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COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #218

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Enrique Zuniga

Bruce Stebbins

Gayle Cameron

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MASSACHUSETTS GAMING COMMISSION

101 Federal Street, 12th Floor

Boston, Massachusetts

June 8, 2017

10:00 a.m. - 12:55 p.m.

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: We are ready to  
4 call to order the 218th meeting of the  
5 Massachusetts Gaming Commission on June 8th  
6 at 10:00 at our offices on Federal Street.  
7 The first item on the agenda is the  
8 minutes, Commissioner Macdonald.

9 COMMISSIONER MACDONALD: Yes, thank  
10 you, Mr. Chairman. I move that we approve  
11 the minutes of the May 25th 2017 public  
12 meeting as contained in the packet subject  
13 to correction for typographical errors and  
14 other nonmaterial matters.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER STEBBINS: I had a  
17 quick question at the 3:36 mark. There was  
18 some comments by Commissioner Macdonald but  
19 right before, Mr. Chairman, your comments  
20 said, "Staff is divided but the conclusion  
21 is staff recommends seeking a legislative  
22 fix." I'm unclear and just looking for  
23 clarification that those were Commissioner  
24 Macdonald's continued comments or whether

1           there had been a break at that part of the  
2           conversation might have been involving  
3           somebody else. I mean, nothing to hold it  
4           up but...

5                       MR. BEDROSIAN: My memory is those  
6           were Commissioner Macdonald's comments.  
7           But, Commissioner, I don't want to take the  
8           words from your mouth obviously. Do you  
9           remember?

10                      COMMISSIONER MACDONALD: I  
11           remember -- I can say I remember the  
12           substance of it. I don't specifically  
13           remember using these words, like,  
14           "divided." But, I believe, when I have  
15           commented on publically on this, I have  
16           used the word "there's an absence of  
17           consensus among staff," so...

18                      MR. BEDROSIAN: Why don't we go back  
19           to the tape. We'll get the particular  
20           phrase you used and we'll plug it in and  
21           make sure -- we will plug it in and run it  
22           by you and make sure it's accurate.

23                      COMMISSIONER ZUNIGA: Are you  
24           asking, Commissioner, about the comments

1 that immediately preceding the 3:36  
2 comment?

3 COMMISSIONER STEBBINS: No, no, in  
4 the 3:36 block, "staff is divided." It  
5 says -- there's just a mention, and there  
6 is no attribution of a mention. I didn't  
7 know if that was his comments.

8 MR. BEDROSIAN: I think if we put  
9 the word in "he accepts the recommendation  
10 of staff and understands staff is divided"  
11 or whatever the term is but the conclusion  
12 is, I think that clarifies the attribution;  
13 is that correct?

14 COMMISSIONER STEBBINS: That's fine.

15 COMMISSIONER MACDONALD: And if I  
16 didn't use the word "divide" but used  
17 another word, I'd prefer to be corrected  
18 for that.

19 MR. BEDROSIAN: We'll go back.

20 COMMISSIONER MACDONALD: And on the  
21 other hand, if I did say divide, I'll live  
22 with it.

23 MR. BEDROSIAN: We'll go back, and  
24 we'll go back to the tape.

1                   CHAIRMAN CROSBY: I had a small  
2                   item, too, also on 11:59 down at the bottom  
3                   it says, Chairman Crosby suggested writing  
4                   a letter to the legislature. Commissioners  
5                   Zuniga, Stebbins and Macdonald concur and  
6                   suggests that Commissioner Cameron didn't,  
7                   which I don't think is right.

8                   COMMISSIONER CAMERON: No. I think  
9                   I initiated that conversation, and you  
10                  added on to what I had to say and said, "I  
11                  believe I should write a letter," so we  
12                  were all in agreement on that.

13                  CHAIRMAN CROSBY: So, I think, we  
14                  were all -- clearly we are all in  
15                  agreement. That just kind of makes it  
16                  sounds like it wasn't.

17                  COMMISSIONER CAMERON: I actually  
18                  thought the same thing, but I didn't think  
19                  it was worth changing.

