patron survey final report for X period but
21 there will still be patron survey efforts
22 going on past that point?

23 MR. VANDER LINDEN: It's the
24 latter. It's this is the final report for

1 this time period. For example, in the Patron
2 Survey Report, we have in the research plan
3 that we will replicate that starting I
4 believe in February of 2018. We'll be back
5 out in the field to do that. We'll also do
6 the same once MGM and Wynn open up.

7 COMMISSIONER STEBBINS: Okay.
8 Great. Thank you.

9 MR. VANDER LINDEN: The Patron
10 Survey Report is expected in June 2017, and
11 again, this will be highlighted and a deeper
12 description of it during the SEIGMA or UMass.
13 annual meeting.

14 The next report is the Updated
15 General Population Baseline Population Survey
16 Report. We've discussed this, I believe,
17 back in December when we described that we
18 are re-weighting that survey which has an
19 impact in a number of different ways, most
20 noticeably in how we describe the prevalence
21 of at-risk and problem gambling in
22 Massachusetts. We believe that the new
23 weighting methods provide a clear and more
24 accurate description of gambling, problem

1 gambling in Massachusetts. It's a small
2 shift overall, but it's a significant effort
3 that required our research team to literally
4 review the entire document, rewrite all of
5 the tables that are in there. The final
6 report for this is expected in July.

7 The next one is a Plainridge Park
8 Casino New Employee Survey Report, and this
9 actually will be presented to you at our next
10 meeting on May 10th. I won't say too much
11 more about it other than it's really kind of
12 a review of new employees hired for the first
13 two years of operation at Plainridge Park
14 Casino, trying to understand where they're
15 coming from, what their motivations for
16 seeking employment specifically at Plainridge
17 Park Casino are, what their employment status
18 was prior to working at Plainridge Park
19 Casino. I think it does a great job of kind
20 of painting a picture of the workforce that
21 we have and what their impacts are on the
22 local economy.

23 COMMISSIONER ZUNIGA: Mark, did we
24 do one of these before or did SEIGMA do one

1 of these before or is this the first time?

2 MR. VANDER LINDEN: It is the first
3 time that I recall.

4 Next is the Shiny Interactive Web
5 Application. And this week, we've discussed
6 several times previously, and it really
7 speaks to we have a lot of research being
8 generated through our research teams, and
9 this is going to be an ongoing issue, I
10 think, to try to figure out how to
11 communicate this data, these findings, to the
12 appropriate stakeholders. So we have
13 research that actually applied at the folks
14 sitting on your shelf.

15 Shiny is one such way in which we
16 hope this data will be used and disseminated
17 in ways that will maximize the benefits of
18 expanded gaming in Massachusetts and mitigate
19 the potential harms. We've done a lot of
20 work on this. I think we've seen several
21 iterations of it. And the fact that the
22 status of it right now is we're continuing to
23 explore new methods and approaches of sharing
24 the data so that Shiny can be a better app, a

1 more useable app for key stakeholders,
2 residents in Massachusetts.

3 The next one is the Plainridge Park
4 Casino 12-Month Operation Report. This is
5 kind of a broad general overview pulling
6 together a lot of different measures, but
7 really overall what it's intended to do is
8 give a picture of operator spending, patron
9 spending, government and fiscal impacts. The
10 report will be released in June and
11 highlighted during the annual meeting. If
12 you don't get the sense already, the annual
13 meeting is going to be jam packed.

14 COMMISSIONER STEBBINS: This is
15 when we're going to Amherst?

16 MR. VANDER LINDEN: And hopefully
17 you're able to attend. Okay. Moving down
18 the line, we have the impact of gambling on
19 public safety in Massachusetts cities and
20 towns, better known as our crime study, being
21 led by Christopher Bruce, not by Dr. Volberg
22 or Dr. Williams.

