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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #219

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

June 14, 2017 1:00 p.m.

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

P R O C E E D I N G

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3 CHAIRMAN CROSBY: We're calling to
4 order public meeting No. 219 of the
5 Massachusetts Gaming Commission on June 14th
6 at one o'clock, at our offices on Federal
7 Street. First item on the agenda is an
8 administrative update. This is a special
9 meeting out of order because we had several
10 long-term items we had to deal with. And
11 we'll skip minutes and go to Mr. Bedrosian.

12 MR. BEDROSIAN: Good afternoon,
13 Commissioners. Couple items -- administrative
14 items. You may notice that the person next to
15 me is not Ms. Blue. In fact, she is on a day
16 off so Mr. Grossman is substituting for legal
17 counsel today for the meeting.

18 Secondly, for those potentially at
19 home who are -- really want to plan their
20 summers, it appears at this time the
21 commission will have two designated summer
22 meetings. One in July, on the 13th, one in
23 August on the 10th, which are always subject
24 to on a need basis us calling other meetings.

1 Of course, which we would schedule in
2 compliance with public.

3 CHAIRMAN CROSBY: So to repeat that for
4 people who are watching. Our meetings
5 scheduled in July will be one meeting on
6 Thursday, July 13th.

7 MR. BEDROSIAN: Yep.

8 CHAIRMAN CROSBY: And our meeting
9 scheduled for August will be one meeting,
10 Thursday, August 10th.

11 MR. BEDROSIAN: Exactly.

12 CHAIRMAN CROSBY: And our regular
13 biweekly meeting schedule is off for the
14 months of July and August?

15 MR. BEDROSIAN: Correct.

16 CHAIRMAN CROSBY: Okay.

17 MR. BEDROSIAN: Absent any exogen
18 (phonetically) circumstances.

19 CHAIRMAN CROSBY: Right.

20 MR. BEDROSIAN: So that is all for the
21 regulatory -- I'm sorry, for the
22 administrative general update under 2A. So I
23 don't know if you want -- you want us to move
24 right into 2B.

1 CHAIRMAN CROSBY: Yep.

2 MR. BEDROSIAN: So as you may remember,
3 the last we left off was I had contemplated
4 coming back to the Commission with a potential
5 range of legislative options. Mr. Grossman
6 and both the IEB staff have -- Ms. Wells and
7 Ms. Lillios, have worked on this range of
8 options, which we got to the Commission,
9 admittedly, late yesterday and put in the
10 packet today.

11 So we have a range of options. I
12 don't know, Mr. Chairman, if you want us to go
13 through; are there any prefatory comments to
14 sort of put this whole situation in context?

15 CHAIRMAN CROSBY: Well, maybe I'll
16 just -- I've got a little bit of new
17 information that actually it does relate to
18 this. So maybe, let me just give a quick
19 update on a couple of matters.

20 I talked last week, and we talked
21 about this, about having spoken with
22 representatives of the House of
23 Representatives, the Speaker of the House, the
24 general counsel to the House, and the chair of

1 the -- our committee. And they had said that
2 they -- they realized, in relooking at these
3 sections, that there is some confusion. They
4 said that they did not intend to preclude
5 gaming service employees, automatically
6 disqualify them by criminal offenses, and that
7 they would move as fast as they possibly could
8 to amend the statute, which everybody in the
9 room agrees is by far the best approach, if we
10 could do that.

11 Subsequently, I talked to the Senate
12 president, President Rosenberg. And he
13 specifically gave me authorization to say,
14 publicly, three things. One is, he agrees
15 that looking at the statute it's confusing.
16 That the -- something went wrong in the
17 drafting. Two, he does not mean to preclude
18 gaming service employees for automatic
19 disqualification under the various criminal
20 offenses. And number three, that he was
21 highly reluctant to modify 23K, as he has been
22 all along.

23 The one new data point that just
24 arrived today from his staff is a newspaper

1 article from The Valley Advocate in Western
2 Mass that talks about -- where the Senate
3 president talks about maybe being able to
4 address this issue through a CORI reform
5 statute, rather than through 23K.

6 I don't know anymore about it than
7 what I just read there. But that, I think,
8 opens a hopeful window that maybe there's
9 another way to get at this with -- that could
10 possibly -- legislatively, that could possibly
11 be done with -- they said they're going to try
12 to get a CORI reform bill through this
13 legislative session, which isn't perfect for
14 us, but maybe it's a step in the right
15 direction. So I give you that. We'll --

16 Also, by the way, when we put vote
17 down on the agenda for today, I wanted to make
18 sure we were -- had the option of voting, if
19 we decided to vote on something, because I
20 neglected to do it last week. But I have had
21 a practice of not having any controversial
22 items be voted when we don't have a full
23 stable of commissioners, because I don't think
24 it's fair to preclude a commissioner from

1 something that's really controversial. So if
2 this is controversial, we probably won't vote.
3 If we have a consensus on something, then we
4 might. But that's for background.

5 So that makes -- at least it makes
6 the option of a legislative fix sound slightly
7 more plausible at the moment than I thought it
8 did yesterday. And this language may not be
9 quite on target, but I certainly think we
10 ought to go forward with our idea of
11 presenting them our best guess for an option.

12 MR. BEDROSIAN: Sure. And in
13 fairness --

14 CHAIRMAN CROSBY: And I -- excuse me.
15 And I do think it would make sense for
16 everybody who's watching to have a quick
17 run-through of these options, particularly,
18 since it hasn't been posted up until just now.

19 MR. BEDROSIAN: Sure. And in fairness
20 to Mr. Grossman, he had an Option E on here,
21 which was quite frankly a -- an option for a
22 CORI fix and I told him, oh, take that off,
23 that makes no sense whatsoever. So --

24 CHAIRMAN CROSBY: Great.

1 MR. BEDROSIAN: So he will hang that
2 over my head for awhile, I guess. But having
3 said that, yeah, you are correct, Mr. Chair,
4 Options A through D are amendments to the
5 gaming statute.

6 CHAIRMAN CROSBY: Right.

7 MR. BEDROSIAN: And if you'd like, I'd
8 have Mr. Grossman run through the options
9 briefly, and we would -- we might tell you a
10 few reasons with IB where staff falls in those
11 options. But if I could have Mr. Grossman run
12 through them quickly.

13 CHAIRMAN CROSBY: Okay.

14 MR. BEDROSIAN: Thank you.

15 MR. GROSSMAN: Good afternoon.

16 CHAIRMAN CROSBY: Good afternoon.

17 COMMISSIONER CAMERON: Good afternoon.

18 COMMISSIONER ZUNIGA: Good afternoon.

19 COMMISSIONER STEBBINS: Good afternoon.

20 MR. GROSSMAN: So we have four options
21 here. They all do a variety of different
22 things. All attempting to fix what we've
23 identified as the main issue here, which is
24 the preclusion of certain employees from

1 employment in the timely fashion, at least.

2 So with Option A, what we have
3 proposed doing, in essence, is allowing the
4 Commission the ability to carve out certain
5 categories or job positions that would fall
6 under the gaming service employee
7 classification, and say that those folks do
8 not need to be registered at all, which would
9 effectively mean that they would not be
10 subject to the suitability standards in
11 Section 16, which is the automatic
12 disqualifier language, or Section 12. So that
13 is essentially Option A, where you could carve
14 out a class of employees and say that they do
15 not have to be registered.

16 Option B would require, still, all
17 of the employees to be registered, all gaming
18 service employees to be registered, but would
19 allow the Commission to adopt suitability
20 standards like they presently exist in Section
21 12 and 16, but the Commission could create its
22 own. So Option B removes the word
23 registration, essentially, from all of the
24 provisions of Chapter 23K that make the

1 existing suitability standards applicable to
2 gaming service employees.

3 So the so-called automatic
4 disqualifier provisions would no longer be
5 applicable to gaming service employees, and
6 the Commission could essentially start from
7 scratch and determine which categories of
8 gaming service employees it wanted to apply
9 which suitability standards to. So this
10 option would give you a great level of
11 discretion as to how to require the
12 registration of gaming service employees.

13 COMMISSIONER ZUNIGA: Todd, before you
14 move on, and conceivably, one of those options
15 could be the ability to carve out any number
16 of job descriptions, correct? So, in other
17 words, B incorporates A, at least conceivably,
18 doesn't it?

19 MR. GROSSMAN: It does. And, in fact,
20 you could still create different categories
21 for different positions. And you could even
22 say, under Option B, that certain classes of
23 gaming service employees are still subject to
24 Sections 12 and eight -- and 16, if you

1 wanted, and others are not. That's what the
2 flexibility provided under Option B would give
3 you.

4 Option C is a bit of an offshoot of
5 Option B. Under Option C, it's a little more
6 precise and surgical, if you will. It goes
7 into Section 16B and it removes the words "or
8 registration," which effectively would remove
9 the automatic disqualifier language from
10 application to gaming service employees. It
11 also would potentially resolve the whole
12 "shall may" issue in Section 30F. But it
13 leaves open, essentially, what the suitability
14 standards actually would be for gaming service
15 employees, and theoretically leaves that to
16 the Commission to determine how to determine
17 the suitability of gaming service employees.
18 So it's similar to B, but it's a little more
19 open-ended.

20 COMMISSIONER ZUNIGA: That option,
21 though, resolves the confusion that gets us
22 here to begin with, by eliminating that "or
23 registrant," correct?

24 MR. GROSSMAN: I believe so. I believe

1 so. And it resolves the "shall may." I think
2 three of the four of these changed the "may"
3 to "shall" in Section 30F. So that would
4 resolve the issue that's really given us the
5 biggest amount of trouble.

6 Option D is somewhat of a different
7 approach. Under Option D, all gaming service
8 employees would still have to be registered.
9 There would still be automatic disqualifiers.
10 But what this attacks is the so-called
11 lookback period, where folks have to wait 10
12 years to be able to demonstrate rehabilitation
13 before we could consider issuing a
14 registration to them.

15 And under this particular approach,
16 the Commission could resolve to either remove
17 a lookback altogether. And you could say that
18 immediately we could consider someone's
19 rehabilitation with no time lapse. You could
20 lessen the 10-year to seven years, to five
21 years, to two years, whatever it is. In each
22 instance, making it, presumably, a little bit
23 easier for one to come in and demonstrate
24 their rehabilitation without having to wait

1 the full 10-year period. This option,
2 perhaps, clearly creates the greatest
3 administrative issues in that, presumably,
4 there'd be more people that need to be
5 reviewed by our staff to determine whether
6 they have met rehabilitation standards.

7 So that's a broad overview of
8 Options A through D, without getting into the
9 nitty-gritty. There's also a chart which
10 attempts to layout some of these issues.

11 MR. BEDROSIAN: So why don't I go
12 through what staff's recommendation is. And
13 I'll say at a macro level, and I'll ask
14 Ms. Lillios and Ms. Wells to add some of the
15 operational micro concerns. And then, if the
16 Commission has questions on any particular
17 options we could field those.

18 I think staff has a consensus around
19 Option A, and for a number of reasons. First,
20 in a big part, potentially strategically, it
21 feels like it is the -- I don't want to say
22 least assault on 23K, but it keeps in place a
23 scheme of which seemed, at least to staff, to
24 be very deliberate at the time, in terms of

1 what the scheme was for vetting registration
2 employees back in '11 and '12, when the law
3 was passed.

4 Having said that, I think we all
5 recognize that considerations have changed.
6 Thoughts about CORI and criminal offender
7 information have changed. And this also feels
8 like an incremental process. That giving the
9 Commission discretion to eliminate some
10 categories of gaming service employees from
11 any registration requirement whatsoever is a
12 good first step. In that, we have haven't
13 opened a major facility. We haven't had
14 experience with any of the data in this. And
15 the ability to incrementally start this
16 process and keep some of the scheme that
17 happened in the past seems to be a fair one as
18 a starting point.

19 You know, be up to the Commission to
20 determine what categories of people would now
21 either be subject to the process as it exists,
22 or not subject to the process as it exists.
23 And then, obviously, subject to employer
24 screening.

1 That leaves in place what the IEB
2 has been prepared for, what they are preparing
3 for, and actually, potentially, obviously,
4 depending upon, if the Commission had the
5 discretion, would lessen the load of
6 registration backgrounds.

7 So I think some of the other ones --
8 and Ms. Lillios and Ms. Wells can talk to
9 this, while I am a big believer in Commission
10 discretion, I get a little concerned that we
11 don't quite know what we don't know yet, not
12 having been through one of these processes.
13 And we're also building registration systems
14 that really need to be based on stability and
15 predictability. And if something were
16 changing a lot, or there were many different
17 levels, it would make it -- I don't want to
18 say exponentially much harder, but potentially
19 much harder in a system that we really need to
20 get right the first time.

21 So as I said staff is -- has a
22 consensus on Option A. We recognize there's
23 no perfect option, and we're not in a perfect
24 situation. So I'll ask Ms. Wells, Ms. Lillios

1 if they have any other grandeur comments.

2 MS. WELLS: So I thought it would be
3 helpful for the Commission, sort of, aside
4 from looking at this from a policy
5 perspective, to see from the IEB's
6 perspective, operationally. Because I look at
7 this not only from a policy perspective but,
8 also, we have a mission to accomplish. We
9 have got thousands of these to get through the
10 process and what makes sense. And sort of the
11 look out if there are any potential,
12 unintended consequences by changes and how
13 this affects the operation.

14 So I did sort of a pros and cons for
15 each one of these categories so the Commission
16 can see, operationally, there's some benefits
17 and there's some detriments on each side so
18 you can weigh what -- and you can ask me any
19 questions, you know, as far as how that might
20 impact how we do things, or what we're looking
21 at.

22 And some of the, sort of, the bigger
23 picture things I was looking at. You know,
24 resources, resources that we're going to need,

1 certainty, how it affects LMS, managing the
2 volume, portability of licensure, and also the
3 impact of the jobs compendium. And then, just
4 something to just put in the back of your
5 mind, you know, the difference between
6 suitability standards and automatic
7 disqualifiers, because they are two separate
8 things. So just ask you to bear that in mind
9 as we're looking at that.

10 So looking at Option A, that's
11 something that, by legislation, they do do in
12 Maryland. They have the power to exempt
13 certain -- certain -- certain jobs don't have
14 to be registered. So the way I think of that
15 is, there are certain jobs. The guy that
16 works in the bowling alley at MGM -- there are
17 certain jobs, and Paul Connelly can explain,
18 you know, how we do this through the jobs
19 compendium submission by each licensee. But
20 certain jobs are exempted from the
21 registration requirement.

22 So, sort of, the pros for that, from
23 the Commission's perspective, from listening
24 to you and hearing your concerns, it does

1 eliminate the mandatory disqualification for
2 certain job positions. There's certainty for
3 the IEB in what we need to do, and it also
4 reduces the need for resources as we're
5 looking to open these big casinos, something
6 we've never done before, and we're trying to
7 plan for that.

8 Sort of, on the con side, you know,
9 looking against that, certain employees will
10 not go through a background check. So you'd
11 have Karen Wells wants to work at the bowling
12 alley, the Commission, they won't own it.
13 It's on the licensee to make the determination
14 on their suitability for that job.

15 One -- and the other -- the other
16 pro that I forgot to mention, it won't have an
17 impact on LMS, because a lot of what we're
18 looking at here is also -- I'm considering the
19 technology we're using, and if any changes
20 occur in how we're doing this moving target,
21 how that impacts the technology and the
22 financial investment and the resource
23 investment into the technology, so I'm looking
24 at that as well. So Option A doesn't impact

1 that.

2 You know, the con of certain
3 employees not being backgrounded, one of the
4 potential mitigations to that risk, or that
5 potential issue for the Commission, you could
6 put the burden on the casino, whether -- you
7 know, whether specific regulations, what they
8 need to do with the background. Anything with
9 the background, the Commission has the
10 authority through regulation to do something.

11 I'll refer back to when we had the
12 license -- pardon me, the Region C licensing
13 division and there's the issue that came up,
14 one of the -- the applicant on the issue in
15 Illinois. And I'd have to do a little more
16 research to give you some more specifics, but
17 there was a -- the vendor investigations are
18 not done by our counterpart of the Commission.
19 The vendor investigation is done by the
20 licensee. So it's up to them to background
21 it. And if there's a problem, the Commission
22 has authority to fine or take action against
23 the licensee.

24 So, theoretically, that might be a

1 method you could use, if you were concerned
2 about certain employees not going through the
3 IEB background process. So I think, because
4 there's a way to mitigate that risk and
5 because the pros are very definitive, from an
6 operational standpoint only, Option A works.
7 I'm not -- that's not going to keep me up at
8 night, that, you know, oh, my God, we're not
9 going to be able to do this, this is going to
10 be a problem. We're going to have some kind
11 of, basically, shutdown because we can't get
12 through it all. This does not impact whether
13 or not we can open those casinos, open them on
14 time. So that is helpful for your
15 consideration. Any questions on A?

16 COMMISSIONER ZUNIGA: Yeah. What -- so
17 the crux of it is exempting certain job
18 classifications to be determined later.

19 MS. WELLS: Correct.

20 COMMISSIONER ZUNIGA: And analyzed by a
21 lot of what we do already, in terms of the
22 principles towards, you know, who gets
23 qualified or not with vendors and such.

24 MS. WELLS: Correct.

1 COMMISSIONER ZUNIGA: But leaves intact
2 everybody else who's not exempted, presumably,
3 to the same 10-year disqualification,
4 automatic disqualification?