20                  MR. BEDROSIAN: We can clarify that.

21                  CHAIRMAN CROSBY: Any other  
22                  discussion? All in favor of the motion to  
23                  approve?

24                  COMMISSIONER CAMERON: We need a

1 second first.

2 CHAIRMAN CROSBY: I thought  
3 Commissioner Stebbins.

4 COMMISSIONER STEBBINS: Second.

5 CHAIRMAN CROSBY: All those in  
6 favor, aye?

7 COMMISSIONER MACDONALD: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER STEBBINS: Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 CHAIRMAN CROSBY: Opposed? The ayes  
12 have it unanimously. All right. Next up  
13 is administrative update, Executive  
14 Director Bedrosian.

15 MR. BEDROSIAN: Well, the good news  
16 is I have a short general update. Quite  
17 frankly, most of what I have been doing in  
18 the last week involves agenda Items 3B, the  
19 service employee and more directly 5A,  
20 which you'll hear about later, which is the  
21 budget with CFAO Lennon, so that will be  
22 part of the continuation of the meeting.

23 CHAIRMAN CROSBY: Okay. Then we are  
24 on to Director Vander Linden, Item No. 4.

1 MR. VANDER LINDEN: Good morning,  
2 Commissioners.

3 COMMISSIONER MACDONALD: Good  
4 morning.

5 COMMISSIONER CAMERON: Good morning.

6 MR. VANDER LINDEN: I am thrilled to  
7 be sitting here with this fantastic group  
8 of people, so I'm going to just quickly  
9 introduce them and then kind of dive into  
10 the topic. To my right is Dr. Carolyn  
11 Wong. She is with the University of  
12 Massachusetts and Boston. Next to her is  
13 Rudolpho Vega. Rudolpho is with the JSI  
14 Research and Training Institute. And then,  
15 finally, we have Shane Kraus, who is with  
16 the Bedford BA Research Corp. Each of them  
17 are awardees of grants to study special  
18 population gambling behavior among special  
19 populations. They will each give you a  
20 very brief presentation of their research  
21 here in just a moment.

22 So as part of the final -- one of  
23 the final components of the FY/2016  
24 research agenda was the study of gambling

1 behavior among select populations which may  
2 be at elevated risk of experiencing  
3 gambling-related harm with the introduction  
4 of casino-gambling in Massachusetts. The  
5 specific populations were identified in two  
6 different ways.

7 First and foremost was through our  
8 study, the gambling and problem-gambling in  
9 Massachusetts results of a baseline  
10 population survey, which was released and  
11 published in 2015. And that was conducted  
12 by Dr. Volberg and her SEIGMA team at the  
13 University of Massachusetts Amherst.

14 The other source of identifying  
15 these populations, which is through other  
16 public research, which would kind of blend  
17 information and guide us in the direction  
18 of saying these are groups. These are our  
19 populations that we really need to pay  
20 attention to.

21 So very briefly about the  
22 populations which we identified. First are  
23 African American or black persons, and the  
24 results of the baseline population survey



1 found that residents in Massachusetts who  
2 fall within this subgroup are nearly five  
3 times more likely to experience a  
4 gambling-related problem. Additionally,  
5 there's very little research examining  
6 gambling behavior and problem-gambling  
7 among African Americans.

8 Second are veterans. And the  
9 results of the baseline population found  
10 that Massachusetts residents who fall  
11 within this subgroup were identified as  
12 potentially of having elevated risk of  
13 problem-gambling. The problem with this  
14 information is the sample size within our  
15 sample was too small to illicit confidence  
16 in the findings. So we thought that it  
17 would be best to identify this group as  
18 needing additional information.

19 Immigrants, immigrants within the  
20 baseline population survey found that  
21 immigrants in Massachusetts may be  
22 vulnerable to problem-gambling as they are  
23 newly exposed to legal and commercial forms  
24 of gambling.