23 We presented the six-month and
24 one-year report. The 12-month report, I

1 believe, was back in December. Christopher
2 is preparing an 18-month report. And it's
3 not a report as we presented the 12-month
4 report, but really it's an update in him
5 monitoring all the different public safety
6 measures that he presented back in December.
7 The intention of this is more so that we can
8 kind of keep our finger on the pulse of
9 what's happening at the casino in the host
10 and surrounding communities. If there are
11 issues that are arising, that we don't sit on
12 them and wait for a two-year report, but we
13 can rapidly respond to any issues that would
14 be coming up, so.

15 COMMISSIONER MACDONALD: And Mark,
16 do I understand that Foxboro is now on board?

17 MR. VANDER LINDEN: Yes. That is
18 fantastic news. We're excited to bring
19 Foxboro into this part of the study. It was
20 a noticeable gap. It was clear when it was
21 presented, but also just as we apply these
22 methods, and it was notable that Foxboro
23 wasn't there.

24 COMMISSIONER MACDONALD: Right.

1 MR. VANDER LINDEN: We're really
2 pleased to be working with their police
3 department to include them and get a clearer
4 picture of what's happening.

5 COMMISSIONER CAMERON: I suspect
6 you won't have time to include that
7 information until the next report.

8 MR. VANDER LINDEN: I believe so.
9 I reached out to Christopher just to kind of
10 make sure that we're on track for April,
11 which is we really just have a couple of
12 days, but his idea was to be able to roll
13 Foxboro.

14 COMMISSIONER CAMERON: Part of it
15 was he couldn't extract until they had the
16 money to buy that piece, that --

17 MR. VANDER LINDEN: Okay. All
18 right.

19 COMMISSIONER CAMERON: So I suspect
20 by the -- And that was approved.

21 MR. VANDER LINDEN: Yes.

22 COMMISSIONER CAMERON: So I think
23 by the time he does another six-month report,
24 there will be an issue. You touched on this,

1 Mark, which is it's good to do it every six
2 months because it's somewhat realtime
3 information, but actually, he's extracting
4 monthly, and he can -- if there is something,
5 he can deal with it with that police
6 department immediately, which is a real
7 benefit to these smaller agencies which do
8 not have a crime analyst. So that's a
9 benefit for the communities that choose to be
10 involved.

11 MR. VANDER LINDEN: Right.

12 CHAIRMAN CROSBY: Yeah. It's
13 great.

14 MR. VANDER LINDEN: Yeah, that is.
15 So then moving on to the evaluation of key
16 responsible gaming initiatives. There are
17 three studies, three evaluation studies, that
18 are all being carried out by Harvard Medical
19 School, Cambridge Health Alliance Division on
20 Addiction, voluntary self-exclusion, the
21 GameSense program evaluation, and Play My
22 Way.

23 So the voluntary self-exclusion
24 program, this is a longitudinal study of VSE

1 enrollees and provide information both on how
2 to improve the program, but also will give us
3 a clearer picture on what -- of individuals
4 that enroll in the program. Wouldn't it be
5 great to be able to have that information and
6 begin to develop predictors of persons that
7 enroll so that we can begin developing either
8 targeting intervention or prevention tools
9 and messages.

10 This specific study has struggled
11 with getting enrollment. We are slowly but
12 surely enrolling enough people where we can
13 begin to kind of develop a clear enough
14 picture where that -- So my hope is that we
15 will continue the enrollment process through
16 November. At that point, we will have that
17 sort of critical mass that we will be able to
18 draw some conclusions. Once the enrollment
19 ends in November, we will continue to do the
20 follow up, the longitudinal follow up, with
21 those participants so that by June of 2018
22 that we will have a complete report.

23 I am working with the Division on
24 Addiction to develop an interim report. It's

1 kind of more of a status update than anything
2 else that will be delivered to us in June.

3 One additional, I think, really
4 interesting element to the voluntary
5 self-exclusion study is that we're working to
6 link player card data individuals who enroll
7 in the voluntary self-exclusion program. So
8 what does play behavior look like during the
9 course of their play in Plainridge Park
10 Casino all the way up until the point when
11 they enroll in the voluntary self-exclusion
12 program. And obviously, once they enroll in
13 that program, the player card is turned off
14 or terminated. So it would be really
15 interesting to take a look at that data.