5 MS. WELLS: Correct. Now, what you
6 theoretically could do, and this is, you know,
7 your call on what the recommendation would be,
8 because I think you mentioned this at the last
9 meeting, Commissioner, is that, theoretically,
10 you could have a combination. You could have
11 A and ask for the language in Option A, and
12 also have the language in Option D.

13 Where, you know, for example, in
14 Maryland they used to have a mandatory ban on
15 lifetime for felony convictions and all --
16 they've reduced it by statute to seven years.
17 Theoretically, you could have this exemption
18 and then also reduce the number. And I can
19 get into Option D, you know, going down the
20 list. But that's a potential option for the
21 Commission.

22 A and D could work together. You
23 know, you can't do really A and B or A and C.
24 Those don't really work together. But those

1 are operationally definitive changes in the
2 legislation that don't really impact the
3 operations, and don't -- don't create this
4 level of uncertainty and potential disaster.

5 COMMISSIONER ZUNIGA: I was actually --

6 MR. BEDROSIAN: I would just clarify
7 one thing. That a -- if you're due to try and
8 back down the years in 16B, the automatic
9 disqualifier, you'd have to make a definitive
10 decision, did you also want that to apply to
11 gaming employees because they're in the same
12 category. So you could break it out. You'd
13 have to be a little more clear on the statute,
14 obviously, but that would be another decision
15 point.

16 COMMISSIONER ZUNIGA: Yeah. I thought
17 -- I'm sorry, can I continue?

18 COMMISSIONER CAMERON: Please do.

19 COMMISSIONER ZUNIGA: I thought, by the
20 way, that you -- that staff was going to
21 recommend Option B, because it accomplishes
22 more of what we discussed that I thought I
23 understood to that we discussed, that,
24 apparently, we seemed to get to on A and D,

1 because it gives the discretion. But maybe
2 you're going to get to that --

3 MS. WELLS: Yeah, I'll get to that.

4 COMMISSIONER ZUNIGA: -- when you were
5 thinking about B.

6 MS. WELLS: Because operation -- you
7 know, I'm not talking really policy. You
8 know, this is more, I've got to get this job
9 done. We've got to be successful.

10 COMMISSIONER ZUNIGA: Understood.

11 MS. WELLS: So for Option B --

12 COMMISSIONER CAMERON: Can I just make
13 one comment on Option A?

14 MS. WELLS: Yeah.

15 COMMISSIONER CAMERON: One of the
16 things I liked about Option A was, as we get
17 better at assessing risk. Okay. So big
18 casinos, many, many employment opportunities,
19 you know, we could start with certain
20 categories that we think we know already that
21 we could exempt, right?

22 MS. WELLS: Yeah.

23 COMMISSIONER CAMERON: And then, as we
24 continued we -- as we do. I really have liked

1 what I've seen so far, is you are continuing
2 to assess risk and change. Our regulations
3 have been living, breathing documents.

4 MS. WELLS: Right.

5 COMMISSIONER CAMERON: I would think
6 this would allow us to add others to that
7 category as we move on. We say, well, really.
8 You know, we didn't -- yeah, they may have
9 access to the gaming floor, but we just don't
10 see the risk. And our -- our body of work
11 tells us that. We now have a body of work.
12 So I really liked that option. We start with
13 these categories we're pretty certain about
14 now. But then we have the ability to move on
15 and include more people in the
16 don't-have-to-take-a-look-at-these-folks
17 category.

18 COMMISSIONER ZUNIGA: I agree. I think
19 that's an important, sort of, principle. I
20 also thought that would apply to Option B.
21 That we could -- you know, that that was
22 enough -- that there's enough flexibility
23 built in the language that, as we go along and
24 learn more about, you know, risk areas and

1 workload and so on --

2 CHAIRMAN CROSBY: It's true of Option C
3 too. I'm sorry. It's true of Option C too.
4 For all three of them, at different ways they
5 permit us to --

6 COMMISSIONER ZUNIGA: The discretion.

7 CHAIRMAN CROSBY: Discretion to pick
8 categories of people in or out.

9 MS. WELLS: I think that the -- you
10 know, the way I think of Option A, you know,
11 if you're sitting in the Commissioner's chair,
12 what you're basically making decision on is
13 for this -- this job, should there be some
14 kind of enhanced scrutiny because you're
15 working at the casino, or should this be like
16 any other job anywhere else in the
17 Commonwealth?

18 Because if the answer is, there's an
19 agreement among the commissioners for the --
20 what am I trying to say? The guy that takes
21 the tickets at the movie theater, if you want
22 some kind of enhanced scrutiny for that job
23 that's different from any other movie theater,
24 because they work for MGM -- and there may be

1 reasons you want to do that, you keep them in.

2 But if there's no reason that they
3 should be treated any differently than someone
4 that works at the movie theater across the
5 street, you know, or anywhere else in the
6 Commonwealth, and as a policy matter the
7 Commission says, look, that's just like any
8 other movie theater job. There should be no
9 enhanced requirement, the no-accelerated
10 standard, then you -- then the Commission, on
11 a case-by-case basis can make that
12 determination.

13 But that, operationally, that does
14 not have an impact on our systems on our
15 resource -- you know, it would only,
16 potentially, reduce our resources, our
17 resource need, so it doesn't -- it doesn't
18 create a situation where there's so much
19 uncertainty and we don't know what's going on,
20 and we can't plan, and we don't have the right
21 staff. And all of a sudden, it's two months
22 before opening and, you know, there's, you
23 know, X number of things we're supposed to be
24 doing and all of a sudden, you know, the staff

1 is under water.

2 So it is a much -- operationally, it
3 is a much, much cleaner approach, and still
4 gives the Commission the discretion to make
5 the appropriate decision. You're, sort of, in
6 or you're out. And I recognize for the ones
7 that are in, you may want to have, you know, a
8 secondary determination about automatic
9 disqualification. But that potentially could
10 work in tandem.

11 COMMISSIONER ZUNIGA: Understood.

12 MS. WELLS: Does that make sense?

13 COMMISSIONER CAMERON: Yes.

14 CHAIRMAN CROSBY: What is the -- on the
15 two extreme ends are we stay doing what we're
16 doing. And right now, you are preparing to
17 staff to continue to do what we're doing.

18 MS. WELLS: Right.

19 CHAIRMAN CROSBY: Which is to do
20 background checks of all employees, including
21 all gaming service employees. The farther
22 extreme is if we were to do no background
23 checks --

24 MS. WELLS: Right.

1 CHAIRMAN CROSBY: -- of any gaming
2 service employees. What does that mean to
3 you -- to your staffing? A, what does that
4 mean to you, what's the significance of that,
5 and B when do you need --

6 MS. WELLS: If we -- for example --

7 COMMISSIONER ZUNIGA: And B, when do
8 you need to know?

9 MS. WELLS: In the -- for example, in
10 New Jersey, by statute they changed it so that
11 registrant -- you know, what we call
12 registrants no longer -- they no longer have
13 to be part of the process. That would reduce
14 the number of staff I would really need to do
15 that.

16 I mean, I'm planning for it now,
17 because we have the advantage of using state
18 police for this. And we're using the state
19 police at the -- you know, at the facility to
20 do a lot of these background checks. That
21 would factor into the staffing analysis on,
22 you know, how many do we need.

23 And, also, if we're in a situation
24 where, you know, we can't keep up -- you know,

1 we're guessing right now. We're doing a --
2 sort of an educated guess. And I think we're
3 in pretty good shape, based on stats. But we
4 wouldn't need to add more. We would
5 potentially need fewer employees.

6 CHAIRMAN CROSBY: Right.

7 MS. WELLS: So it would be less
8 expensive.

9 CHAIRMAN CROSBY: Right. I know that.
10 But you don't know --

11 MS. WELLS: It depends what you end up
12 deciding.

13 CHAIRMAN CROSBY: Well, I said, if the
14 extreme is between we're doing everything now,
15 or we took -- we eliminated registrants, is it
16 material?

17 MS. WELLS: Potentially.

18 MR. BEDROSIAN: Wasn't -- I'm sorry.
19 Just to hop in. Wasn't -- I think the bigger
20 issue is, the more discretion, specifically on
21 rehabilitation issues, that could
22 significantly add to staff. And that's a very
23 hard one to determine.

24 CHAIRMAN CROSBY: But I'm -- I have a

1 specific --

2 MS. WELLS: I understand your question.
3 I think it -- because the model we're planning
4 is that we have the state police that are on
5 site not only doing operations, but also doing
6 background checks because the staff, you know,
7 police staffing -- policing activity, can go
8 in waves. It can be very busy at one time and
9 not so busy. So we use the not so busy times
10 to do backgrounds.

11 So what the plan is, to do sort of
12 an analysis, whether it's -- we'll do it,
13 probably, three months, six months, nine
14 months. We have the ability to change the
15 staffing levels of police we need at the site,
16 based on what's going on there.

17 Now, if MGM is extremely busy
18 because there's a lot of activity going on, a
19 lot of concern, a lot of calls for service
20 that the GEU is responding to, we may not be
21 able to back down because they're busy doing
22 other things. But it's -- it's part of the
23 equation. So I can't answer it until I know
24 what kind of policing activity. But,

1 potentially, you may not need as many
2 troopers.

3 CHAIRMAN CROSBY: But you're having --
4 you've built a budget for 2018 --

5 MS. WELLS: I know. A lot of it is --
6 you're doing the best you can to anticipate.

7 CHAIRMAN CROSBY: Right.

8 MS. WELLS: Right.

9 CHAIRMAN CROSBY: But if the rules were
10 now changed, forget GSEs --

11 MS. WELLS: Right.

12 CHAIRMAN CROSBY: -- what does that do
13 to the budget?

14 COMMISSIONER ZUNIGA: Well, maybe we
15 should clarify that there's -- there's an
16 assumption in the budget that we're going to
17 come back on -- towards the end of this
18 calendar year?

19 MS. WELLS: Yeah.

20 COMMISSIONER ZUNIGA: As we better know
21 what the time frame and not, incidentally, a
22 discussion like this might do to that -- to
23 that workload. So there's not necessarily a
24 number --

1 CHAIRMAN CROSBY: So we don't know --

2 COMMISSIONER ZUNIGA: -- that we can
3 pin down. I don't know if she doesn't know
4 but -- if they don't know. But there's not a
5 built-in assumption relative to the big wave
6 that comes in, perhaps, the end of this fiscal
7 year, or, perhaps, soon at the beginning of
8 the next fiscal year.

9 MS. WELLS: Right. Because we're
10 talking about two different time chunks. So
11 we have the time chunk where, between May,
12 June of 2018 and September of 2018, with the
13 proposed opening date. So that's, sort of,
14 that wave of 1200 of these SERs. If you don't
15 have to do them, then, you know, maybe we
16 don't need those troopers at that point to do
17 those investigations. They would just be
18 doing training.

19 Because part of the -- you know, the
20 plan for that period of time -- because they
21 also have to -- they have go through all sorts
22 of casino training and all that. Maybe we --
23 I mean, we'd have to talk to state police who
24 would cover their salaries and all that. But

1 we may not need them to a later date. But the
2 problem is, they come off the class and they
3 come off break-in at the beginning of -- the
4 plan is the beginning of May of 2018. So we
5 kind of own them for that period of time.

6 CHAIRMAN CROSBY: Right. Okay.

7 MS. WELLS: But after that, the
8 analysis is not that big wave. After that --

9 CHAIRMAN CROSBY: No. I understand
10 that.

11 MS. WELLS: -- steady state in the
12 churn.

13 COMMISSIONER ZUNIGA: But it's fair to
14 say that it gives you more flexibility to
15 manage that wave, if there's a relief of SERs.

16 MS. WELLS: Oh, yeah. Because then I
17 could have those guys also -- you know,
18 they're doing -- they'd be doing not only the
19 SERs but the GELs, so then we'd have more
20 staff to get through the GELs and there's less
21 concern that --

22 COMMISSIONER CAMERON: But we're
23 talking about one or the other. And in
24 actuality, Option A really talks about a

1 hybrid.

2 MS. WELLS: Right.

3 COMMISSIONER CAMERON: Assessing the
4 risk, this group, we see it as a very low
5 risk. This group, we do see some risk we'd
6 like to take. And, by the way, the
7 investigation for this level, without a
8 problem, is done in a matter of hours. So
9 this is a -- it's database checks. This
10 investigation is not the same investigation
11 that we do for --

12 CHAIRMAN CROSBY: Right. I understand
13 that. So for you to plan and organize your
14 staff properly --

15 MS. WELLS: Right.

16 CHAIRMAN CROSBY: When do you need to
17 know for sure what you're going to be asked to
18 do?

19 MS. WELLS: Well --

20 CHAIRMAN CROSBY: When's the proper --

21 MS. WELLS: You know, the -- we already
22 know how many troopers we're asking for
23 because they're sending out the letters today
24 or tomorrow. So we know that, you know, the

1 ask is for 43. So we can't -- that date has,
2 sort of, changed as far as how many we want to
3 put through the class because the request has
4 gone into the class.

5 You know, the question of after the
6 -- you know, they've gone through break-in,
7 you know, how many we need on an ongoing
8 basis, we can do that analysis three months,
9 six months, 12 months. And I've talked to the
10 licensees about that. In that, you know, I am
11 open to doing a data-driven analysis of what
12 we really need, based on what's really
13 happening.

14 CHAIRMAN CROSBY: So you don't really
15 need to know for sure what you're doing until,
16 say, April of next year?

17 MS. WELLS: Well, here's the question.
18 If it's Option A. If you get -- that's where
19 I'm getting concerned. If you get into Option
20 B or Option C, that's when my stomach starts
21 to hurt about staffing. And I'm actually
22 worried I may need more resources, rather than
23 fewer, depending on what you do because, you
24 know, there's so much uncertainty with Option

1 B and Option C.

2 CHAIRMAN CROSBY: You mean, if we were
3 to raise up the rehabilitation function,
4 that's what gives you a headache?

5 MS. WELLS: Right. That's --

6 CHAIRMAN CROSBY: Right.

7 MS. WELLS: That is concerning just
8 strictly from a --

9 CHAIRMAN CROSBY: Right. Okay. I
10 don't -- I don't think anybody's lobbying for
11 that.

12 MS. WELLS: Okay.

13 MR. BEDROSIAN: And then, what about --
14 Karen, what about LMS capability, if there
15 were different standards?

16 MS. WELLS: Right. So, you know,
17 getting into, you know, Option B and Option
18 C -- and I see them as, actually, very
19 similar.

20 CHAIRMAN CROSBY: Right.

21 MS. WELLS: The pros to Option B,
22 again, similar to Option A, is, you know,
23 eliminating that criminal mandatory
24 disqualification. And then, it also gives a

1 lot of power, discretion to the Commission.

2 So those would be the advantages.

3 However, when I look at the
4 potential disadvantages, part of it is -- I
5 don't know. A lot of this has to do with
6 certainty and planning. You know, this -- you
7 know, the language in here about saying, you
8 know, different suitability and registration
9 standards, I read that and that gives me
10 concern operationally. Because right now,
11 we've got -- you know, by statute and by
12 regulation you have service employees, gaming
13 employees, and key employees. So you have
14 three categories. We understand what the
15 different standard -- you know, that, that
16 makes sense. It's the kind of system that's
17 done all over the country, you know, based on
18 other experience. So we have a lot of
19 feedback, a lot of data that that -- that
20 works.

21 But I'm not even sure what this
22 concept of different suitability standards, or
23 different registration standards means. So I
24 don't even know how to plan for that. The

1 concern I have, you know, putting it into
2 different standards based on job description
3 also gives me concern. Because right now, I
4 don't even have the full -- you know, the
5 understanding from the jobs compendium, how
6 many, for example, MGM service employee job
7 descriptions there are. If there are a
8 hundred, say, job -- different job categories
9 or descriptions and the Commission ends up
10 wanting to do, you know, 45 different
11 categories and standards, that's never going
12 to work in LMS and I -- we can't do that.

13 CHAIRMAN CROSBY: You've got -- you've
14 got two worries, Karen, that you should stop
15 worrying about. We're never going to come up
16 with a multitude of -- nobody's talking about
17 that, number one. Nobody's talking about
18 increasing the likelihood of rehabilitation
19 investigations. That's just -- that's never
20 been talked about. I've never heard of --
21 it's -- so forget those things.

22 MS. WELLS: Right.

23 CHAIRMAN CROSBY: The question is, how
24 much the amount of work is going to go down.

1 MS. WELLS: Right.

2 CHAIRMAN CROSBY: That's the only issue
3 on the table. Is it going to go down a lot,
4 or is it going to go down a little, or is it
5 going to go down not at all?

6 MS. WELLS: Right, right.

7 CHAIRMAN CROSBY: And what I'm hearing
8 from you is, you don't need to know --
9 assuming what I'm saying is right, we're
10 talking about reducing from today's plan,
11 rather than increasing from today's plan.
12 Then, what I'm hearing from you is, you don't
13 need to know the details of our decision until
14 April.

15 MS. WELLS: So if it's Option A -- if
16 the decision by the Commission, what they want
17 to do is be able to exempt certain -- so,
18 basically, there are certain jobs that will
19 never come across my desk, then I'm fine. You
20 don't need to -- you don't need to worry about
21 that.