1                   So those are the three groups that  
2                   were identified within our baseline  
3                   population survey. There were two  
4                   additional groups that we said we, with  
5                   additional information, we said that we  
6                   wanted to take a look at that. The first  
7                   are Asians, and Massachusetts residents  
8                   within this group were not necessarily  
9                   identified as being at elevated risk within  
10                  the baseline survey. However, through  
11                  meetings that I and others have had, we  
12                  felt that this group was worth adding a  
13                  list of groups that we wanted additional  
14                  information on.

15                  In addition to the body of  
16                  literature, we point that there is higher  
17                  risk of addiction generally and increased  
18                  risk of other types of social harms. And,  
19                  finally, Hispanics, Massachusetts residents  
20                  who fall within this group are at slightly  
21                  elevated risk for at-risk gambling but the  
22                  data to determine the prevalence of  
23                  problem-gambling was unreliable. Hispanics  
24                  are historically vulnerable population with

1 the expansion of casinos and may be at  
2 additional risk.

3 So we received three proposals.  
4 Those three proposals were reviewed by our  
5 review committee, which is the Research  
6 Design and Analysis Subcommittee at the  
7 Gaming Research Advisory Committee. The  
8 RDASQ is what we refer to them as. We had  
9 a round of questions with the RDASQ. After  
10 clarifying some elements of their proposals  
11 or asking them to reconsider certain  
12 aspects of their proposals, the RDASQ felt  
13 unanimously that all three proposals were  
14 worthy of funding and to provide  
15 additional, very valuable information as we  
16 move forward.

17 I then, as an additional measure,  
18 took this information to the Public Health  
19 Trust Fund Executive Committee chaired by  
20 our Chairman Crosby, and they agreed that  
21 to move forward with these three research  
22 projects. So my hope is that before  
23 July 1st that these three projects will be  
24 well on their way, but obviously a vast

1 majority of the work will take place in  
2 fiscal year 2018.

3 So with that, I want to ask -- I  
4 have asked each of our awardees to provide  
5 about a ten minute presentation, and  
6 obviously there would be some questions  
7 from you.

8 COMMISSIONER STEBBINS: Mark, before  
9 they start, I just have some quick  
10 questions related to your overview.  
11 Obviously two of the groups -- two of the  
12 target populations you were looking for  
13 responses for RFPs obviously did not  
14 generate an RFP. I guess my question is:  
15 Is there another clinical kind of bite at  
16 the apple to see if we can go back and find  
17 somebody to do some of this work?

18 I mean, just looking at the Hispanic  
19 population alone, you know, Springfield  
20 there is a 88 percent Hispanic population.  
21 Everett has about a 21 percent population,  
22 Hispanic population. So it would be  
23 interesting to not because they missed this  
24 round kind of, I guess, that kind of

1 research aside.

2 MR. VANDER LINDEN: Yes. I have a  
3 couple of thoughts about that,  
4 Commissioner. I see that our -- this  
5 aspect of the gaming research agenda is  
6 something that we would have a sustained  
7 commitment to. Obviously that's completely  
8 up to the Public Health Trust Fund  
9 Executive Committee, but that would be my  
10 proposal is that we continue a study of  
11 special populations in Massachusetts to  
12 gather more information that ultimately  
13 ends up informing prevention and  
14 intervention strategies.

15 If we didn't receive -- we didn't  
16 receive a proposal specifically to study  
17 Hispanics. Perhaps Dr. Vega has mentioned  
18 that there is an opportunity to expand the  
19 scope of his study to study Hispanics. We  
20 may be able to consider that, again, under  
21 the direction of the Public Health Trust  
22 Fund Executive Committee. If not that,  
23 certainly moving forward it would be -- I  
24 think it would be wise to focus

1 specifically on that group.

2 You know, Dr. Wong provided an  
3 application that really kind of straddles  
4 two different groups but with immigrants  
5 and the Asian population looking  
6 specifically in Boston and Chinatown. But  
7 that, again, perhaps depending on how this  
8 unfolds, we may wish to pursue a broader  
9 study of either immigrants or Asians in  
10 Massachusetts elsewhere besides Boston  
11 Chinatown.

12 We'll have to -- I think that right  
13 now I would recommend we commence with  
14 these three studies but keep our eye on  
15 what other vulnerable populations may  
16 warrant further study.