16 The next is the GameSense program.
17 We've received a report on wave one, that
18 sort of initial report, and that was back, I
19 believe, in October of last year. So the
20 team was back out with a wave two survey, and
21 this is more dealing with responsible gaming
22 behaviors and attitudes on how patrons
23 actually respond to the messaging and the
24 GameSense messaging tools. It will also

1 include a survey of Plainridge Park Casino
2 employees. So that's a different chapter or
3 a different part of the study. And it will
4 also include an analysis of the questions
5 that were asked during the patron SEIGMA
6 patron intercept survey that I had just told
7 you about.

8 So this is kind of a multiple
9 chapter sort of report that we'll be
10 receiving in late summer of 2017.

11 Finally, and but certainly not
12 least, we have the evaluation of Play My Way.
13 And this is the evaluation that we're all
14 anxiously awaiting that will begin to inform
15 your next steps on how we perceived to Play
16 My Way or play management tools. This report
17 will give us a basic epidemiological
18 information of player use, and it will
19 provide information about the distribution of
20 gambling metrics on player card gamblers who
21 do and do not use the program. And so in
22 other words, what does it look like when
23 you're using the program? What does it look
24 like for players who don't use the program?

1 And it will give us some clearer picture on
2 patrons who enroll in the program.

3 This study has had some challenges
4 in getting the accurate, the right data. In
5 fact, I was right before coming down here
6 e-mailing and working with the Division on
7 Addiction and Scientific Games and Plainridge
8 Park Casino. It has been more challenging
9 than I think any of these parties had
10 anticipated to make sure that we get the
11 correct datasets. I think we're on track at
12 this point. It did end up delaying the
13 report by about a month at this point. I
14 think that once, assuming that we get the
15 right data in the next week or so, that that
16 will put the Division on Addiction on the
17 fast tract to getting that report done. When
18 I checked in with them last, they were
19 expecting it to be July.

20 So that's a quick synopsis of the
21 reports and studies that we have coming up,
22 and it certainly doesn't include all of the
23 research activities that are happening.

24 Another highlight that I'm really

1 looking forward to would be the SEIGMA team
2 is out in the field now on a targeted survey
3 in Plainville and the surrounding
4 communities. So it's following up after the
5 baseline general population survey to see
6 what are the impacts after a year of
7 operation of Plainridge Park Casino. Do you
8 see an increase in the prevalence of problem
9 gambling? What is the level of knowledge or
10 treatment-seeking individuals who have a
11 gambling problem, et cetera? It's basically
12 a replication of a general population survey
13 but in a targeted area around Plainridge Park
14 Casino.

15 COMMISSIONER STEBBINS: Mark, on
16 some of the GameSense evaluation and Play My
17 Way, are you taking into consideration the
18 fact that -- I know you and Elaine have
19 partnered on doing more, going through
20 another ad spend. How does that tie into
21 people's awareness of it? Are you measuring
22 it, I guess, at the right time?

23 MR. VANDER LINDEN: Yeah. You
24 know, I think we can certainly try to track

1 enrollment based on our media campaign, and
2 that would be one of the matrixes that we
3 could look at.

4 The Play My Way ad of this series
5 is one of the most viewed ad that we have.
6 It's being rolled out to social media.
7 You're right, what is the impact of that, and
8 can we draw it back to actual enrollments
9 into the program? I hadn't thought about
10 that, quiet honestly, but we should take a
11 look at that.

12 COMMISSIONER ZUNIGA: That's a
13 great update. I'm just noting here there is
14 quite a bit of activity coming together in
15 June. There's the CHIA, the patron survey,
16 the 12-month operation. Have you thought
17 about how that would be rolled out, presented
18 all at once, at different meetings of the
19 Commission? I know that some of it converges
20 because it's the end of fiscal year and it's
21 also in anticipation of this annual meeting.
22 But what thoughts do you have around that?