22 But with Option B and Option --
23 there's a -- you know, there's a lot of
24 discretion. I don't know now what the

1 Commission would decide, because,
2 theoretically, if you don't have these
3 mandatory disqualifiers -- hypothetically, you
4 have someone with an armed robbery conviction
5 from seven years ago, under Option A, if --
6 you know, I would think that the casino may,
7 you know, exclude that. Whatever -- if you
8 don't think that that matters for the bowling
9 alley attendant, then you're set. But if it's
10 something that comes across my desk, if all of
11 a sudden it's not an automatic disqualifier
12 but you can do rehabilitation, instead of
13 just, boom, disqualify, move it along, and
14 then I'm having to do this analysis, if I've
15 got one of those, it's no big deal. If I've
16 got 200 of those --

17 CHAIRMAN CROSBY: Well, you won't. We
18 just got --

19 MS. WELLS: No, yeah. But just based
20 on the language, I don't know that.

21 CHAIRMAN CROSBY: Okay. So, Karen,
22 when do you need to know? You can't say it
23 depends on what you come up with. When do you
24 need to know what we're going to do?

1 COMMISSIONER CAMERON: I don't know
2 that we're --

3 COMMISSIONER ZUNIGA: It's dependent on
4 a couple of things.

5 COMMISSIONER CAMERON: Yeah. Option D
6 does call for discretion. And we are talking
7 about Option D. And D would change the 10
8 years to, say -- let's say five years. That
9 would -- they would be more people in that
10 category, and that would call for an analysis
11 of rehabilitation. So I don't know that it's
12 fair to say that we can -- it's one or the
13 other.

14 CHAIRMAN CROSBY: Then, assume the
15 worst case. Assume the worse case that you
16 imagine here is realistic, that being one of
17 the options, when do we need to know?

18 MS. WELLS: I --

19 CHAIRMAN CROSBY: Let me just finish
20 why I'm asking.

21 MS. WELLS: Yes.

22 CHAIRMAN CROSBY: Everybody, including
23 you, would like this to be a legislative fix,
24 right; if we can get a legislative fix, we're

1 all going to be happy as clams, including me.
2 So -- but one of the questions is, will we
3 ever get a legislative fix?

4 MS. WELLS: Yeah. I hear what you're
5 saying.

6 CHAIRMAN CROSBY: If the legislature
7 says to us, we're going to work on this with
8 all our might, we need to know what our
9 drop-dead date is. So that's all I need from
10 you.

11 MS. WELLS: And that -- so there --
12 okay. Go ahead.

13 COMMISSIONER ZUNIGA: I'm sorry. You
14 were going to answer. But let me take a stab
15 at answering that question. It depends on a
16 couple of things that we don't control. When
17 is MGM going to make offer letters to people,
18 which is highly dependent on, you know, a lot
19 of operations that they have building up.

20 In Option B, at least, if I
21 understood a lot of what you're saying
22 correctly, we would have to come up with these
23 metrics --

24 MS. WELLS: Correct.

1 COMMISSIONER ZUNIGA: -- built into
2 between now and whatever that time frame is,
3 which we don't have now. What I hear you
4 saying is, that because we wouldn't have that
5 on A, then the rule is easier to implement,
6 it's almost immediate.

7 MS. WELLS: Right.

8 COMMISSIONER ZUNIGA: As in, you know,
9 whatever the -- whatever the job descriptions
10 we come up with are simply not even arriving
11 at -- through your desk.

12 MS. WELLS: Right.

13 COMMISSIONER ZUNIGA: So you have, all
14 of a sudden, less workload.

15 MS. WELLS: Right. Right. I mean, I
16 think to the chairman's question -- so I had
17 actually written down. You know, the backing
18 it out, I'm worried we already are past that
19 date, because there are four things that I
20 need to consider, if we get into that
21 discretion and we do different categories and
22 there's -- you know, that potential.

23 One is the whole regulation
24 promulgation process, as Commissioner Zuniga

1 was pointing out. So you'd have to draft
2 regs, you'd have to redraft, discuss it, come
3 to consensus. That's an onerous process.
4 Then you have to wait for that to be completed
5 before -- we have to then figure out if
6 they're different -- you know, they're talking
7 about different registration standards,
8 different suitability standards. We'd then
9 have to figure out, okay, now instead of one
10 category of service employees there are four,
11 or what are they talking about, and then have
12 to develop an investigatory process for all of
13 those and develop the protocol.

14 Then we also have to have the
15 training because, you know, we'd have to
16 develop -- all these guys that we have now,
17 and women, they all know how to do, you know,
18 what we're doing. We're all moving. We all
19 understand it. If everything changes but
20 it's, you know, however many months before
21 opening, that's difficult and you have to have
22 a training process and then the technology
23 support.

24 Now, on the front end, inputting --

1 you know, then, also, do you have to change
2 the forms? You know, is there a registration
3 form change? Then you have to go over
4 approval of those. There's a lot of factors
5 that go into that.

6 I am -- you know, I'm concerned
7 we're already past that date because there's a
8 lot of work that has to be done. And then,
9 the question is, to what benefit? If Option A
10 sort of achieves the same result, why do you
11 need to do Option B that -- I mean, and you
12 may want to. You know, I'm leaving it to your
13 discretion. I'm just pointing out, because
14 there's uncertainty of what it means to have
15 these different suitability and registration
16 standards, you know, how it would impact the
17 forms, how it would impact, you know, the
18 process, the investigation.

19 I also think it potentially, if you
20 have different categories, that's not only
21 confusing for messaging to the legislature,
22 but confusing for messaging to the public.
23 Because I also remember, these are real people
24 that are trying to figure out what they're

1 doing. Should they invest in, you know, going
2 to the culinary school and all that. Having
3 some certainty.

4 You know, for example, say you
5 change from 10 to seven, it's like, you know,
6 I -- you know, I was convicted of trafficking
7 and cocaine six years ago. I'll wait, you
8 know, another year before I go to the school.
9 Certainty is helpful. If you eliminate all
10 that and it's this whole free-for-all of
11 discretion, then everybody -- you know, I
12 do -- there's a humanitarian of concerns.
13 People are investing in this and they don't
14 know where it's going to work out. I'd prefer
15 not to be rejecting a lot of people, who, you
16 know, otherwise would have known and could
17 have planned accordingly.

18 CHAIRMAN CROSBY: So what my -- I guess
19 the answer to my question is, we're already
20 late --

21 MS. WELLS: Yeah.

22 CHAIRMAN CROSBY: -- from making a
23 decision. And we better make it fast or
24 there's going to be trouble, or it may well be

1 trouble in your department.

2 MS. WELLS: If the choices are B and C.
3 If it's A --

4 CHAIRMAN CROSBY: Well, we aren't going
5 to know the choices until this is all done.

6 MS. WELLS: Right, right.

7 CHAIRMAN CROSBY: So there's no ifs in
8 this. You need a decision, whatever it's
9 going to be. And you need it yesterday, it
10 sounds like. So we can't sit around for very
11 long, if we want you to be able to do your
12 job.

13 MR. BEDROSIAN: Except for A.

14 CHAIRMAN CROSBY: Well, we're not going
15 to control this. You can tell us what you
16 like.

17 COMMISSIONER CAMERON: We're going to
18 recommend to the legislature.

19 CHAIRMAN CROSBY: Right.

20 MS. WELLS: Oh, I see what you're
21 saying.

22 COMMISSIONER CAMERON: Hopefully, they
23 would go with -- right, right, right.

24 CHAIRMAN CROSBY: But I just --

1 MS. WELLS: Right.

2 COMMISSIONER CAMERON: Right.

3 CHAIRMAN CROSBY: All right. What
4 else?

5 MS. WELLS: So, you know, C is
6 somewhat -- C is -- you know, I would suggest,
7 in looking at C, there's even -- I guess the
8 pro on Option C, it's the smallest change to
9 the language. So if there's -- as
10 Mr. Grossman explained, if you're trying to
11 push it through, it's the easiest, in some
12 ways, to swallow because it's the fewest
13 number of words that are changed, and there's
14 no mandatory disqualifiers by statute.

15 But there's even more uncertainty
16 there. I'm not even sure what this would look
17 like, what it means. It, potentially, is very
18 resource intensive and -- you know, in my
19 notes I wrote, you know, potential,
20 catastrophic process failure. This could go
21 horribly wrong. And I'd prefer not to be in
22 the position where that might not happen.
23 But, you know, I understand I got to do what I
24 got to do.

1 And then, D, the pro on that is it
2 reduces the time until rehabilitation can be
3 shown, which more people would be -- have the
4 opportunity to work in the casinos. My
5 recommendation, I would not include the GELs
6 in that category. I think we're really just
7 talking about service employees. There's,
8 sort of, some uncertainty in resources because
9 it's -- the lower the number goes, the more
10 uncertainty in how I'm going to do it. I'm
11 not as concerned about the seven versus the
12 10. I think if you went down to two, then
13 that's going to be harder.

14 It's the Commission's call on what
15 their recommendation is. But I think that,
16 sort of, summarizes where I am operationally
17 in, sort of, achieving the mission of getting
18 this whole thing through the process, getting
19 these casinos open by a certain date.

20 COMMISSIONER CAMERON: Can I ask a
21 question? Is D something that CORI reform --
22 are they looking at some of these kinds of
23 things, or is this so specific to gaming?

24 MR. GROSSMAN: I think this is very

1 specific to gaming. There are -- there's
2 about 50 different CORI reform bills, criminal
3 justice reform bills out there right now so
4 it's somewhat difficult to navigate. But it's
5 hard to tell what will end up making its way
6 through, if anything, and what effect it may
7 have. But this is, obviously, very specific.

8 COMMISSIONER CAMERON: Yeah. I'm just
9 thinking of the chairman's earlier point, that
10 there was some talk about CORI reform being
11 able to address some of this. Is that what
12 you were referring to, that 10-year piece?

13 CHAIRMAN CROSBY: Well, I just was
14 looking at that article I sent around, and the
15 Senate president speaking to the MGM concerns
16 said, we're hoping to get a CORI reform bill.
17 So that suggested to me, that he's open to
18 doing it through CORI reform.

19 COMMISSIONER STEBBINS: But that
20 article went on to state CORI reform by the
21 end of the legislative session, being sometime
22 in July, June or July of next year, which
23 would be well outside the window, or well
24 within the window but past to when MGM is

1 going to be, hopefully, hiring a lot of these
2 GSEs. So it's going to be late for a lot of
3 people.

4 COMMISSIONER ZUNIGA: But to your
5 question, there's many other elements of CORI
6 reform that don't necessarily apply, but maybe
7 apply indirectly to this.

8 COMMISSIONER CAMERON: Okay.

9 COMMISSIONER ZUNIGA: For example, in
10 that article there was also the mention of
11 expungement of offenses in records where, you
12 know, the laws have changed since those
13 convictions and things like that. So...

14 COMMISSIONER CAMERON: Which would
15 help.

16 COMMISSIONER ZUNIGA: Which would help.

17 MR. GROSSMAN: Yes. There's a lot of
18 talk. Sealing of records as well.

19 COMMISSIONER CAMERON: Yes.

20 MR. GROSSMAN: Which we already say, in
21 our regulations, we don't consider sealed
22 records.

23 COMMISSIONER CAMERON: Right.

24 MR. GROSSMAN: So things like that

1 wouldn't necessarily advance our ball here.
2 If we were to pursue the CORI approach, we'd
3 probably want some specific language that
4 is -- addresses the gaming commission
5 statutes, if possible, if that's the approach
6 we're taking. So we could do that as well.

7 COMMISSIONER CAMERON: So it makes
8 sense for us to think about D, including that
9 in our recommendation because CORI would take
10 a long time; is that -- too long to make a
11 difference here or?

12 MR. GROSSMAN: Well, D, I don't really
13 consider D to be a CORI reform. This is just
14 an amendment to our statute. So it's --
15 you're still going into Chapter 23K and you
16 face the same issues you'd face with any of
17 this other stuff.

18 CHAIRMAN CROSBY: It's actually more
19 complicated. It would be harder to do through
20 CORI reform, to lessen the term. You know, it
21 would -- how -- would it be harder to write
22 some way that -- you know, I think --

23 MR. GROSSMAN: You'd have to attack it
24 indirectly, which we have done before.

1 CHAIRMAN CROSBY: You can -- I mean, it
2 can be done.

3 COMMISSIONER ZUNIGA: It's been done
4 before in other -- in other statutes, by the
5 way. But it's at least possible.

6 MR. BEDROSIAN: Yeah. It strikes me,
7 if there was a CORI reform bill that, you
8 know, reduced lookback periods in a number of
9 different areas, and this were just one of
10 them, it wouldn't be necessarily opening The
11 Gaming Act, it would be CORI reform. But
12 you're right, we don't know when that's going
13 to happen or --

14 COMMISSIONER ZUNIGA: Or whether.

15 MS. WELLS: So one other factor I
16 forgot to mention. I could probably have
17 Attorney Lillios speak to, it's the
18 portability of the registration.

19 MS. LILLIOS: So there's the notion of
20 the portability of the credentials. So an
21 individual who gets a registration certificate
22 from us can, under the statutory scheme, and
23 our regulatory scheme, basically, move from
24 casino to casino with that same certificate.

1 And that gives, obviously, some certainty to
2 the person. And means to the IEB, we take one
3 individual, we do the background, we give the
4 certificate. That person's free to go to any
5 position in any of the three casinos that
6 requires that certificate.

7 But under B and C, if there start to
8 be subcategories for the registration
9 certificate and, you know, certain job
10 positions require one background process,
11 other job positions require another background
12 process, that, combined with the fact that the
13 job positions from casino, casino do not line
14 up exactly, could mean that the individual
15 would not have the certainty that they could
16 just pick up and go. They might be subject to
17 another -- you know, we might -- and then we
18 might have to come back and take another look
19 at somebody who was already registered for a
20 certain position.

21 COMMISSIONER STEBBINS: I had a
22 question. And this is kind of harkening back
23 to MGM's language, because they don't talk
24 about jobs, they talk about careers, does

1 Option A allow somebody to come in and start,
2 say, at the movie theater, they gain
3 experience, they're recognized as a great
4 employee, they want to move up to the next
5 position, obviously, there's the flexibility
6 there for us, that, that person would then
7 have to go through a registration process
8 that's required.

9 MS. WELLS: Then they'd have to go
10 through a licensing process. So once you get
11 up to that GEL level, they'd have to apply for
12 a GEL license. Now, there may be
13 promotions --

14 COMMISSIONER STEBBINS: But in
15 Option A, if they're moved from one gaming
16 service position that we've excluded to a
17 gaming service employee position that's --

18 MS. WELLS: Yep --

19 COMMISSIONER STEBBINS: -- still in the
20 fold, so to speak?

21 MS. WELLS: Correct. Yep.

22 COMMISSIONER STEBBINS: Okay.

23 MS. WELLS: Yep.

24 COMMISSIONER ZUNIGA: And that has

1 happened within our current categories in
2 Plainridge, when a registrant goes up to a
3 GEL --

4 MS. WELLS: We see that frequently.

5 COMMISSIONER ZUNIGA: -- and we -- we
6 analyze it the same way.

7 MS. WELLS: Yep. And we have a
8 protocol for that, move it along.

9 COMMISSIONER STEBBINS: Do you like --
10 I'm sorry.

11 COMMISSIONER ZUNIGA: No, no.

12 COMMISSIONER STEBBINS: Do you have
13 more confidence in Option A, based on your
14 familiarity with who our licensees are and
15 what potentially their background check
16 process would require?

17 MS. WELLS: It depends on the licensee.

18 COMMISSIONER STEBBINS: Okay. So is
19 that information that would still be helpful
20 to you, if you -- if we were to give you -- if
21 Option A became the preferred choice, would
22 there still be some interest on your part in
23 IEB, to at least say, let us know what you're
24 doing so we have some level of comfort?

1 MS. WELLS: I mean, it's always helpful
2 to have it. I think, depending on the
3 licensee and what their protocol is and what
4 they do, it's differently valuable. And
5 remember, they could do one thing one day --
6 you know, without some regulatory requirement,
7 they could do one thing one day, change it
8 three months later, change it six months
9 later. So, you know, we can't, necessarily
10 right now, because we don't have -- I don't
11 control what they do because we do our own
12 background checks.

13 So that may be something to look at.
14 But the Commission has authority to do that
15 already. We don't need a statutory change.
16 You can look at that, and there's no immediate
17 see for the need to look at that.

18 COMMISSIONER CAMERON: But a regulation
19 to make sure they're doing an appropriate
20 background. And I do remember the case you
21 spoke about. There was a significant
22 organized crime element, that either they
23 weren't background, that vendor, or it didn't
24 come up, whatever. But that was a significant

1 find, I remember, because of the organized
2 crime element that --

3 MS. WELLS: Well, technically, there
4 was that and there was in the media.
5 Technically, they fined for -- they issued the
6 fine for other reasons. But that was, sort
7 of, part of the drama around that. So -- and
8 so the information.

9 I think, ultimately, the -- you
10 know, for this option to exempt certain
11 employees, the Commission has to be
12 comfortable with the level of risk that
13 something may happen with one of these
14 employees that you exempted, and that might
15 have been caught in a background check.

16 And the Commission has to make a
17 decision. Are you comfortable with that level
18 of risk, or do you want to keep the system the
19 way it is and we check everybody and we, you
20 know, comply with the statute? And that's
21 the -- you know, that's the Commission's
22 decisions what their policy is on that.

23 And, you know, we can just --
24 whoever you exempt doesn't come across my desk

1 so we'll just, you know, do the ones you want
2 us to do and the other ones don't -- don't
3 come to the IEB.

4 COMMISSIONER CAMERON: But today, I
5 think we're talking about a recommendation to
6 the legislature, right, that makes the most
7 sense -- that we think makes the most sense.