17 COMMISSIONER STEBBINS: Okay.

18 COMMISSIONER ZUNIGA: There's  
19 another element to that, I think, that you  
20 sort of alluded to, Mark, which is what we  
21 may learn from those special populations is  
22 hopefully going to at least partially  
23 inform what other special populations, what  
24 factors may be making it hard to reach

1 other special populations that, you know,  
2 arguably could be transferred to Hispanics  
3 or other special populations.

4 MR. VANDER LINDEN: Absolutely. And  
5 as Chairman Crosby has pointed out several  
6 times is that the research agenda is an  
7 enduring aspect of the Expanded Gaming Act  
8 that it will allow us as issues arise or as  
9 questions arise that we have the authority  
10 to continue to pursue those issues.

11 All right, so just a quick process  
12 question. Would you prefer that all three  
13 of our presenters go and then open it up  
14 for questions or after each presentation or  
15 play it by ear?

16 CHAIRMAN CROSBY: I think I'd rather  
17 have everybody feel free to jump in  
18 whenever they want.

19 MR. VANDER LINDEN: Okay, okay, very  
20 good. So by order we'll just kind of go  
21 down the table. Dr. Carolyn Wong with the  
22 University of Massachusetts Boston.

23 MS. WONG: Thank you, Chairman  
24 Crosby, all the Commissioners, Director

1 Vander Linden for this opportunity to  
2 pursue a study. I represent the Institute  
3 for Asian-American Studies at UMass Boston.  
4 Mark mentioned that it wasn't clear whether  
5 Asians and Asian-Americans are at a high  
6 risk or a greater risk than others from the  
7 study that was done, the baseline study.

8 Part of the reason, I think, is that  
9 the Asian-American and Asian-American  
10 population is extremely diverse all over  
11 the country and in Massachusetts. It's  
12 composed of many different ethnic groups,  
13 you know, and there is a -- I think maybe  
14 people are more familiar with the success  
15 story image of Asians. You know, the  
16 highly educated-driven going to Harvard.

17 I think one of the really useful  
18 things that the baseline study confirmed  
19 was that people of low income, low  
20 education level are at greater risk than  
21 others for problem-gambling. And, so, we  
22 have decided to start our study of  
23 Asian-Americans in the community here in  
24 Boston, which is most impoverished



1 economically, socially isolated,  
2 linguistically isolated and has a very high  
3 proportion of people with low levels of  
4 formal education, and that is Boston  
5 Chinatown. There are satellite Chinatowns,  
6 Quincy Malden. There is the Lowell  
7 community of Cambodians, which have many  
8 gambling problems.

9 But with the resources that we have  
10 and the experience that we have and the  
11 partner and the Boston Chinatown  
12 Neighborhood Center, which is our community  
13 partner, we have decided to begin in Boston  
14 Chinatown to examine the nature of the  
15 gambling behavior, the signs or indications  
16 of risk that someone maybe a high risk  
17 gambler. But also to look at how we can  
18 break through communication barriers to a  
19 hard to reach population. People are very  
20 reluctant, I think, anywhere. But  
21 Chinatown is they're particularly reluctant  
22 to come forward and seek help or talk to  
23 researchers about gambling, behavior  
24 gambling problems. It's because it's an

1 ethnic enclave that sort of has its own  
2 culture and whole own life within it, and  
3 there's a distrust of outsiders.

4 Also, if you approach people and ask  
5 them about a mental health problem in  
6 Chinatown. Many immigrants from Asian  
7 countries from China don't think about  
8 their gambling or even their gambling  
9 addiction in those terms. They have a  
10 different framework for thinking about  
11 health and mental health.

12 And for this reason, people  
13 generally are very reluctant to seek any  
14 kind of metal health counseling let alone  
15 gambling counseling, which people may not  
16 think is a problem. It may be, you know,  
17 just we gamble. You know, we lose money  
18 but they don't think of it is as a mental  
19 health problem.