23 MR. VANDER LINDEN: Yeah. Thank
24 you for that. In an ideal world, and I think

1 we were successful for a period of time where
2 we kind of planned the rollout. Almost on a
3 monthly basis, we were trying to introduce or
4 roll out a report or study so there was time
5 to digest it and bring before it the
6 Commission.

7 We are -- I think that you pointed
8 out, we do have a bit of a bottleneck here in
9 that a number of reports are going to be
10 coming out in May, June, July. So it will be
11 a very busy summer.

12 I think I would like to -- The
13 other complicating factor to this,
14 Commissioner, is that it puts a heavy burden
15 on our review, our peer-review process. So
16 the RDASC, the Research Design and Analysis
17 Subcommittee of the Gaming Research Advisory
18 Committee. An incredibly talented, dedicated
19 group, mostly of volunteers. So we need to
20 -- this is going to be a challenge for me for
21 our team to make sure that we have the
22 appropriate review process in place and we
23 don't compromise that. But that these -- we
24 roll out these projects as scheduled, at

1 least as closely as we possibly can. I don't
2 want to overrun the Commission with reports
3 and studies coming out over the course of the
4 summer. So we may --

5 CHAIRMAN CROSBY: You remember
6 going to mention the communications strategy,
7 too.

8 MR. VANDER LINDEN: Right. We'll
9 work with the Commission, work with Elaine
10 Driscoll, communication director, to make
11 sure that we're releasing these in a
12 thoughtful strategic way. To that end, in
13 fact, we are working on a communication plan
14 so that as our reports are nearing the end,
15 almost final, that we employ a communication
16 plan to make sure that, you know, the
17 Commission obviously knows, but we have a
18 host of other stakeholders whom are affected
19 by the findings, and we want to make sure
20 they have the information as quickly as they
21 can and as we're releasing these reports.

22 So that communication plan is
23 something that we're working on. My hope is
24 that that will be done in the next week or so

1 and we can use it as we bring forward the new
2 employee survey in a couple of weeks.

3 COMMISSIONER ZUNIGA: Yeah. Let me
4 just mention, you know, you highlighted the
5 RDASC and this group that does quite a bit of
6 work in terms of the peer review. My sense,
7 and it's just an informed observer, is that
8 they're really good in some areas and maybe
9 not as critical in others where, for example,
10 timing might be more of a factor. I'm
11 specifically thinking of the operations
12 report. It's important for us to always
13 have, you know, the peer review, et cetera,
14 but they do invaluable work for us when it
15 comes to the other areas, the social impacts,
16 the survey methodology type of thing. And
17 where, you know, the point is that we're
18 balancing all of those things trying to
19 release as soon as it's available because
20 what good is a 12-month report if it's been
21 18 months. And I'm not suggesting that these
22 are the time frames. But balancing it with
23 the need of the thoughtful review process so
24 that we are...

1 MR. VANDER LINDEN: Yeah. Those
2 are great points. I think certainly let's --
3 I would like to work with you, other
4 Commissioners, and our research teams to make
5 sure that we have the review process, it's
6 not overburdening our review teams and that
7 the data and reports are released in a timely
8 way. Right.

9 COMMISSIONER ZUNIGA: It's very
10 exciting. There's a lot coming.

11 CHAIRMAN CROSBY: It's great stuff.
12 It's really beginning to be -- and as we've
13 talked in other contexts like the Public
14 Health Trust Fund Executive Committee, we're
15 beginning now to have data that kind of can
16 inform our actions. We're getting past the
17 baseline data to the longitudinal data and
18 beginning to see, learn stuff that we can use
19 to inform our responsible gaming strategies,
20 our mitigation, everything, the conversations
21 with the Public Health Trust Fund, with the
22 Legislature, and so forth. It's great. You
23 had a couple other quick things.

24 MR. VANDER LINDEN: I just had one

1 other quick thing, yes. So I just wanted to
2 give you a quick update on the study of
3 gambling behavior among special populations
4 in Massachusetts.