8 CHAIRMAN CROSBY: You know, my -- go
9 ahead.

10 COMMISSIONER ZUNIGA: You know, I was
11 getting to that point, probably. I think -- I
12 was initially thinking that the recommendation
13 was going to be B, because it gives us more
14 discretion. But I fully appreciate the notion
15 of there is this need to additional due
16 diligence regulation and communication, which
17 is very important, that I had not really
18 thought about.

19 And therefore, I think, you know,
20 your recommendation of Option A is the most
21 appropriate, because it really gets to the
22 core of what we want to do within the confines
23 of the legislation we have. And, you know --
24 and again, giving us the discretion to come

1 back and rethink things as we need to.

2 I would go for a combination of
3 Option D. Just thinking back on my prior
4 thinking, that even for registrants the
5 10-year seems onerous. But, you know, if we
6 could combine them to say, you know, five
7 years, I know it's a bits of a double-edged,
8 you know, tool here, because that means you
9 may have to be making judgment calls on that
10 rehabilitation piece. But, arguably, there
11 would be a less amount of people because
12 there's already excluded categories.

13 So that would be my preference. If
14 we could only do one, of course, let's do
15 region -- Option A. But --

16 MS. WELLS: I think it's strategic on
17 your part because it is -- it's an ask to get
18 the legislator -- legislature to make a
19 change. So strategically as the Commission, I
20 think it's probably smarter to, you know,
21 figure out this is the ask. Now, do you want
22 to make an ask of one and it's one thing and
23 that's all you do. Because it's that
24 important, do you make the ask of two and ask

1 them two things. That, I think, is -- I leave
2 to your judgment, strategically, how you want
3 to do that.

4 COMMISSIONER ZUNIGA: We could always
5 also just present it as a menu. As in -- with
6 some of the background that you've already
7 spoken about, like the example in New Jersey,
8 the example in Maryland that, you know, this
9 is, effectively, how other jurisdictions
10 started and sort of calibrated to a different
11 place.

12 MS. WELLS: And strategically, that may
13 give the legislature an added level of
14 comfort. So, for example, the fact that
15 Maryland does -- you know, has that already in
16 Option A, here's how it works. You know, you
17 have staff research, you know, some -- you
18 know, this hasn't been a problem. X, Y, Z
19 reason why. And Option D in Maryland, they
20 went from a lifetime band to seven years.

21 So there's precedent in other
22 jurisdictions for the -- you know, for this
23 type of law. I can't say one way or -- I'm
24 not aware of anything comparable to B or C. I

1 might be wrong, but I'm just not aware of it.
2 So we can't point to, sort of, a data-driven
3 analysis of why it's a good idea or why it's
4 not a good idea, or will it work, or are there
5 any unintended consequences. I just don't
6 know that because that -- I haven't come
7 across that. But I haven't done the research
8 on that.

9 MR. BEDROSIAN: And, Commissioner, just
10 one question for clarification. In that
11 lookback period of 10 years being onerous, are
12 you talking both gaming and service employees?

13 COMMISSIONER ZUNIGA: No.

14 MR. BEDROSIAN: Just service employees.

15 COMMISSIONER ZUNIGA: Just service
16 employees.

17 MR. BEDROSIAN: Thank you.

18 COMMISSIONER CAMERON: I would be
19 comfortable with that as well, A and D. We'd
20 have to decide on what the years would be.
21 And maybe, if we're worried about the -- it's
22 too big an ask, you could say A is really
23 important, but we think there's real value in
24 D as well. I don't know. It's the way you

1 word it, I guess, right?

2 COMMISSIONER ZUNIGA: Right.

3 COMMISSIONER CAMERON: We think that --
4 and then, that way there is the option. And I
5 like the idea of including a couple of other
6 jurisdictions who have done this without a
7 problem. But that accomplishes two different
8 things, right, A and D?

9 COMMISSIONER ZUNIGA: Yep.

10 CHAIRMAN CROSBY: Do I understand that
11 in the -- on Option A all employees, all
12 service employees are required to register
13 except that we -- except those whom we exempt?
14 And that could be nobody, if we wanted to? If
15 we have the right to exempt nobody, we could
16 exempt one person, we could exempt five
17 categories, whatever.

18 COMMISSIONER ZUNIGA: Job categories.

19 CHAIRMAN CROSBY: Categories.

20 COMMISSIONER STEBBINS: Job positions.

21 MR. BEDROSIAN: Yeah, I think it's --
22 right. I think it's positions.

23 CHAIRMAN CROSBY: Okay. And for any
24 that we do require registration from, however

1 many that is, they are subject to the 10-year
2 lookback.

3 COMMISSIONER ZUNIGA: Yes.

4 MS. WELLS: Correct. Unless D is
5 also --

6 COMMISSIONER ZUNIGA: Unless we combine
7 A and D.

8 CHAIRMAN CROSBY: Unless we do A and D,
9 yeah, right.

10 COMMISSIONER ZUNIGA: And we bring it
11 down to five years, let's say, whatever.

12 COMMISSIONER CAMERON: And I think
13 what's interesting about that is, you may
14 start in an area where you might have had a
15 problem, say, three years ago. And then after
16 two years you may want to move over to what
17 you would consider a better category. You'd
18 have that ability. And, frankly, you would
19 have demonstrated rehabilitation. You've
20 worked two years without a problem.

21 CHAIRMAN CROSBY: You know, I think as
22 a practical matter, B and C give us the exact
23 same set of tools. You know, we can -- we can
24 we can require any job positions that we want

1 to do any background checks that we want.

2 In other -- we would make the same
3 decision. We'd say -- let's say we did the --
4 let's say we used C. We register everybody
5 but they're disqualified -- they're not
6 disqualified, but we have the right to do
7 whatever degree of background check we want.
8 We might then say, okay, well, there's certain
9 category of service employees that are pretty
10 close to the gaming floor. We do want them to
11 go through this, following background check.
12 So, functionally, it's virtually identical,
13 isn't it?

14 COMMISSIONER ZUNIGA: Remember that we
15 would still need to think what those
16 categories are.

17 CHAIRMAN CROSBY: Right. Which we
18 would do under A.

19 COMMISSIONER ZUNIGA: No. I meant to
20 say, think about what level of investigation
21 needs to be put in place for those level of
22 categories.

23 CHAIRMAN CROSBY: Right.

24 COMMISSIONER ZUNIGA: Promulgate

1 regulations, agree on some of this,
2 communicate it to the public, which there's
3 enough confusion with -- with the current
4 categories, by the way. So that would be --
5 that takes time and, you know, an effort
6 internally.

7 CHAIRMAN CROSBY: But functionally,
8 it's the same -- it's pretty much the same
9 thing.

10 MS. WELLS: Well, I think -- to answer
11 your question, you know, as I sit -- I was
12 just reading these the other day. So we had
13 been talking about the exemption. This whole
14 concept of the, you know, the broad discretion
15 is somewhat new so we're still, sort of,
16 processing that.

17 But I think that, sort of, the best
18 example I could give of why I'm not sure what
19 that even means is, say Option B or Option C,
20 theoretically, the Commission could promulgate
21 regs that are exactly the same and we just
22 have the same system, or the Commission could
23 say -- I don't -- you know, I don't know what
24 you would say.

1 But then, for all 1200 service
2 employees that are coming in, in the last
3 three months before MGM opens, no automatic
4 disqualifiers. You know, anyone with any kind
5 of criminal conviction do a rehabilitation
6 analysis. But -- and then we've got five
7 different categories and you'll do five
8 different things.

9 I mean, that is an option for the
10 Commission on this. I understand what you're
11 saying, Chairman. Like, we would never do
12 that. But I'm just saying, under this
13 statute, I don't know that. I have no idea
14 what you would do. And it would take a long
15 time to go through the promulgation process
16 and do all that.

17 So that's -- you know, there's a --
18 there's such a high level degree of
19 uncertainty in what they're going to do. And
20 even during the promulgation process you might
21 change your mind five times before you
22 eventually promulgate the regs. So it's
23 purely operational that is concerning, because
24 I don't know what -- how this is -- you know,

1 how it looks. You may think it looks today
2 may be totally different than how it looks in
3 eight months and what the whole system is, and
4 I just don't know.

5 COMMISSIONER STEBBINS: Is there -- not
6 meaning to kind of blow up the entire
7 conversation we've had so far, but I will. Is
8 there a way of kind of building a hybrid of
9 Option A and Option B, and thinking it more
10 not in terms of the opening timeline,
11 necessarily, but thinking about it in the long
12 run?

13 I.e., Option A is phenomenal for
14 dealing with the crush of opening. Does
15 Gaming the authority to do Option B allow us a
16 little more discretion, depending on something
17 that we could build with -- I love
18 Commissioner Cameron's term she always uses,
19 once we understand that body of work, that it
20 would give us more flexibility as we got into
21 outer years.

22 MS. WELLS: Just sort of thinking off
23 the cuff, I've never seen this in any kind of
24 law, theoretically, what you could do is, you

1 know, have Option A and then another option
2 take effect with -- after five years, or
3 something like that.

4 COMMISSIONER STEBBINS: Or just not --

5 COMMISSIONER ZUNIGA: But then --

6 COMMISSIONER STEBBINS: Just not set
7 a -- I'm sorry. Just not set a timeline from
8 when we would use that. Let's say, here's our
9 broad authority, and then there's some
10 agreement among the commissioners that, in
11 advance of MGM opening, we're taking the
12 authority given to us under Option A to get us
13 to opening. And then, as we kind of work
14 through the life of the license with Wynn and
15 MGM, that we slowly incorporate the -- the
16 authority that is given to us under Option B.

17 COMMISSIONER ZUNIGA: I think that has
18 a potential to really start to create the
19 scenario that Ms. Lillios was talking about.
20 In which, now you have different categories,
21 less portability because you've done something
22 for some and something else for others and,
23 you know, create confusion in the public.

24 You know, the more I hear this

1 discussion, the more I'm thinking the cleanest
2 is Option A. It achieves what we want,
3 ultimately. It remains for us to decide what
4 those categories are. And that could still be
5 part of what you talk about, Commissioner.
6 The idea of coming back and rethinking the
7 categories at any given time, because we've
8 learned a lot and what have you. So...

9 COMMISSIONER STEBBINS: I hear you.

10 COMMISSIONER CAMERON: And it's clean
11 for investigators.

12 COMMISSIONER ZUNIGA: Yes.

13 COMMISSIONER STEBBINS: Right. I'm
14 thinking --

15 COMMISSIONER ZUNIGA: The rules are
16 easier, I think, in this context.

17 COMMISSIONER STEBBINS: You know, I
18 agree. And, you know, we may find ourselves,
19 if we got authority to do Option A saying,
20 great, here are these jobs. They're set
21 aside, no registration, we don't need to know
22 anything about that person. If we found
23 ourselves to getting to those jobs that we
24 start debating, or whether it's a risk to have

1 somebody there who's got something in their
2 background, or it's not a risk, then we're
3 taking up or down votes on -- we're going to
4 exclude -- you know, we're going to exclude or
5 not exclude that position altogether. I think
6 Option B would give us an opportunity to open
7 up more opportunities --

8 COMMISSIONER CAMERON: And you're
9 looking at individuals, rather than
10 categories. That's tricky and --

11 CHAIRMAN CROSBY: No. He's talking
12 about categories.

13 COMMISSIONER STEBBINS: You're still
14 look at the job. You're not looking at the
15 individual. It's still looking at the job,
16 but it's having more flexibility again as we
17 to move along to open it up for more
18 individuals to be able to apply for the --

19 COMMISSIONER CAMERON: But why wouldn't
20 we do that in A?

21 COMMISSIONER STEBBINS: Because it's up
22 or down. There's no nuance to the job.
23 You're either completely excluding the job
24 from registration, or you're not. I'm saying,

1 with B you have somewhat more flexibility, in
2 terms of the background or the investigation
3 -- or the different standards or level of
4 investigation that, that bartender now on the
5 gaming floor is okay.

6 MS. WELLS: Well I -- and I think it
7 would help me. Just in all these it always
8 helps me to come up with an example. So what
9 would be, you know, as you're thinking this
10 through, an example of someone that
11 initially -- I'm just not sure how that plays
12 out.

13 COMMISSIONER STEBBINS: Option A, to me
14 as I'm thinking about it, it's -- it's black
15 or white. The job is either --

16 MS. WELLS: You're either backgrounded
17 or you're not.

18 COMMISSIONER STEBBINS: You're either
19 backgrounded or you're not. Option B gives us
20 a little flexibility on the job, that the job
21 description might put an individual on the
22 cusp, or that position is on the cusp of
23 either deserving a full investigation or some
24 flexible investigation.

1 COMMISSIONER ZUNIGA: Minor. Or a
2 minor.

3 MS. WELLS: Okay. So but -- you know,
4 as I hear that, well, what does that mean?
5 Because I think what you're saying -- because
6 that's when you're getting the difference
7 between suitability standards and automatic
8 disqualifiers. Because the commission has
9 already, by regulation, directed the IEB, that
10 we take into consideration, on that sort of
11 overall suitability, what the position is. So
12 the bartender on the floor or whatever.
13 They're not held to the Steve Wynn standard
14 because they're in a totally different job.

15 COMMISSIONER STEBBINS: Absolutely.

16 MS. WELLS: So it's, you know, on that
17 issue of suitability. Now, what I hear you
18 saying, maybe you don't want the automatic
19 disqualifier to preclude them. So the
20 suitability standards are different from an
21 automatic disqualifier. And that gets into
22 the section -- you know, what
23 Commissioner Zuniga's talking about, Option D,
24 where, you know, is there sort of a baseline

1 automatic disqualifier? And what I hear you
2 saying is, maybe for different positions you'd
3 want different automatic disqualifiers?

4 COMMISSIONER STEBBINS: No, no, no.

5 MS. WELLS: Okay.

6 COMMISSIONER STEBBINS: I'm saying, you
7 look at Option B, as Todd has outlined. It
8 gives us the authority of creating a
9 background check process to make distinctions
10 amongst certain job positions. And I know
11 that's a -- it's a enormous --

12 MS. WELLS: But what -- how would
13 that -- I guess I'm not following what the
14 goal is. So if you have Karen Wells applying
15 for a job, why would you need B, if you
16 already had A?

17 CHAIRMAN CROSBY: Because in A you have
18 a binary choice.

19 MS. WELLS: Correct.

20 CHAIRMAN CROSBY: You're either have a
21 full background check with automatic
22 disqualification for -- you know, at least 10
23 years, or nothing.

24 MS. WELLS: Okay. So it's --

1 CHAIRMAN CROSBY: And what Bruce is
2 talking about is some mechanism that would
3 create some flexibility in there between those
4 two binary options.

5 MS. WELLS: But it sounds like the
6 flexibility you'd need on the automatic --
7 because we already have the dis -- you know,
8 discretion on, sort of, suitability standards
9 apply -- you know, what the job is.

10 So what I hear you saying is that,
11 the concern is, you know, there may be a
12 seven-year for the guy that works, you know,
13 as a bartender on the floor, but maybe
14 something else maybe should only be five. And
15 that's where we get into different standards
16 and different categories and the portability
17 and all of that.

18 COMMISSIONER ZUNIGA: Whether certain
19 felony convictions are created differently.

20 MS. WELLS: Yeah. And that's -- it's
21 one of the things, it sounds good in theory.
22 And if you were only doing 20 to 40 of these
23 you'd be fine. But when you're doing, you
24 know, thousands, and then another couple

1 thousand when you open Wynn, and then 600 to a
2 thousand from each casino, that's when
3 you're --

4 COMMISSIONER ZUNIGA: But it still
5 creates the additional resource, you know,
6 regardless of the additional resources that
7 you say are operationally greater.

8 COMMISSIONER CAMERON: Well, and we did
9 make the point earlier that, if there's an
10 issue with a disqualifier, which it sounds
11 like what you're talking about, I mean, I
12 really like the idea that, okay, if we're
13 going to -- say it's going to be five years,
14 okay, if we had our own perfect world, right,
15 and someone had an issue three years ago,
16 well, you might have to be the bartender in
17 the bowling alley for two years and then
18 you'll get the opportunity to move, do you
19 know. And I think that's pretty fair,
20 frankly.

21 CHAIRMAN CROSBY: You know, Bruce, I
22 actually think that A probably would
23 accommodate what you're saying anyway. You
24 could use your binary option on your most --

1 you know, your -- the most undesirable -- or
2 the most high-risk gaming service employees.
3 But that last sentence, "It may require any
4 gaming service employee to produce any
5 information it deems necessary," would
6 probably give us the authority to come up --
7 to dismiss people on a lesser standard of
8 suitability.

9 I think you could -- I think you
10 could get where -- I'm not particularly crazy
11 about Option A. But I think you could get
12 there within Option A.

13 COMMISSIONER ZUNIGA: Well, remember,
14 we still have the ability to change the forms
15 under our regulations for -- for any -- you
16 know, any level of -- besides the ones that we
17 exempt, anybody that registers or is licensed.
18 And that in and of itself gives us the ability
19 to modify the scope of the investigation.

20 CHAIRMAN CROSBY: Let's see if we
21 can -- you know, this has already been well
22 over an hour. And, unfortunately, my
23 preference -- you know, I think the functional
24 difference, the real functional difference, we

1 are not going to go off and create crazy
2 situations. If we did, we'd discuss it in a
3 meeting like this, you would say, hey, that's
4 just not feasible and we wouldn't do it. So I
5 don't think these extreme versions of massive
6 rehabilitation studies would ever, ever going
7 to happen. Functionally, I think these are
8 all pretty similar.