20 So what we want to explore through  
21 qualitative interviews with the assistance  
22 of our community partner, the Boston  
23 Chinatown Neighborhood Center and the Mass.  
24 Council of Compulsive Gambling is what are

1 the ways and types of gambling that occur,  
2 frequency, I think some of the standard  
3 questions that are asked in a survey about  
4 gambling but going deeper, how do people  
5 express and think about gambling. And  
6 how -- so that we can do future surveys on  
7 a wider scale.

8 Right now we're going to focus on --  
9 we're going to use qualitative interviews,  
10 the limited number of people. We would  
11 like to be able to do community surveys in  
12 the future. We would like to apply as  
13 people mentioned, as Commissioner Zuniga  
14 mentioned, perhaps apply some of what we  
15 learn to other immigrant populations that  
16 may have similar reluctance to talk about  
17 gambling or to seek treatment.

18 Let me just give you -- you can let  
19 me know when my time is running out, but  
20 let me give you a few examples of the kinds  
21 of information that we might want to seek  
22 in these interviews.

23 Many people in the Chinese community  
24 and other Asian communities will be more

1 ready, it's been found from previous  
2 studies, to talk about gambling problems if  
3 you ask them about how it affects their  
4 family, or how it affects perhaps their  
5 family finances or their children's future  
6 ability to go to college. It's a practical  
7 kind of way of talking about the impact of  
8 gambling, not so much are you distressed or  
9 are you anxious.

10 Those words may not resinate in the  
11 same way in this immigrant population where  
12 some of it is just language barriers, but  
13 also cultural perceptions of what is  
14 well-being. And it's very much  
15 family-centered and sort of relationship  
16 oriented when people talk about the affect  
17 of problems, social stressors of gambling  
18 addiction.

19 Another thing to realize is that  
20 there's obviously -- well, maybe not  
21 obviously but many people know that  
22 gambling is very popular among Chinese  
23 immigrants and in Asian countries. There  
24 is a notion of luck, games of luck.

1                   We find, though, that in Chinatown,  
2                   just anecdotally, many people find that  
3                   their lives are ruined through losing money  
4                   by going to the casinos; that going to the  
5                   casinos and losing control of their  
6                   gambling. The casinos market advertise  
7                   quite actively, quite aggressively in the  
8                   Asian communities, in the low income  
9                   communities. Sending buses, free buses  
10                  right now to go to Connecticut, providing  
11                  incentives special Chinese meals, you know,  
12                  all kinds of advertising.

13                 If you look at the back of a metro  
14                 newsletter, you'll see all the stops in  
15                 Chinese language in Chinatown, Malden,  
16                 Quincy that pick up gamblers to go to  
17                 Foxwoods or Mohican Sun, and we want to  
18                 reach out to those people. It's very  
19                 difficult.

20                 We also want to reach out to the  
21                 wives, the spouses, the family, adult  
22                 family members of gamblers. Because many  
23                 of the restaurant workers in Chinatown are  
24                 low wage, right, get off of work after a 12

1 hour day, get on the bus and go to the  
2 casino. They don't come to the BCNC, the  
3 Boston Chinatown Neighborhood Center. The  
4 wives and children come to the family  
5 programs. But the chefs and waiters, the  
6 male gamblers, it's hard to reach them.

7 So we are going to try out some ways  
8 to try to get them to come and participate  
9 in screening and interviews so we can find  
10 out how they can how -- what they are doing  
11 and how they think about gambling and  
12 whether they think it's a problem and how  
13 they would express that problem to in a  
14 counseling or in an interview setting.

15 COMMISSIONER MACDONALD: I have a  
16 question, if I might. Dr. Wong, just sort  
17 of taking off of from those last  
18 observations that you made, I'm curious  
19 about the methodology of getting these  
20 people to talk with you and to be candid.  
21 You know, you noted their reluctance in  
22 that regard to do it. And I had to smile,  
23 but I smiled because it seems so logical  
24 that in your description of how you are

1 going to do this under the methodology that  
2 you are going to be going to the departure  
3 points for the Connecticut casinos.

4 Can you expand a little bit on that;  
5 who is going to be doing the contacting?  
6 Presumably they would be fluent in the  
7 different areas.