5 So as part of the 2017 Gaming
6 Research Agenda, the Public Health Trust Fund
7 Executive Committee and the Commission
8 approved a study of there are five special
9 populations that were identified: African
10 American or black, military veterans,
11 immigrants, Asians, and Hispanics. These
12 groups were identified because either, one,
13 the general population baseline survey didn't
14 have an adequate enough sample size in order
15 to give us the type of information we needed
16 in order to really develop prevention or
17 intervention services, and at the same time,
18 these are considered high-risk groups.

19 And then there are a couple of
20 groups that didn't quite rise to the surface
21 as being identified at-risk in our General
22 Population Survey, but other types of
23 research that we know of would point to these
24 as high-risk groups. We really want to try

1 to as part of our research agenda -- And it's
2 pretty clearly spelled out in Section 71 --
3 begin to hone in on vulnerable or at-risk
4 groups to gather more information to inform
5 intervention and prevention strategies.

6 So while I can't say a lot because
7 we're technically still in the application
8 phase, we received three applications. Our
9 gaming research advisory committee, the RDASC
10 of that group, were fantastic in reviewing
11 those proposals. There was feedback that
12 they had or further questions and
13 clarifications. So my goal is that we rap
14 that up here very, very soon so we can get
15 these contracts out the door.

16 CHAIRMAN CROSBY: Great.

17 COMMISSIONER CAMERON: Thank you.

18 CHAIRMAN CROSBY: Anyone else?

19 Thank you. All right. Item 8, Commissioner
20 updates, anybody got anything to talk about?

21 COMMISSIONER CAMERON: No.

22 COMMISSIONER STEBBINS: I had just
23 one. I had the opportunity to listen in an
24 innovation group webinar about kind of new

1 developments in gaming. I think I shared
2 that with the executive director, and maybe
3 he can forward it along.

4 The webinar was very interesting,
5 talking about the new development of games
6 and followed it up by doing a little research
7 and seeing some of the demonstrations of some
8 of the games coming out. Virtual reality
9 games, virtual reality games that your
10 friends can bet on how you're doing. You
11 know, it's interesting that we're talking
12 about updating our gaming regs, but the
13 technology in appealing to a younger
14 generation is it's moving fast and furious.
15 But Ed, if you would send that link to that
16 webinar around, that would be great.

17 MR. BEDROSIAN: I can.

18 COMMISSIONER MACDONALD: Who
19 sponsored the webinar?

20 COMMISSIONER STEBBINS: The
21 Innovation Group.

22 COMMISSIONER CAMERON: I
23 participated in a virtual reality game at the
24 last international conference. I was one of

1 the guinea pigs, I guess, and different
2 participants they got to vote on. It was a
3 shooting exercise, so a lot of the class
4 voted for me in this exercise. So it was
5 really interesting though. You do feel like
6 you're in the moment with the gear on and
7 participating.

8 CHAIRMAN CROSBY: Amazing. Anybody
9 else?

10 COMMISSIONER ZUNIGA: Did you kill
11 all the bad guys?

12 COMMISSIONER CAMERON: Excuse me?

13 COMMISSIONER ZUNIGA: Did you kill
14 all the bad guys?

15 COMMISSIONER CAMERON: Well, I
16 wasn't shooting at people, but I was shooting
17 at targets. So I still had a little touch
18 with the start shooting.

19 CHAIRMAN CROSBY: Commissioner
20 Zuniga and I have been working with Mark and
21 with the Mass. Council on Compulsive Gambling
22 now, and I've mentioned this before, for
23 several months, maybe pushing a year, to see
24 whether we can pull together actually a North

1 Atlantic, Northeast Atlantic states because
2 that includes New York, regional voluntary
3 self-exclusion program. And we had one big
4 meeting where we had most of the people from
5 New England, not everybody, but most, and we
6 have another meeting coming up on Monday
7 which will include New York where we're going
8 to try to come up with a standardized form.
9 We've got John Glennon and his staff helping
10 us figure out technologically how will we set
11 this.