9 I would, if it were up to me, which
10 it isn't, I would choose Option B, however,
11 from a purely policy standpoint. I think
12 that, personally, I would prefer a presumption
13 which says gaming service employees are not
14 stigmatized with a automatic disqualification.
15 We can do whatever we feel we have to do for
16 any gaming service employee. We don't lose
17 any option. Under B, we could put them under
18 the full background check and the 10 years, if
19 we wanted to. But the presumption is that we
20 are not applying this arbitrary and, I think,
21 you know, somewhat demeaning standard to that.

22 The other way around, functionally,
23 as I said, I don't think there's very much
24 difference, this creating the presumption that

1 everybody's covered. And then, you can rebut
2 that presumption with a series of steps. And
3 it's -- functionally, I don't think it's much
4 different. I think as a matter of public
5 policy it's an interesting difference. And
6 for that reason, I would come down on B. So
7 do we have -- I mean, so do we have a
8 consensus that we can give to --

9 COMMISSIONER CAMERON: Well, you know
10 I'm going to come down on A. I think the
11 staff has spent so much time on this. They've
12 looked at it from every angle. And, frankly,
13 I value the work they've done. And I'm in
14 total agreement that A is the cleanest. And
15 I've seen thousands of investigations. And
16 when you muddy the water with those kinds
17 of -- with that language, I think it just
18 creates problems. And this is cleaner. It
19 still gives us what we're looking for, the
20 flexibility. And I'm in favor of trying to
21 incorporate D so we do get that extra piece of
22 relief as well.

23 So I'm certainly in favor of A. And
24 however we can word it to incorporate a lesser

1 standard than 10 years as well.

2 COMMISSIONER ZUNIGA: Yeah. I agreed
3 with that notion earlier and I still do. And
4 I think, however, that, although B might be
5 from a public policy standpoint, sort of
6 like -- I like the notion of the difference
7 between the presumption.

8 The real reason that we're doing
9 this now and in a very, you know, important
10 manner, urgent I might add, is because there's
11 this very clear opening a few months from now.
12 And that's something that this whole thing
13 needs to take into account.

14 And, you know, hearing all the --
15 all the staff details relative to what it does
16 to the operation, I'd say it'd be introducing
17 too much noise and uncertainty to the process
18 to find ourselves back to where we were
19 initially, and having a big disappointment
20 after going -- going through it.

21 So I'd say, you know, let's not get
22 the perfect -- be the enemy of the good here
23 and go for what would probably easier
24 understood and communicated with the

1 legislation.

2 CHAIRMAN CROSBY: So you say A combined
3 with D?

4 COMMISSIONER ZUNIGA: A combined with
5 D.

6 CHAIRMAN CROSBY: And what years, would
7 be -- if we were doing it, what years would we
8 put in?

9 COMMISSIONER ZUNIGA: I would throw in
10 five years there. I don't know. You know,
11 nice, but with no other -- that just thinking
12 that 10 years looks like too much.

13 COMMISSIONER CAMERON: Agreed. And
14 many states have gone less than 10. Do we
15 have other states to recommend? I know
16 there's a bunch of sevens out there.

17 MS. WELLS: I know Maryland's seven.
18 I'd have to do --

19 COMMISSIONER CAMERON: Okay. So we
20 might want to think about -- because I do like
21 including what other states have done to
22 minimize risk.

23 MS. WELLS: Right.

24 CHAIRMAN CROSBY: Commissioner

1 Stebbins?

2 COMMISSIONER STEBBINS: You know, now I
3 find myself, you know, going with the staff
4 recommendation of simply Option A and just
5 presenting one simple solution. You know, I
6 worry offering too many different
7 recommendations to the legislature will only,
8 potentially, cloud the process. It may also
9 give them more options, instead of just
10 shooting us down on one. But, you know,
11 giving a quick, simple, clean option like
12 Option A presents itself, I think, would be
13 the best recommendation.

14 CHAIRMAN CROSBY: So we have 2Ds, 1B
15 and 1A. And --

16 COMMISSIONER ZUNIGA: Three As.

17 COMMISSIONER CAMERON: Yeah.

18 CHAIRMAN CROSBY: Three As with D, one
19 standalone A.

20 COMMISSIONER STEBBINS: One standalone
21 A, yeah.

22 CHAIRMAN CROSBY: And one B. So we
23 have three different options on the table, one
24 with two votes. Commissioner Macdonald, we're

1 not counting this, but he did say he would
2 prefer Option C. Who knows what he would have
3 thought, had he been part of this whole
4 conversations. But I have -- did tell him, as
5 I've told everybody else, that we -- well,
6 we're not going to have -- we don't have a
7 majority here anyway but --

8 COMMISSIONER CAMERON: Well, are we
9 done with this discussion? Because there may
10 be a way to get three of us on the same page,
11 frankly. I understand your point about A and
12 not wanting to take on D at this point. I
13 think it's worth discussing, because I do
14 think this is timely and we could get
15 something to the legislature quickly.

16 COMMISSIONER ZUNIGA: Yeah. Let me
17 pick up on that. I don't think it would muddy
18 the waters as you suggest, Commissioner. That
19 simply presenting a very surgical production
20 in the 10-year to five-year, for example,
21 along with the ability to exempt certain job
22 categories, that's the talking point right
23 there. It needs to be articulated in the form
24 of how this gets done.

1 MR. BEDROSIAN: Could we do
2 something -- and again, not to make it too
3 complicated, could we do a primary
4 recommendation of A and a secondary
5 recommendation of, if you're so inclined --

6 COMMISSIONER ZUNIGA: D.

7 MR. BEDROSIAN: -- B -- I'm sorry, D?

8 COMMISSIONER ZUNIGA: Yeah. Sure. I
9 mean, I guess that's -- that's always part of
10 the ask.

11 COMMISSIONER CAMERON: I could be
12 comfortable with that.

13 MR. BEDROSIAN: But I hear what
14 Commissioner Stebbins is saying. But you
15 don't want to defeat yourself in the process.
16 But I don't know -- you know, sort of saying,
17 look at, here's what we really care about, we
18 care about A. I shouldn't say -- we care
19 about the whole thing, obviously. But you
20 know --

21 COMMISSIONER ZUNIGA: We could even
22 present it as, you know, there was unanimity
23 or majority of A and, you know, some
24 commissioners felt that, you know, it was

1 important to look at this other 10-year as
2 well.

3 MR. BEDROSIAN: Yeah. I'm sorry,
4 Commissioner Stebbins.

5 COMMISSIONER STEBBINS: You know, I go
6 back to the Chairman's original point, you
7 know, we are making a -- somewhat of an
8 endorsement without one member of our
9 commission here. You know, we have another
10 meeting scheduled for a week from tomorrow. I
11 would love us to be able to send a
12 recommendation or an ask of the legislature
13 with all five of us in agreement.

14 CHAIRMAN CROSBY: And I really told
15 Lloyd, as I've told all the rest of you who
16 were going to be meeting, that we wouldn't
17 have a vote, if it was controversial. If we
18 had all ended up on C and he'd already said he
19 liked C, then that would be easy. And maybe
20 if we were 4-0 it would be easy, but this is
21 not that way.

22 So maybe what you can do, you can
23 try to -- you know, staff could try to draft
24 something that might accommodate. You're

1 looking to put together a coalition, you know,
2 you might be able to come up with something
3 that you would feel comfortable with. And
4 then -- and then, you know, Commissioner
5 Macdonald could read the record and come down
6 wherever he comes down.

7 So -- and it's not going to -- a
8 week is not going to a -- I'm sorry to say a
9 week's not going to make any difference to the
10 -- what's happening at the legislature so --
11 so let's put that off.

12 What we're trying to figure out,
13 because everybody would prefer this, is, is
14 there, A, can we agree on a legislative fix?
15 Then B, which is the much bigger question is,
16 will the legislature do such thing in a timely
17 fashion? And we're trying to do this in order
18 to avoid any further debate about whether we
19 can do this administratively, because we don't
20 want to have that debate or do it, if we don't
21 have to.

22 What I'm hearing is, from the
23 standpoint of the IEB, a decision needs to get
24 made and needs to get made but quick. And

1 that it has -- whatever -- wherever it is, and
2 it's not going to be us making the decision,
3 unless it's us making the decision. If it's
4 the legislature, who knows what it'll come
5 down as.

6 And the second pressure that we
7 have, and, you know, I'm looking at you, Jed,
8 just because you're the only representative of
9 a licensee here, but there is beginning to be
10 implications on the street. Partly because
11 there's so much misunderstanding out there.
12 But people are beginning to be recruited into
13 these programs, like the culinary program, and
14 we don't know what to tell them about whether
15 they can work at the casinos or not.

16 So those two things together mean
17 one of these days we're going to have to make
18 a decision, if the legislature doesn't move
19 quickly. So I would urge everybody out there
20 who's lobbying on this one way or the other to
21 keep the pressure on. I have, as I've talked
22 to legislature, I've heard about it.

23 Whatever your viewpoint on this is,
24 whether it's done through 23K, or whether it's

1 done through CORI reform or something else,
2 they are listening to you. They've heard
3 your -- your interventions and I'd urge you to
4 push them. But I think we can't wait too
5 terribly long. By your own language, we can't
6 wait too terribly long.

7 So for the moment, we'll put it off
8 until the 22nd. If anybody cares to try to
9 draft the compromised section, that's fine
10 with me. Put it on the table, if you want to.
11 Otherwise, we'll pick it up on the 22nd.

12 MR. BEDROSIAN: We can -- we can take a
13 shot at a hybrid and circulate it along with
14 this.

15 CHAIRMAN CROSBY: Okay. Okay. Next
16 item on the agenda -- you're done with your
17 administrative update?

18 MR. BEDROSIAN: That is it.

19 COMMISSIONER ZUNIGA: Can we take a
20 quick break?

21 CHAIRMAN CROSBY: Yeah. We'll take a
22 quick break and we'll be back for research and
23 responsible gaming.

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(A recess was taken)

CHAIRMAN CROSBY: All right. We are reconvening public meeting No. 219 at about 2:30. Research and responsible gaming, Director Vander Linden.

MR. VANDER LINDEN: Great. Thank you. Thank you, Commissioners. I'm joined by Teresa Fiore --

CHAIRMAN CROSBY: Excuse me. Just one second. I'm sure you're already trying this, but is there anything you can do to cool off in here, or maybe invite the commissioners to take their jackets off? Okay.

MR. VANDER LINDEN: We'll follow your lead.

CHAIRMAN CROSBY: Yeah. All right.

MR. VANDER LINDEN: I'm joined by Teresa Fiore, program manager for Research and Responsible Gaming. And I wasn't expecting them, but other experts in the PlayMyWay area include Amy Gabrila, who is a GameSense adviser, and Marlene Warner, who is the executive director of the Massachusetts

1 Council on Compulsive Gambling.

2 We're -- believe it or not, at one
3 year since the launch of PlayMyWay.
4 Specifically, June 9, 2016. This was kind of
5 a lead-up to -- June 9, 2016 was kind of a
6 lead up in accumulation of about two years of
7 work in developing this specific product. And
8 it was done in large part by a collaboration
9 of different entities. Certainly, the MGC was
10 the lead on this project. But the
11 Massachusetts Council on Compulsive Gambling
12 provided incredible insight to it.

13 Scientific Games is the -- is the
14 company that developed the product, and it
15 exists on the casino management system there.
16 And -- and certainly, Plainridge Park Casino
17 provided incredible support, and continues to
18 provide incredible support, both from -- from
19 launch to maintenance of this project. And
20 the Cambridge Health Alliance division on
21 Addiction, as our evaluators -- I'll explain
22 in a few minutes, some of the challenges of
23 the evaluation. But let me say up front that
24 they've been a great partner to assure that

1 we're getting the data that we need, in order
2 to answer some of the critical questions we
3 have before us about its effectiveness, and
4 ultimately the future of this -- this program.

5 By way of background, I haven't -- I
6 haven't provided an update on PlayMyWay in
7 quite some time, so let me just kind of
8 refresh our audience of what PlayMyWay is.
9 PlayMyWay is a budget-setting tool that
10 provides players with real time information
11 and supports their gambling decisions. It's
12 available to all Marquee Reward players at
13 Plainridge Park Casino.

14 Enrollment in the program is free
15 and it's entirely voluntary. Players can set
16 a daily, weekly and/or monthly -- monthly
17 budget and receive automatic notifications as
18 they approach the budget that they set at --
19 as they approach 50, 75 and a hundred percent
20 of their budget.

21 PlayMyWay does not stop play, once
22 they -- a player would reach 100 percent. If
23 the player chooses to continue to play after
24 100 percent of their budget, they will

1 continue to receive notifications at every --
2 every 25 percent. We encourage enrollment of
3 the program with a \$5 food voucher that can be
4 redeemed at any of the food vendors at
5 Plainridge Park Casino.

6 PlayMyWay is a tool of our larger
7 GameSense program. And it really goes back to
8 and was outlined in our Responsible Gaming
9 Framework as a play management tool that
10 supports informed player choice. Informed
11 player choice, just in a very big nutshell,
12 meaning that we want to provide players with
13 information that they can use to inform their
14 decisions. When to gamble, when to stop and
15 how much to spend. And that is the crux of
16 the evaluation. How effective is this tool at
17 providing patrons with that information to
18 inform their -- their gambling decisions.

19 I'm going to turn it over to Teresa
20 to just give you a overview of the enrollment
21 information. So Teresa.

22 MS. FIORE: All right. Good afternoon,
23 Commissioners.

24 CHAIRMAN CROSBY: Good afternoon.

1 COMMISSIONER CAMERON: Good afternoon.

2 COMMISSIONER ZUNIGA: Good afternoon.

3 COMMISSIONER STEBBINS: Good afternoon.

4 MS. FIORE: I was able to pull some
5 enrollment and outtake related numbers as of
6 June 12, 2017, so exactly one year and three
7 days since the program was launched at PPC.

8 So based on that date, we have had a
9 total of 12,670 players who have ever enrolled
10 in the PlayMyWay program, which makes up
11 10.35 percent of all eligible players. As
12 Mark said, an individual is eligible to enroll
13 in the program, if they have a Marquee Rewards
14 card, which is just the PPC loyalty card. So
15 that's the big number that we measure against.

16 Now, that figure is the number of
17 players who have ever enrolled in the program.
18 The next figure I'm going to give you is
19 10,857. And that is the number of players who
20 are actively enrolled in the program as of
21 June 12, 2017. And that makes up 8.9 percent
22 of eligible players who, once again, are the
23 Marquee Reward cardholders.

24 CHAIRMAN CROSBY: So Marquee Rewards

1 cardholders is well over a hundred thousand,
2 apparently. Must be like --

3 MS. FIORE: Yes.

4 CHAIRMAN CROSBY: -- a 120,000 or
5 something like that.

6 MS. FIORE: Yep.

7 CHAIRMAN CROSBY: Are those Marquee
8 Rewards players who play at Plainridge?

9 MR. VANDER LINDEN: So it would be
10 eligible Marquee Reward players. So it would
11 be Marquee Reward players who have played at
12 Plainridge Park Casino since June 9th of 2016.

13 CHAIRMAN CROSBY: Wow. That's a lot.
14 Wow.

15 MS. FIORE: So -- and total
16 unenrollment is right around 16 percent, which
17 is a number that stays fairly consistent from
18 month to month. We do have it broken down in
19 the chart below on a monthly basis. I won't
20 go through each month. But you can see the
21 purple represents the number of enrollments,
22 and the green represents the number of
23 unenrollments.

24 So when you look all the way to the

1 right, the two columns, which represent the
2 total, obviously, the 10,857 that bar would go
3 well off this page so I cut it off. But just
4 make note of that number, please.

5 COMMISSIONER CAMERON: So does the
6 8.9 percent, that's including those that have
7 unenrolled, right; that's just the constant
8 number --

9 CHAIRMAN CROSBY: That's net of the
10 unenrolled. All of the enrolled, minus the
11 ones who have unenrolled leaves you --

12 COMMISSIONER CAMERON: Yeah. Right.

13 MS. FIORE: Correct.

14 CHAIRMAN CROSBY: Right.

15 MR. VANDER LINDEN: You know, we've
16 said it all along, but let me just say it
17 again, PlayMyWay is just one tool in the
18 broader GameSense toolbox. We never
19 anticipated that PlayMyWay would be something
20 that everybody would be interested in.

21 COMMISSIONER CAMERON: But it's a very
22 high number.

23 MR. VANDER LINDEN: It's a very -- it
24 seems like a high number to us.

1 CHAIRMAN CROSBY: I agree.

2 COMMISSIONER CAMERON: 10 percent. I
3 mean, I don't even want to talk about the
4 numbers that I was hearing in Australia. But
5 let me tell you, this is a tremendous number.
6 10 percent's a big number.

7 CHAIRMAN CROSBY: We heard them too. I
8 know what you're referring to. This is --
9 this is like five to 10 times what anybody's
10 ever done before.

11 MR. VANDER LINDEN: Right. I was
12 speaking with Plainridge Park Casino this
13 morning. They said, we would have expected
14 hundreds and -- and what you have is
15 thousands.

16 CHAIRMAN CROSBY: Wow.

17 MR. VANDER LINDEN: Let me just -- it's
18 the coupling PlayMyWay with the GameSense
19 program. I don't have the -- you know, I
20 don't have the evidence to back that up. But
21 observing the GameSense program and how it
22 functions at Plainridge Park Casino,
23 understanding what PlayMyWay is intended to do
24 and how it supports the GameSense program and

1 how the GameSense program supports PlayMyWay
2 is really the synergy that I believe leads to
3 a higher enrollment number than would have
4 otherwise have been received.