12 Nobody's ever done this. There's
13 never been a VSE program that was beyond
14 jurisdictional lines other than corporations
15 have their own lists. So it's not easy for
16 reasons you can imagine, but it's coming.
17 And everybody's puts their shoulder to the
18 wheel and everybody would like to do it. It
19 would be a really big deal if you can.

20 Some of the data from one of the is
21 researchers that I saw about voluntary
22 self-exclusion said that 75 percent of the
23 people who sign up for voluntary
24 self-exclusion go to another jurisdiction to

1 gamble. So the idea of expanding it to
2 related geographically related jurisdictions
3 is a really powerful concept.

4 COMMISSIONER ZUNIGA: It is, and
5 let me just mention one thing. It is
6 something that actually the statute directs
7 us to explore, and you, Mr. Chairman, have
8 taken a real leadership on this aspect. It
9 hasn't been easy just actually finding a
10 meeting time that works for people. We have
11 the obstacles that you alluded to, different
12 requirements, different timeframes for
13 exclusions, different history of
14 jurisdictions and approaches, some residing
15 with the triable operation like the ones in
16 Connecticut, some residing with a Commission
17 like us and Rhode Island and et cetera. But
18 slowly but surely you continued to press the
19 issue, and I think there's hopeful progress
20 in all that.

21 CHAIRMAN CROSBY: Yeah. Great.
22 Thank you.

23 COMMISSIONER STEBBINS: One other
24 point, Mr. Chairman. I know we had a lot of

1 stakeholders today from near and far that
2 came to hear us talk about a number of
3 topics, but point out that appreciate the
4 fact that Senator Eric Lesser who's the
5 chairman of Economic Development and Emerging
6 Technologies Committee wasn't able to join
7 us, but he did send staff along, and I think
8 that's -- we haven't had that in quite a
9 while in terms of legislative staff being
10 present and listening in.

11 CHAIRMAN CROSBY: Yeah. Good
12 point. Samantha Kelly is his legislative aid
13 and was here for most of the day, I think,
14 which is great. I agree. Thank you. It's a
15 good thing to point out.

16 And I will just make mention again
17 for anybody watching that our meeting in two
18 weeks, typically they happen on Thursday.
19 That would be May 11th; however, we're going
20 to have it on Wednesday, May 10th for our
21 next biweekly meeting number 216. Do I have
22 anything else or a motion to adjourn?

23 COMMISSIONER CAMERON: So moved.

24 COMMISSIONER ZUNIGA: Second.

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CHAIRMAN CROSBY: All in favor?

Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER CAMERON: Aye.

CHAIRMAN CROSBY: Opposed? We are
adjourned. Thank you.

(Whereupon the hearing was adjourned at 1:20 p.m.)

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SPEAKERS

GUEST SPEAKERS:

MGM SPRINGFIELD:

Mike Mathis, President

Seth Stratton, VP and General Counsel

HOLYOKE COMMUNITY COLLEGE:

Jeff Hayden, Casino Careers Training Institute

BOARD ASSETS:

Hal Shear

MASSACHUSETTS GAMING COMMISSION:

Ed Bedrosian, Executive Director

Catherine Blue, General Counsel

Karen Wells, Director IEB

Todd Grossman, Deputy General Counsel

Loretta Lillios, Deputy Director of IEB

Paul Connelly, Director of Licensing

Mark Vander Linden, Director Research and

Responsible Gaming

John Glennon, Chief Information Officer

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C E R T I F I C A T E

I, Amie D. Rumbo, an Approved Court Reporter,
do hereby certify that the foregoing is a true and
accurate transcript from the record of the
proceedings.

I, Amie D. Rumbo, further certify I neither am
counsel for, related to, nor employed by any of
the parties to the action in which this hearing
was taken and further that I am not financially
nor otherwise interested in the outcome of this
action.

Proceedings recorded by verbatim Stenographic
means, and transcript was produced from a
computer.

WITNESS MY HAND this 2nd day of May, 2017





Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020