5 COMMISSIONER CAMERON: That's great.

6 MS. FIORE: And further to expand on
7 the great work that the GameSense advisers
8 have done, there's often overlap with the PPC
9 staff members themselves. Particularly, the
10 slot attendants who are going around the floor
11 constantly. So for those attendants who have
12 really gone above and beyond getting people to
13 enroll are simply being there to explain the
14 program or answer any questions has been
15 extremely, extremely helpful and what we
16 consider to be the success of the program as
17 well.

18 One other metric, which I wanted to
19 offer to you was the \$5 food vouchers, which
20 we offer to anyone who enrolls in the program
21 for the first time. So to date, the
22 Commission has paid out \$13,105 in the past
23 year for individuals who have turned in their
24 vouchers. That makes up about 25 percent of

1 patrons who are eligible to receive a voucher
2 and actually redeemed one.

3 So the caveat, sort of, is that, yes
4 we can count the exact number of vouchers that
5 we give out, but it doesn't mean that someone
6 is going to use the entire \$5. It further
7 doesn't mean that someone is going to use it
8 at all. They just may want to enroll in the
9 program. But that is based on the number of
10 people who were eligible to receive a voucher.

11 COMMISSIONER CAMERON: But can't we
12 extrapolate and say that they're not signing
13 up because of the \$5. They're signing up
14 because they want to sign up, if only
15 25 percent are even --

16 CHAIRMAN CROSBY: Using it.

17 COMMISSIONER CAMERON: -- using it.

18 CHAIRMAN CROSBY: I agree. I'm
19 astonished by that. One of the dangers was
20 that they'd sign up for their five bucks and
21 unenroll. You know, that's what we were
22 always worried about. What's the schedule --
23 are you finished?

24 MS. FIORE: I'm finished with my

1 section.

2 MR. VANDER LINDEN: I wanted to come
3 back and talk about evaluation, if I --

4 CHAIRMAN CROSBY: Okay. Good.

5 MR. VANDER LINDEN: -- if I may.

6 COMMISSIONER ZUNIGA: Before you do
7 that, Mark, this may be just part of the
8 numbers discussion. There's a 30-day --
9 somebody can enroll and play for the day,
10 let's say, and they may not come back until
11 two months from that time. But because they
12 have -- there's more than 30 days that have
13 passed PlayMyWay will offer them, again, the
14 option to enroll?

15 MR. VANDER LINDEN: Correct.

16 COMMISSIONER ZUNIGA: Correct?

17 MR. VANDER LINDEN: That's correct. So
18 you -- every -- when we launched, and you'll
19 see the very high numbers of enrollment in the
20 first month or two. And that's because the
21 first time that somebody put their player card
22 in, regardless of whether or not they were
23 first time -- they had just enrolled in the
24 Marquee program, they were provided with an

1 invitation to enroll. You could say yes, you
2 could say no thank you. If you said no, you
3 would receive a notice once every 30 days
4 after that. So if somebody came and then
5 didn't come back for two months, the next time
6 they'd put their card in, they would be
7 provided, or they would be invited to enroll
8 again at that -- at that point in time.

9 COMMISSIONER ZUNIGA: Do we have the
10 data, or is it possible to get data of how
11 many people remain enrolled after a number of
12 several visits, because these are all
13 enrollment numbers but we don't really know if
14 they're unique numbers, right? There could be
15 somebody who came in and played and signed up
16 in August of last year, didn't come for at
17 least four months and decided to reenroll
18 again when it was offered, because the 30 days
19 had already expired?

20 CHAIRMAN CROSBY: Well, you'd still be
21 enrolled, that person. If you don't play for
22 four months but you've signed up, as soon as
23 you put your player card in it knows you
24 signed up.

1 MR. VANDER LINDEN: Correct.

2 CHAIRMAN CROSBY: It doesn't lapse.

3 MR. VANDER LINDEN: It doesn't lapse.

4 And it would remember the budgets that you had
5 set up four months -- four months earlier.

6 COMMISSIONER ZUNIGA: But I could -- I
7 could set up a budget only for that session,
8 right, for the one session?

9 MR. VANDER LINDEN: No. You would set
10 it up -- if you're saying -- you're referring
11 to setting up a daily budget. If you set up a
12 daily budget of \$50, it would track your play
13 during that -- that gaming day and -- and
14 provide you with those notifications, when you
15 come back four months from then, you would
16 still have a budget set at \$50, unless you
17 change it.

18 COMMISSIONER ZUNIGA: You'd still be
19 enrolled?

20 MR. VANDER LINDEN: You're still
21 enrolled, correct.

22 COMMISSIONER ZUNIGA: Okay.

23 COMMISSIONER CAMERON: So the once a
24 month is if you've said no the first time.

1 Then they ask you again.

2 COMMISSIONER ZUNIGA: You get offered.

3 CHAIRMAN CROSBY: Until you say yes.

4 COMMISSIONER ZUNIGA: So you're always
5 enrolled until you proactively unenroll?

6 MR. VANDER LINDEN: Correct.

7 COMMISSIONER ZUNIGA: So the 10,000 are
8 really -- are unique people?

9 MR. VANDER LINDEN: Yes. That's
10 correct.

11 COMMISSIONER STEBBINS: What level
12 of -- I mean, short of the work of, you know,
13 the GameSense team down there, what kind of
14 ongoing awareness, promotion, advertising of
15 the program goes on, either on Plainridge's
16 behalf, or in addition to what our GameSense
17 team?

18 MR. VANDER LINDEN: Yeah. That's a
19 great question. And I'll see if I can
20 remember everything that's out there
21 currently. We had a significant effort at the
22 launch of PlayMyWay. That was renewed in
23 August of last year during Responsible Gaming
24 Education Week, when we partnered with the

1 Mass council and with Plainridge Park Casino
2 to really put PlayMyWay as the central theme
3 for that week.

4 Ongoing, we have -- there's digital
5 signage, at the casino, as well as poster
6 board signage that you'll see as you're
7 walking through the gaming floor. We have a
8 short video that we have on our -- the MGC
9 website. We also have that on the Mass -- or
10 the gamesensema.com website. There's
11 PlayMyWay signage and additional information
12 from rack cards to brochures at the GameSense
13 information center. I believe that covers it.
14 Is that --

15 MS. FIORE: Yeah. We're also going to
16 continue the first-time enrollment incentive
17 program into FY '18.

18 COMMISSIONER STEBBINS: Okay.

19 MR. VANDER LINDEN: So the -- I'm
20 sorry.

21 COMMISSIONER CAMERON: No. Excellent.
22 The numbers are tremendous.

23 MR. VANDER LINDEN: So we are pleased
24 with the numbers of enrollment. And that's --

1 and my view, one measure of success. Another,
2 though, is the evaluation. How effective is
3 PlayMyWay in providing informed player choice?
4 That it really does provide people with
5 information that informs their gambling
6 decisions. And that is the -- that's the key
7 question that we continue to work towards
8 answering through our evaluation with Harvard
9 Medical School, Cambridge Health Alliance
10 division on addiction.

11 Gathering that data has been
12 challenging. It's certainly -- getting
13 PlayMyWay launched has had its own challenges.
14 But then, capturing the data that we need to
15 give to our evaluation team so that they can
16 answer that question has had -- has had
17 multiple hurdles along the way.

18 Without going into great detail
19 about -- about those hurdles, I do have to say
20 as recently as just before this meeting we had
21 a meeting with -- with Scientific Games and
22 the division on addiction. We are hopeful
23 that the last hurdle, and hopefully the last
24 hurdle, has been crossed and that we are on

1 track to have an evaluation report in August,
2 so in about two months.

3 COMMISSIONER CAMERON: Are we the only
4 ones really trying to evaluate the program, or
5 have others attempted to?

6 MR. VANDER LINDEN: You know, there's
7 been other attempts to evaluate -- evaluate
8 what is most broadly called precommitment
9 tools that have been implemented in -- in
10 other jurisdictions. I would say, even since
11 we -- we've launched, there appears to be a
12 growing body of evidence that would support
13 the efficacy of play management tools or
14 precommitment tools.

15 One of the -- there's many
16 challenges that, you know, every jurisdiction
17 that has this type of tool has implemented it
18 in a slightly different way. So that creates
19 one challenge. Another is the way in which
20 data is being collected, and the metrics for
21 measuring success are -- are different.

22 When we launched this and
23 contemplated this two years ago, we basically
24 said evidence is inconclusive. We don't know.

1 Some research is pointing that it's promising
2 or effective, some say that it -- it is not.
3 We said this is -- this is in line with our
4 precautionary approach. That just because
5 there isn't definitive evidence of
6 effectiveness, it appears promising, and it's
7 completely in line with the Gaming
8 Commission's objectives of mitigating, to the
9 maximum extent possible, negative consequences
10 of gambling. And so we went for it. But
11 we're, I think, evaluating it in a way that
12 has not been done before. We're taking the
13 evaluation piece, we put it front and center
14 from the onset, whereas I don't think that
15 that is the case in most other jurisdictions.

16 COMMISSIONER CAMERON: Yeah. It's
17 really hard to evaluate effectively, if you
18 don't set that up ahead of time.

19 MR. VANDER LINDEN: Right. And even
20 when you do, we've seen several times where
21 we've run into hurdles so...

22 COMMISSIONER STEBBINS: That's good
23 news.

24 MR. VANDER LINDEN: Thank you.

1 COMMISSIONER CAMERON: Yeah. Thanks.
2 That's a great report.

3 COMMISSIONER ZUNIGA: So did you
4 mention order of magnitude date for that
5 evaluation report? Is that --

6 MR. VANDER LINDEN: I am now saying
7 August of -- of this year, based on, kind of,
8 my latest conversations with the division on
9 addiction and some of -- the status of the
10 data as I know right now.

11 COMMISSIONER ZUNIGA: That's great.

12 MR. VANDER LINDEN: I have communicated
13 that this is -- the results of that evaluation
14 are -- are important to the Commission, as we
15 move towards making decisions about the future
16 of PlayMyWay. I think that everybody on the
17 team here hears that so...

18 COMMISSIONER ZUNIGA: That's great.

19 COMMISSIONER CAMERON: Thanks.

20 MR. VANDER LINDEN: Thank you.

21 CHAIRMAN CROSBY: Good work.

22 Director Lennon.

23 COMMISSIONER STEBBINS: Thanks,
24 Marlene.

1 MR. LENNON: Good afternoon,
2 Mr. Chairman and Commissioners.

3 CHAIRMAN CROSBY: Good afternoon.

4 COMMISSIONER CAMERON: Good afternoon.

5 COMMISSIONER ZUNIGA: Good afternoon.

6 COMMISSIONER STEBBINS: Good afternoon.

7 MR. LENNON: Good afternoon,
8 Mr. Chairman and Commissioners.

9 CHAIRMAN CROSBY: Good afternoon.

10 COMMISSIONER CAMERON: Good afternoon.

11 COMMISSIONER ZUNIGA: Good afternoon.

12 COMMISSIONER STEBBINS: Good afternoon.

13 If you notice, you don't have anything in your
14 packet. That was intentional. I'm here to
15 give you an update on our annual audit of
16 licensee gaming operations in Massachusetts.

17 While I'm sitting here before you,
18 giving you the update, it would be
19 irresponsible of me to not state that this
20 audit is only possible due to the daily work
21 of the gaming agents, the input of the
22 financial investigation staff, the direction
23 and review of the MGC's internal audit risk
24 and compliance working group, the cooperation

1 of our only operational licensee, Plainridge
2 Park Casino, and the development of testing
3 procedures, work papers and expertise of the
4 public accounting firm Eide Bailly.

5 Section 65 of Chapter 23K of the
6 Mass. General Laws calls for the Massachusetts
7 Gaming Commission to perform audits as often
8 as it deems necessary, but not less than
9 annually, on the accounts, programs,
10 activities, and functions of gaming licensees.

11 It also requires the MGC to submit a
12 report to the clerks of the House of
13 Representatives and Senate, which shall
14 include but not be limited to, one, a number
15 of audits performed under Section 65 (ii), a
16 summary of findings under the audits and,
17 three, the cost of each audit. So I'll do my
18 update in that order.

19 The MGC performed only one audit, as
20 required by Section 65 of Penn National Gaming
21 at the Plainridge Park Casino. The
22 Massachusetts Gaming Commission, in
23 conjunction with the public accounting firm of
24 Eide Bailly, conducted this audit for the

1 period of January 1, 2016 through
2 September 31, 2016.

3 The audit, as required by the
4 statute, was conducted according to
5 generally-accepted auditing standards
6 established by the American Institute of
7 Certified Public Accountants, and the
8 standards established by the public company
9 accounting oversight board.

10 The audit was intended to test
11 Plainridge Park Casino's compliance with the
12 MGC's minimum system of internal controls, as
13 well as its own stated system of internal
14 controls, processes and policies in the
15 following areas: Electronic gaming devices,
16 inclusive of account procedures, metering,
17 meter variances and cashless wagering, cage
18 and credit, which included inventory, kiosk
19 inventories, transfers from the cage, closeout
20 forms, and then information technology,
21 inclusive of physical access and maintenance
22 controls, backups and data protection.

23 Representatives from the MGC, as
24 well as Eide Bailly, performed on-site testing

1 in the above-mentioned areas from
2 November 7, 2016 through November 11, 2016.
3 So it was a five-day, on-site engagement. The
4 audit resulted in no issues of noncompliance
5 with CMR 138, three, recommendations for
6 stronger controls, and four, observed
7 exceptions to PPC's written system of internal
8 controls.

9 While I'm not able to go in depth
10 into the findings from this audit, due to the
11 nondisclosure agreement executed between PPC
12 and the Mass Gaming Commission dated
13 February 4, 2016, I am able to discuss, in
14 broad terms, the result of the audit.

15 First, and I think the most
16 significant result of this audit, is the MGC
17 and PPC's internal audit team will collaborate
18 on future audits. This will give the MGC the
19 ability to leverage PPC's internal audit
20 department reports, and focus on any
21 additional resources needed on areas of
22 concern not covered internally, or ask PPC's
23 internal audit staff to add to their audit
24 plan, if they have capacity.

1 The methodology for doing this will
2 be to have MGC work alongside PPC internal
3 staff for a minimum of two of the planned
4 internal audits. The MGC's internal audit
5 risk assessment and compliance working group
6 will choose those two engagements.

7 Second area that we recommended for
8 increased control was, through our audit we
9 documented that PPC has both written systems
10 of internal controls, as well as written
11 standard operating procedures. And that there
12 are times where the two need to be
13 cross-referenced, as some control activities
14 are contained in the standard operating
15 procedures but not mentioned in their internal
16 control documents. PPC is currently
17 undergoing a thorough review of its written
18 and submitted internal controls and will be
19 updating us on areas that need to be changed.

20 A subset to the second issue, we
21 found areas where PPC's actual operating
22 procedures or controls have changed from the
23 time when they were first written. Many
24 times, this change is due to operational

1 efficiencies they've experienced, but the
2 written controls just haven't kept up. We did
3 not have a concern with the new operational
4 procedures, but did note to PPC management
5 that the written controls should be updated
6 and submitted to the executive director for
7 approval.

8 The final issue of note that was
9 addressed in our report was information
10 technology backup procedures. It's important
11 to note here, all of these issues were
12 self-reported by PPC. So we were just
13 following through on their own self-reported
14 risks and concerns. Prior to our audit report
15 being completed, PPC had either addressed
16 those areas of risk, or come up with a plan to
17 mitigate the risk that we were -- that we were
18 satisfied with.

19 The total cost of the audit was
20 \$24,402.44. The cost of this audit was very
21 low, due to the fact that MGC staff from the
22 IEB gaming agent, financial investigators, the
23 finance office, the MGC IT office, as well as
24 the MGC internal audit risk and compliance

1 working group took on both drafting and
2 testing rules during this engagement.

3 The public accounting firm of
4 Eide Bailly made sure that the audit was
5 performed as required, in accordance with
6 generally-accepted auditing standards and lent
7 expertise in sampling, testing and reviewing
8 current controls. That's the extent of the
9 update.

10 MR. BEDROSIAN: So if I could just add
11 one or two things. First of all, I'd like to
12 thank Derek for all his work. We also had
13 some, what I would call guidance from
14 Commissioner Zuniga. Thank you very much.

15 We're a unique agency because we
16 have both have audit responsibilities and we
17 get audited. So I think our ability to
18 understand both sides of that equation work to
19 our benefit, just to make sure -- and this was
20 really our first -- our first one, to make
21 sure any findings or concerns we had were
22 really based on data and evidence, and
23 potentially not on miscommunication or -- or
24 any other external factors you'd hate to get

1 in the way. And I think we achieved that.

2 Plainridge Park Casino was very
3 cooperative, and we've developed a strong
4 process going forward. We may lean on
5 Eide Bailly one or two more times. But this
6 is something we'd like to have the capability
7 to do in house as we, you know, expand that
8 capability and think about our Category 1
9 licensees also.

10 COMMISSIONER ZUNIGA: Yeah. Let me
11 just add to that. That the cost that was
12 mentioned was only the fieldwork. And the
13 cost associated with Eide Bailly, I would
14 argue that there's significant resources that
15 we spent, but we're not quantifying
16 internally, in terms of thinking about testing
17 and then drafting, you know, the audit -- the
18 audit findings from, again, the collaboration
19 of IEB and finance.

20 Let me just mention one thing about
21 the first finding. And that is a very quick
22 update that we are already executing on the
23 recommendation of that -- of that finding,
24 which was more of a process finding, in my

1 view. One in which we will shadow and
2 understand their own internal audit plan that
3 PPC has.

4 We've selected, preliminarily, the
5 audits that we will shadow on and review work
6 papers on, as part of your most recent meeting
7 of that internal audit and risk assessment
8 working group. And that's something that
9 we're already implementing, which I think is
10 very positive. The others, as you mentioned,
11 are things that they will address and will
12 verify accordingly.

13 COMMISSIONER CAMERON: Thank you.

14 MR. LENNON: Thank you.

15 COMMISSIONER CAMERON: Good report.

16 Thanks.

17 CHAIRMAN CROSBY: Next up.

18 Director Griffin. Welcome.

19 MS. GRIFFIN: Good afternoon.

20 CHAIRMAN CROSBY: Good afternoon.

21 COMMISSIONER CAMERON: Good afternoon.

22 COMMISSIONER ZUNIGA: Good afternoon.

23 COMMISSIONER STEBBINS: Good afternoon.

24 MS. GRIFFIN: So my colleague,

1 Ombudsman Ziemba, is going to give opening
2 remarks and review the grants process and some
3 of the guidelines, and then I'll review the
4 specific proposals that we have received.

5 MR. ZIEMBA: Thanks, Jill.

6 Mr. Chairman and Commissioners, today we begin
7 our review of the 2017 Community Mitigation
8 Fund recommendations from the review team. We
9 received a total of 22 applications, over five
10 different types of applications. Specific
11 impact grant application, transportation
12 planning grant applications, tribal gaming
13 technical assistance application, use of
14 reserves, and workforce development
15 applications, which we discussed today.

16 No votes have been scheduled for
17 today. In order to make our presentation on
18 the applications more digestible, given the
19 volume, we decided to present the mitigation
20 fund review team recommendations on workforce
21 at this meeting, with the balance expected at
22 our next meeting.

23 The review team has been trying to
24 organize and present the hundreds of pages of

1 application materials and analysis. The
2 workforce memorandum that's included in your
3 packet follows the same form that will be seen
4 in the rest of the recommendations that you
5 will see at the next week's meeting. However,
6 I will note, just so you can know that
7 hopefully it will be digestible, that the
8 workforce narrative is a little bit more
9 voluminous, in terms of narrative, given the
10 topics that we're discussing.

11 So we also thought that the
12 workforce development program should be
13 presented first because it has been such a big
14 concern, a recent concern and focus by the
15 Commission, and because of the need to ramp up
16 activities in advance of the MGM Springfield's
17 opening next year, that there's -- there's
18 potentially some significant discussion. So
19 we're here to give you, as Jill mentioned, a
20 summary of the team recommendations and answer
21 any questions, but don't expect a yes or no
22 vote, or an indication of where you go, unless
23 you would like to do so.

24 We know that you will need to take a

1 look at these recommendations in the overall
2 context of the recommendations for the entire
3 program and where that sits within the overall
4 budget. So with that, I turn it back over to
5 -- to Jill.

6 MS. GRIFFIN: And we're also joined by
7 Community Mitigation Fund review team member,
8 Derek Lennon. So I'm going to go over all
9 three -- or all three proposals, and then
10 we'll have time for discussion following that.

11 But for Region A, we had a proposal
12 from the Metro North Regional Employment
13 Board. It requested \$200,000 for the creation
14 of a regional consortium called the
15 Metro North Casino Careers Consortium. The
16 purpose was to prepare and train local
17 residents for jobs related to Wynn Boston
18 Harbor. And this proposal -- they propose
19 focusing on underemployed and unemployed
20 populations, and also on minority, women
21 veterans as well. And they also proposed
22 creating a system in which local residents are
23 able to start casino pathways -- career
24 pathways leading to casino-related careers.

1 And they do that in -- with two main
2 components. A regionwide network of casino
3 career advisers. And this, I think, is really
4 exciting. I'll talk more about that later
5 but...

6 Then, the second part is through a
7 culinary arts training programs in a couple of
8 locations. Both of these components are
9 designed to increase capacity and fill gaps in
10 the regional workforce system. These project
11 components are new partnerships that aim to
12 address current and future needs of employers
13 in the region. Needs that are not currently
14 being addressed by the current workforce
15 development system. This proposal has
16 leveraged in kind, matching and other
17 leveraged funds. Including the cities of
18 Everett, Cambridge, Somerville, Malden have
19 provided significant, in-kind matches for
20 facilities, staff, staff salaries for
21 casino-career advisers, recruitment managers
22 and case management individuals.

23 Our licensee, Wynn Boston Harbor,
24 has granted \$20,000 to La Comunidad, and the

1 Everett Haitian Community Center, to launch
2 the New England Center for Arts and
3 Technology, kind of a satellite program at
4 Everett High School. The cities of Malden and
5 Chelsea have committed \$15,000, a cash
6 donation to benefit their city's residents.

7 So the culinary training programs
8 involve Bunker Hill Community College and
9 Somerville Community Corporation. And, also,
10 another -- oh, and that culinary training
11 program is at Somerville High School, in
12 addition to the one I mentioned in Everett.

13 So the outcomes, they plan to serve
14 100 local residents, placing 75 percent in
15 culinary-related jobs, and they projected an
16 85 percent retention. And their program is
17 designed to address both immediate needs of
18 businesses in the region. Currently, there is
19 a shortage for culinary-related workers in the
20 region. And build a pipeline of talent for
21 future opportunities at Wynn.

22 The Regional Employment Board's
23 application, the review team felt, met the
24 purpose of the 2017 Community Mitigation Fund

1 guidelines. The Committee felt this was an
2 innovative, collaborative solution to meeting
3 the needs of the region. And the Committee
4 recommended full funding in the amount of
5 200,000.

6 So as I mentioned, throughout the
7 proposal some of the strengths were the
8 leveraged funding, the regional partnerships
9 and the cities at the table, the data tracking
10 that they mentioned in their application, and
11 the direct relationship and potential benefit
12 to Wynn Boston Harbor. And, also, the focus
13 on the unemployed and under-represented
14 populations. So that was --

15 COMMISSIONER ZUNIGA: Oh. I was going
16 to ask, were you going to go to the next one,
17 or could we ask questions about some of
18 specifics of this request? How did you want
19 to --

20 MR. ZIEMBA: Sure. Whatever you want
21 to do.

22 MS. GRIFFIN: Whatever you would
23 prefer.

24 COMMISSIONER ZUNIGA: Well, were you

1 done with --

2 MS. GRIFFIN: I was done with this one.
3 Sure.

4 COMMISSIONER ZUNIGA: Yeah. I had a
5 couple of questions. You mentioned there's a
6 hundred local -- one of the goals is to -- to
7 get through the process about a hundred local
8 residents; is that through the culinary arts?

9 MS. GRIFFIN: That's through the
10 culinary arts.

11 COMMISSIONER ZUNIGA: But conceivably,
12 there could be -- these casino career
13 advisers' reach will be a lot wider because
14 some may be conceivably, you know, getting
15 through training on their own, or whatnot.

16 MS. GRIFFIN: Right. And that's the
17 exciting part, I think, about this proposal.
18 Is the -- the casino career advisers are
19 designated in most of the host and surrounding
20 communities and really have the opportunity to
21 reach far more than the hundred, and touch not
22 just culinary but many other fields as well
23 so...

24 COMMISSIONER ZUNIGA: Do we have a

1 sense as to how many of these casino-career
2 advisers might be deployed at any given point
3 with these efforts, or has that yet to be
4 determined?

5 MS. GRIFFIN: Well, they did make
6 several commitments, or cities made several
7 commitments to at least have one, and some
8 communities mentioned several advisers. And I
9 know that the Regional Employment Board is
10 also -- they haven't stopped. There are some
11 communities that haven't yet, at the time of
12 the application, committed to this proposal.
13 But -- but they are continuing to outreach.

14 COMMISSIONER ZUNIGA: And conceivably,
15 the grant flows to the Board, to the
16 employment board, that then pays a city or
17 town that participates in this program, part
18 of the reimbursement of those casino-career
19 advisers, or do they -- do they work for the
20 Board, or how does it work in general?

21 MS. GRIFFIN: Some of the cities
22 committed in-kind resources. So, for example,
23 current workforce staff at the city would be
24 designate a casino-career adviser. And that

1 would be an in-kind. So let me just look at
2 the budget. But that's a really good
3 question.

4 MR. ZIEMBA: Commissioner, while Jill
5 is looking at that, I just wanted to point you
6 to, in terms of your first question, about how
7 much reach this program will have. In answers
8 to each of the applicant's answer to number
9 detailed questions from the review team, and
10 the answer from the REB on this one, on number
11 six, so page two of that response, they said,
12 "Based on your applications, impact measures,
13 what does your program hope to achieve in year
14 one?" And they mentioned for the region
15 network of career -- casino-career advisers,
16 the consortium expects to serve hundreds of
17 local residents and make dozens of referrals.
18 So that's over and above the other number that
19 we've received, the 90 -- excuse me 100 --
20 what was it, 90 or a hundred?

21 COMMISSIONER ZUNIGA: A hundred.

22 MR. ZIEMBA: A hundred. Ninety out in
23 Western Mass.

24 COMMISSIONER ZUNIGA: Well, is it in

1 general, the grant funds would go to the
2 Board, to the Regional Employment Board?

3 MS. GRIFFIN: Yes.

4 COMMISSIONER ZUNIGA: And is it fair to
5 say that they'll use them at their discretion,
6 where the highest impact --

7 MS. GRIFFIN: That's right, yeah.

8 COMMISSIONER ZUNIGA: -- areas? Could
9 be leveraging some of the in-kind
10 contributions, could be funding some of their
11 own staff, if they're dedicated to being the
12 career advisers, is that...

13 MS. GRIFFIN: Right. They would
14 designate the funds to be used as needed. As
15 I said, some of the cities have designated
16 in-kind contributions so that makes the
17 project go that much farther. But, yes.

18 COMMISSIONER CAMERON: I had a
19 question. I guess I found it surprising that
20 there was only one application from all of
21 Region A. Is that just -- are there other
22 programs that didn't need a grant or...

23 MS. GRIFFIN: I think this program did
24 such a great job of including many programs

1 from -- from the region that -- that this was
2 the one. I mean, we could, quite honestly,
3 have received several applications from
4 individuals, or individual organizations, but
5 the strength of --

6 COMMISSIONER CAMERON: They
7 collaborated.

8 MS. GRIFFIN: They collaborated.
9 Right.

10 COMMISSIONER CAMERON: And I think I
11 read 85 to 90 percent day job retention is
12 their goal.

13 MS. GRIFFIN: Right.

14 COMMISSIONER CAMERON: That's a pretty
15 high number.

16 CHAIRMAN CROSBY: It's much higher than
17 the casino in general, right?

18 COMMISSIONER CAMERON: Right. Day job,
19 I take it. They don't have those same
20 expectations for midnights, I guess.

21 MS. GRIFFIN: Right. And their goal,
22 also, is some of the backfill jobs prior to
23 the casino opening. So individuals will get a
24 chance to get some culinary experience at

1 other employers, and hopefully translate that
2 into a job at the casino.

3 COMMISSIONER CAMERON: Thank you.

4 MR. ZIEMBA: Commissioner, in regard to
5 your question about the budget that Jill is
6 pointing to and the career advisers, under the
7 initial application on page four, they say
8 that, "Each member city has identified at
9 least one location, organization in their city
10 that will serve as -- as casino career's
11 access point and committed staff time to work
12 as casino career advisers."

13 And then, included in the budget is
14 one of the later pages. Under the budget for
15 the expenses for the career advisers, that is
16 where all the match is really being presented.
17 And most of the expense is for the grant, or
18 devoted to the job training program and some
19 of the -- just the overall coordination.

20 COMMISSIONER ZUNIGA: And some of that
21 timing is anticipated to be as early as this
22 fiscal year?

23 MR. ZIEMBA: They said they can get
24 going as soon as we give them the money.

1 COMMISSIONER STEBBINS: I -- just a --
2 you know, I appreciate the -- kind of, this
3 unique strategy with creating the casino
4 career advisers. I would -- I would suggest,
5 if we get to a vote, when that happens, and if
6 we chose to award this, we have had a lot of
7 conversation about education and trying to
8 correct some of the misperceptions out there
9 about casino employment. I would recommend
10 that there be a requirement in the contract
11 that, if they're awarded this money, that the
12 casino career advisers spend some time with
13 our licensing team. Kind of get a lay of the
14 land, talk about qualifications, talk about
15 process so they're as well-equipped as they're
16 talking to residents from these host and
17 surrounding communities as to what the process
18 is, or the process as we know it at the time.
19 So I -- making that connection and that
20 linkage, I think, would be important.

21 MR. ZIEMBA: One thing I'll note, in
22 comparison to last year's program, first of
23 all, we tried to get this program, the awards
24 done a lot earlier. We got them at the end of

1 the summer last year. There were a number of
2 other things that were going on at the time.
3 We're trying to get those done earlier. And
4 we have all of the model contracts from last
5 year that'll have to be individualized for
6 each of the grantees. We haven't done that
7 individualization just yet. But, hopefully,
8 if we're not busy writing the scores of pages
9 for the reviews for the next meeting, we can
10 get going on some of those contracts as well.

11 COMMISSIONER STEBBINS: I just -- I
12 just think they'd be a valuable resource, kind
13 of in partnership, for all the folks they're
14 going to be out talking to on the street and
15 making them aware of what the guidelines are.

16 MS. GRIFFIN: Absolutely.

17 CHAIRMAN CROSBY: Yeah. That's a great
18 idea.

19 MS. GRIFFIN: Great idea.

20 COMMISSIONER ZUNIGA: Are we talking
21 about a little bit about the merits, or how we
22 feel about this, or will that be for later?

23 MS. GRIFFIN: Why don't I go through
24 just in the interest of time, the other two

1 proposals.

2 COMMISSIONER ZUNIGA: Great.

3 MS. GRIFFIN: So Region B, in
4 Springfield we know that, approximately, a
5 quarter of the population does not hold a high
6 school diploma, according to the U.S. Census?

7 COMMISSIONER CAMERON: I'm sorry, what
8 was that number?

9 MS. GRIFFIN: A quarter.

10 COMMISSIONER CAMERON: Oh, 25 percent.

11 MS. GRIFFIN: Yeah. A majority of the
12 jobs at MGM jobs will require a high school
13 diploma. And we also know that Springfield
14 has very high unemployment, almost double that
15 of the state.

16 So given that information, and that
17 we received two applications that met the
18 requirements, our Committee actually
19 recommended that the Commission consider
20 funding both proposals. So I'm going to talk
21 a little bit about those proposals. But --
22 although we did have a favorite, and we'll
23 talk more about that.

24 But the Springfield Public Schools

1 requested funding for the launch of the
2 Ahead of the Game Initiative, a program that
3 targets low-skilled, low-income individuals
4 interested in pursuing their adult basic
5 education to prepare for enrollment in
6 postsecondary workforce training programs
7 relevant to the needs of MGM Springfield.

8 They proposed serving 100 adult
9 students annually, with a variety of
10 resources, including basic literacy in math,
11 high school equivalency, test preparation and
12 testing, English for speakers of other
13 languages, job skills workforce readiness
14 training.

15 The students enrolled in this
16 program will, presumably, have a dedicated
17 case manager and a teacher to work with them
18 on their individual needs. And so, this grant
19 would pay for those new staffing needs.

20 Ahead of the Game plans to track
21 students from the point of entry to one year
22 of successful employment and focus on
23 retention of students. The case manager will
24 work with the community-based organizations

1 and workforce development organizations to
2 secure internships and apprenticeships, as
3 well as full-time and part-time employment to
4 help students build their resumé and help
5 them become employable.

6 The program also plans to use
7 SkillSmart. As we know, this is the same
8 software platform that MGM will be using, to
9 help students look at their skills gaps and
10 their strengths. The program participants
11 will also participate in soft skills
12 workshops. And upon completion of this
13 program, eligible students would be encouraged
14 to apply and enroll in local postsecondary MGM
15 workforce training programs, presumably, at
16 STCC or Holyoke Community College.

17 Partners of this grant include the
18 Economic Development Corporation of Western
19 Mass., the lead partner in The Working Cities
20 Challenging Initiative funded by the Federal
21 Reserve Bank of Boston. And the plan would be
22 to activate other partners in that network as
23 well.

24 The goal is to measure the number of

1 students enrolled -- or these are more, I
2 guess, metrics, to measure the demonstrated
3 improvements in math and literacy levels, the
4 number of diplomas obtained, and placements in
5 permanent employment generally. And, also,
6 permanent employment with MGM.

7 So one thing that the Committee is
8 not recommending funding for is \$20,000 that
9 would be dedicated to an evidenced-based
10 assessment tool. The review committee didn't
11 find that there was enough evidence tied to
12 this tool, or to tie it to the project or the
13 benefits of the casino. It was described as a
14 tool to measure a family's ability to access
15 social resources, economic assets, and strong
16 family bonds that align with work and
17 educational schedules. And I think this was
18 linked to the Working Cities Challenge.

19 Although worthy, there was just not
20 a clear line developed to justify funding for
21 this grant project. So any questions on that
22 proposal?

23 COMMISSIONER STEBBINS: I would agree
24 that the assessment needed to be taken out. I

1 mean, it's not to question the merit of the
2 assessment.

3 MS. GRIFFIN: Right.

4 COMMISSIONER STEBBINS: I think it's
5 important, if it helps further Springfield and
6 the region's, kind of, long-term goals of some
7 of the employment initiatives, I guess, taking
8 up under this Working Cities Challenge. It's
9 not something that, necessarily, should be
10 dismissed.

11 I was just -- as I read through it,
12 there was just some lack of clarity around it.
13 There was one amount that was requested, but
14 they estimated the budget for the assessment
15 at something else. So I can see taking that
16 out because of the clarity issue.

17 You know, I think Springfield Public
18 Schools is in a -- is in a relatively good
19 position, in terms of working with the local
20 stakeholders and identifying folks for the
21 program. Maybe even reaching out through
22 their, you know, student population to find
23 parents or relatives that might be interested
24 in the program. They certainly make a great

1 argument in terms of the need, which I think
2 both Springfield applicants shared pretty
3 well.

4 I had, you know, one concern, you
5 know, as I read through the proposal the first
6 time, and I know there was some clarification
7 to it in some of the follow-up questions that
8 you asked the applicant. There was some
9 reference to the community mitigation funds
10 being used for reimbursing the expenses of
11 program.

12 You know, I would certainly hope
13 that, if Springfield had planned to do some of
14 these programs already, that we might be able
15 to leverage what they were doing and be able
16 to add onto it. We know the need is there.
17 We know that what we can potentially offer is
18 probably not meeting the needs of the backlog
19 of candidates who are interested in getting
20 their GED or their HiSET. So, you know, I
21 would hope they -- you know, they talked about
22 some other funds that they might be able to
23 tap into. But it wasn't clear whether those
24 were being used for this program or not.

1 You know, as we talked about with
2 the previous application, there was some
3 matches there were solicited. In-kind or not.
4 And I think Springfield you know, was -- maybe
5 they didn't go that extra step to identify
6 what in-kind support they might be offering.
7 But there certainly was a lack of other
8 mentions of support, contributions, in-kind,
9 use of space, teachers, you know, what have
10 you. So that was, you know, my general
11 concern with their application.

12 MS. GRIFFIN: Agreed. Yeah.

13 MR. ZIEMBA: Commissioner, one thing
14 we'll note is, included within the body of the
15 memo -- failing to find it exactly right now,
16 but we included a recommendation that we would
17 have both or all three of the grantees, if
18 they're awarded a grant, certify to us that
19 what they're proposing here is new efforts,
20 and that we are not reimbursing them for any
21 existing efforts. We understand that that's
22 what they intend, but we would just ask them
23 to go the further step of saying that what
24 they're going to do is a new effort than that

1 reimbursing effort existing level of services
2 or planned services.

3 And then, one other recommendation
4 that we included in here is that, if, indeed,
5 if Springfield Public Schools is awarded a
6 grant for year one, that it should also very
7 quickly try to determine if there's funding
8 for future years of the program. We note in
9 here that there is a provision in the Host
10 Community Agreement for a community --
11 community development payment, \$2.5 million
12 annually, once MGM is up and operational.
13 That, among its purposes, can be for the
14 general benefit of the citizens of the city of
15 Springfield, and they specifically reference
16 the need to make sure that we have a educated
17 and trained workforce.

18 And so, we understand that that was
19 probably always intended. And, hopefully,
20 that the city of the Springfield can, once MGM
21 is up and operational, they have -- those
22 dollars can help out with those workforce
23 leads.

24 COMMISSIONER STEBBINS: Absolutely. I

1 mean, this seems to be a creation of a new
2 program. But begging the question of what
3 more could they leverage of either existing
4 resources, or resources that weren't solicited
5 or tapped into.

6 MS. GRIFFIN: Point well-taken.

7 COMMISSIONER CAMERON: I just have one,
8 I guess, comment. I was looking at the
9 chronic absenteeism. Obviously, that's a
10 problem in an adult education program like
11 this. And they were talking about bus tokens.
12 I thought that was interesting.

13 MS. GRIFFIN: So they did describe the
14 bus tokens to meet a challenge.
15 Transportation to the programs was identified
16 as a -- as a large issue. But, also, I think
17 they described a new program component, the
18 case management, which I think also --

19 COMMISSIONER CAMERON: Working with
20 these people individually.

21 MS. GRIFFIN: Right. Their goal is to
22 focus on retention.

23 COMMISSIONER CAMERON: Right. Okay.

24 MS. GRIFFIN: So although it wasn't

1 describe in the same place, I think the
2 intention is the same.

3 COMMISSIONER CAMERON: I think I read,
4 also, it takes about 12 months with this
5 program to prepare someone for a HiSET, I
6 guess is the newer term for GED?

7 MS. GRIFFIN: So the major difference
8 between this program and the Springfield
9 Community College application that I'll
10 describe in a few minutes, is that Springfield
11 Public Schools is open entry. They take --
12 they take you were you are. So if -- if
13 you're lower-skilled academically, they'll
14 take you and try to move you up from -- you
15 know, to the level.

16 You may not achieve your high school
17 equivalency during the program length but --
18 that's why they're measuring advancement
19 levels. And so, this may be more of a
20 long-term effort and may be focused on
21 backfill.

22 COMMISSIONER CAMERON: I see.

23 MS. GRIFFIN: As well as they may have
24 individuals who are higher level. You know,

1 higher grade levels as well. But that was the
2 major difference.

3 COMMISSIONER ZUNIGA: Is there anything
4 that you're aware of, in terms of efforts
5 from, say, their vocational technical high
6 school, Putnam, as part of the efforts that
7 they're doing over there at public schools --
8 Springfield Public Schools? I don't remember
9 if I just dreamt that, or read it somewhere.

10 MS. GRIFFIN: No. You read a reference
11 in one of the applications to exploring the
12 opportunity to work with the voc. tech
13 schools. I think, by the time this grant came
14 out, there wasn't time to establish a formal
15 partnership so...but there is interest, I
16 think, from both.

17 COMMISSIONER ZUNIGA: Because there's
18 tremendous existing resources. And I know
19 there's, you know, a lot of need and whatnot.
20 But there's a real nexus to their vote, I
21 think.

22 MS. GRIFFIN: Right. So are we ready
23 for the next one?

24 COMMISSIONER CAMERON: Yes.

1 CHAIRMAN CROSBY: Mm-hmm.

2 MS. GRIFFIN: Okay. So the Springfield
3 Community College proposes Hampden Prep, an
4 accelerated, high school equivalency prep
5 program for adults. And specifically for
6 participants who are nearly ready but lack the
7 high school equivalency credential.

8 This program proposes academic prep
9 work on level three or grade eight in reading
10 and nine in math. Hampden Prep will
11 administer assessments in both career --
12 Career Ready 101, or the TABE test for
13 academics, to all applicants to assess their
14 academic readiness and their career interests.

15 So as a result of this grant, 90
16 additional students would receive services in
17 12-week sessions, covering five different
18 components of the GED or HiSET and workforce
19 essential skills. They would do this through
20 contextualized instruction to help students
21 access other resources, such as the short-term
22 certificate courses offered by the community
23 colleges that are related to local industries.
24 Things like customer service, cash-handling,

1 culinary, manufacturing. They would focus on
2 backfilling jobs left vacant by employees
3 potentially moving to work at MGM and the need
4 for entry-level employees within the casino as
5 well.

6 STCC plans on contributing
7 10.5 percent in matching funds and over 6700
8 in matching specifically from computer labs.
9 And the Community Mitigation Fund review team
10 believes that this program achieves the goals
11 set out in the 2017 Community Mitigation Fund
12 guidelines. We believe that this accelerated
13 program may result in more positive program
14 outcomes for the casino and for Western Mass.

15 So we also think that some of the
16 strengths are that there are some real
17 synergies between STCC's -- the technical
18 community college's current adult basic
19 education program and this new Hampden Prep.
20 They currently have a program that serves 350
21 adults a year. They also have strong
22 connections to the regional workforce
23 partners, strong connection in partnerships
24 with MGM. So the Committee really liked this

1 application and thought it had a lot of
2 strengths.

3 COMMISSIONER STEBBINS: Again, I -- you
4 know, obviously, they're our partners through
5 the MCCTI effort. But again, you know, I like
6 the fact that they identified cash support,
7 cash contributions, in-kind contributions to
8 be leveraged.

9 It was interesting, both -- you
10 know, to Commissioner Cameron's point, we were
11 talking about this worry about barriers to
12 folks completing the program. And, you know,
13 Springfield Public Schools, you know,
14 addressed it one way, the bus -- you know,
15 access to the bus. STCC almost requires a
16 contract signed with the individual that they
17 will, obviously, make every best effort to
18 complete the program.

19 I guess a general question is, is --
20 they talk about getting word out about the
21 program. I would think your easiest target
22 would be people who have come in, inquired
23 about the program, put their name on a waiting
24 list. I mean, that seems to be, you know,

1 almost a guarantee team of people, or a group
2 of people that would be, if they're interested
3 in it, they'd obviously be willing to commit
4 to the program in a way that would allow for
5 more folks to complete it.

6 But just something for them to think
7 about, or, Jill, you to think about as you're
8 talking to them, in terms of how much
9 promotion versus --

10 MS. GRIFFIN: I think this program
11 requires some commitments that maybe other
12 programs don't. And so, I think they'll
13 certainly target their -- their waitlist. I
14 think that's a great suggestion. But the
15 folks on the waitlist might not be at the
16 grade nine -- eight or nine level, so I do
17 think that they'll want to advertised this
18 generally to, you know, the region.

19 COMMISSIONER STEBBINS: And I -- you
20 know, as you pointed out, both programs are --
21 are looking at different populations. So if
22 we end up awarding both, it would be great to
23 make sure there's alignment, in terms of
24 responsibilities. You know, somebody comes

1 through STCC's door, they might be better
2 suited for the Springfield Public School's
3 program, that there's some coordination that's
4 going on.

5 MR. ZIEMBA: I think that's exactly
6 right. One of the questions that the review
7 team posed to both of the applicants is, could
8 they work together. And we got some pretty
9 detailed responses, especially from the STCC
10 team. They indicated how they would
11 coordinate in year one, and then in future
12 years.

13 And in answer to your question,
14 Commissioner, for example, when the City of
15 Springfield Public Schools - this is from
16 their answer - "Springfield Public Schools and
17 STCC currently partner on a variety of
18 educational initiatives, including the Gateway
19 to College program, 100 Males at College, et
20 cetera, et cetera. And the additional funding
21 for Hampden Prep in FY '18 will allow staff
22 from both organizations planning time to
23 explore and pilot new options for adult
24 learners. Some examples might be the use of

1 training facilities at Springfield's
2 vocational high school, Putnam Tech,
3 structured career encounters on the STCC
4 campus, and training of adult learners on
5 access and efficient use of the SkillSmart
6 web-based career."

7 So to your point, Commissioner, they
8 can team the resources that are available to
9 both groups and the collaborations that they
10 already have to come into this really
11 regional, collaborative organization that we
12 anticipated when we did the guidelines.

13 And what we raised as an important
14 measure for both of these applicants is that
15 -- that it is a region. It is not only the
16 city of the Springfield. City of Springfield
17 is extremely important, especially given MGM's
18 commitment to hiring so many folks from the
19 city of Springfield. But we want to make sure
20 that it is a regional approach that gets as
21 many people as we can from the surrounding
22 communities. And yes, that -- that will be
23 more of a challenge because some of the
24 transportation needs. But, hopefully, after

1 year one and year two we can try to figure
2 that out, if there is a year two.

3 COMMISSIONER STEBBINS: Okay.

4 COMMISSIONER ZUNIGA: You alluded to
5 this, Commissioner. But can we -- will we get
6 hard data at the end of these grants so that,
7 you know, it can be measurable and comparable
8 and so on; we can make that part of the --
9 that part of the requirement?

10 CHAIRMAN CROSBY: Part of the contract.

11 COMMISSIONER ZUNIGA: Part of the
12 contract.

13 MS. GRIFFIN: Absolutely.

14 COMMISSIONER ZUNIGA: That would be
15 really helpful.

16 CHAIRMAN CROSBY: Okay. Comments on --
17 any other comments on values or valuation, or
18 whatever?

19 COMMISSIONER STEBBINS: You know, I
20 just want to take a moment to thank Jill and
21 John and the mitigation review team. You
22 know, I -- you know, this started with
23 floating this idea by our local community
24 mitigation action committees about the idea of

1 using the mitigation fund for these purposes.
2 And, you know, there was resounding support
3 in, you know, trying to address a concern that
4 everybody has kind of talked about ever since
5 the idea of a casino coming into Springfield,
6 or a casino coming into Wynn, in terms of what
7 would it do to the workforce?

8 So, you know, I think it's exciting,
9 and I appreciate all the good work that's gone
10 into it. And I think, you know, where we find
11 ourselves, potentially, is doing something
12 historic, in that no other gaming commission
13 or regulatory body has ever been proactive in,
14 so thanks for all your work.

15 MS. GRIFFIN: And I'd like to thank
16 you, Commissioner, because, if I recall, it
17 was your idea.

18 COMMISSIONER STEBBINS: It was
19 collectively our idea.

20 CHAIRMAN CROSBY: No. But you've been
21 talking about the need for backfill from
22 almost our very first couple meetings. You
23 know, about -- you were sensitive to the
24 fact --

1 COMMISSIONER STEBBINS: Everybody's --
2 been saying that to us.

3 CHAIRMAN CROSBY: Well, they are now.

4 COMMISSIONER STEBBINS: Every hotel
5 owner and restaurant has been worried about
6 it.

7 CHAIRMAN CROSBY: But it was some of
8 the first words out of your mouth, so I think
9 that's really important.

10 COMMISSIONER CAMERON: And I see the
11 distinction between the two programs, right.
12 The one is maybe the skills and abilities are
13 at a little lower level, the high school
14 program, or the adult education program, or
15 the STCC program. You know, so you really are
16 servicing two different groups of individuals.

17 MS. GRIFFIN: Right. We think these
18 programs are complementary.

19 COMMISSIONER CAMERON: Yes.

20 COMMISSIONER ZUNIGA: Well, I like
21 the --

22 CHAIRMAN CROSBY: Any other comments?

23 COMMISSIONER ZUNIGA: Yeah. I think
24 they're very strong proposals, very worthy. I

1 like the regional approach of the Metro North
2 consortium. May be more apropos of the
3 region. It occurs to me that, you know, it
4 might be on the earlier side. But, you know,
5 it's a window that closes quickly. So the
6 more we can contribute to the efforts that are
7 ongoing, the better.

8 And, similarly, the -- all the
9 feedback from the Region B from Western Mass.
10 seems to be that this is a high priority. And
11 so, the two are complementary. Although we
12 started with a notion of a pilot program to
13 be, you know, 200,000, the fact that we have
14 two seemingly very complementary proposals is
15 encouraging and worthy of our funding, in my
16 opinion.

17 So, you know, the only point I made
18 already, about getting good data that can help
19 us, you know, ascertain the effectiveness and
20 relative merits, however those are measured,
21 you know, because understood that some are
22 more long-term backfill than others. But I
23 think it's a great set of proposals.

24 COMMISSIONER CAMERON: Yeah. I do as

1 well, all three of them. I like the fact that
2 they each addressed job readiness and just not
3 job qualification. That's a huge piece. And
4 they each kind of took that on in a different
5 way. But that's really -- you know, it's
6 unfortunate that the turnover's large because
7 people -- but they -- they may have the GED,
8 but then they're just not ready because of
9 other issues. So that was -- that was an
10 important piece that I saw.

11 MS. GRIFFIN: Thank you.

12 CHAIRMAN CROSBY: Anything else? Is
13 that it for you folks? Wow.

14 MS. GRIFFIN: We're done.

15 COMMISSIONER CAMERON: Thanks for all
16 your work.

17 CHAIRMAN CROSBY: Yeah, it's great.
18 John, who all are on the review team?

19 MR. ZIEMBA: So the review team
20 includes the three of us here, Catherine,
21 Commissioner Macdonald, Mary Thurlow, and --

22 COMMISSIONER ZUNIGA: Joe Delaney.

23 COMMISSIONER STEBBINS: Joe Delaney.

24 MR. ZIEMBA: And my good friend, Joe,

1 yes. Joe Delaney.

2 CHAIRMAN CROSBY: That's a lot of work
3 by those folks as well.

4 MR. ZIEMBA: Yeah. A lot of work.

5 CHAIRMAN CROSBY: Great. Do we have
6 any Commissioner updates? Do we have any
7 other business? Do we have a motion to
8 adjourn?

9 COMMISSIONER CAMERON: So moved.

10 COMMISSIONER ZUNIGA: Second.

11 CHAIRMAN CROSBY: Any discussion? All
12 in favor? Aye.

13 COMMISSIONER STEBBINS: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 CHAIRMAN CROSBY: Opposed? The ayes
17 have it unanimously.

18

19 (Proceeding concluded at 3:39 p.m.)

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1 MASSACHUSETTS GAMING Commission:
2 Edward Bedrosian, Executive Director
3 Todd Grossman, Deputy General Counsel
4 Derek Lennon, CFAO
5 Karen Wells, Director, IEB
6 Loretta Lillios, Deputy Director, IEB
7 Mark Vander Linden, Director of Research and
8 Responsible Gaming
9 Teresa Fiore, Program Manager of Research and
10 Responsible Gaming
11 Jill Griffin, Director of Workforce, Diversity
12 Supplier Development
13 John Ziemba, Ombudsman
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C E R T I F I C A T E

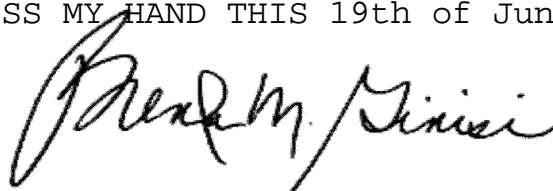
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

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

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

WITNESS MY HAND THIS 19th of June 2017.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021