8 MS. WONG: We actually have people  
9 fluent in three dialects, Mandarin,  
10 Cantonese and a village dialect called  
11 Toisan. We have an experienced team of  
12 community educators, about four people.  
13 They're adults. They have been working in  
14 Chinatown with me on a previous project and  
15 know how to approach people cold on the  
16 street.

17 That's a difficult thing, right.  
18 And we're going to go to the casino bus  
19 departure points in Chinatown. Also some  
20 departure points for vans that take  
21 restaurant workers to jobs all over the  
22 metro area. So it will not just be the  
23 gamblers who are going to the casinos.

24 What we're going to do to preserve

1           their privacy or actually their animatedly,  
2           if possible, is to invite them with a  
3           sealed envelope and inside will be an  
4           invitation. We'll say a few words about  
5           it. Call this number if you're interested  
6           in participating in a study, but we are  
7           going to offer them something. It's not  
8           going to just be we're getting this  
9           information from them, but we are going to  
10          say, "Come to an educational session on  
11          healthy ways to gamble."

12                    There are a lot of materials from  
13           Canada, Toronto, Ontario and Vancouver in  
14           Chinese about how to sort of the messaging  
15           for this sort of preventive educational  
16           session. So rather than just pass out a  
17           survey or approach people, you know, it  
18           just would not work, and it also would not  
19           be approved by our human subjects ethic's  
20           board to do a cold approach.

21                    We're going to invite them to a  
22           session, small group at the center, at the  
23           Boston Chinatown Neighborhood Center. And  
24           then we will ask them after this



1 educational session, would you like to  
2 participate in a brief screening. And then  
3 if they want to go to the next step, they  
4 can then participate in a full length  
5 interview, which will probe in depth about  
6 their gambling behavior.

7 Separately from this, we're going to  
8 at the Boston Chinatown Neighborhood  
9 Center, which is the family services place  
10 where the spouses and children go but many  
11 of the male gamblers, husbands do not go to  
12 services. In the past, the Mass. Council  
13 on Compulsive Gambling and the BCNC, Boston  
14 Chinatown Neighborhood Center, found that  
15 the spouses are much more ready to talk  
16 about how, you know, maybe the gambling my  
17 husband is doing is really upsetting me.  
18 We're going to conduct interviews there  
19 with the spouses so that we can get a full  
20 picture of effects on gambling.

21 COMMISSIONER MACDONALD: Thank you.

22 CHAIRMAN CROSBY: Anything else?

23 COMMISSIONER ZUNIGA: The screen  
24 that you mentioned are these like the BRSS

1                   what are the --

2                   MR. VANDER LINDEN:   BBGS.

3                   MS. WONG:   Because just the language  
4                   seemed more suitable for this setting,  
5                   which is not a clinic, and so it was just  
6                   seeing more straightforward.

7                   COMMISSIONER ZUNIGA:   Okay, thank  
8                   you.

9                   CHAIRMAN CROSBY:   Carolyn, what's  
10                  the ethnic makeup in Chinatown?  Is it  
11                  predominantly Chinese?

12                  MS. WONG:   Yes.

13                  CHAIRMAN CROSBY:   Because I thought  
14                  there was a heavy Vietnamese and others?

15                  MS. WONG:   There's a few Chinese  
16                  Vietnamese people, but I think there are  
17                  some but it's predominantly Chinese.  And,  
18                  you know, in the future if the opportunity  
19                  arrises if there are resources, the  
20                  Vietnamese communities in Dorchester,  
21                  Worcester, they's also in great need.

22                  CHAIRMAN CROSBY:   Okay, great, thank  
23                  you.

24                  COMMISSIONER CAMERON:   I just had a

1 quick question about it really sounds like  
2 you're emphasizing or maybe that is what  
3 your research tells you that it's a much  
4 more male dominated activity in the Asian  
5 community?

6 MS. WONG: I think there are women  
7 who gamble, seniors. At the BCNC, at the  
8 Boston Chinatown Neighborhood, we will be  
9 interviewing some women who gamble. It  
10 just that the ones who are focusing on  
11 because they are so hard to reach and  
12 nobody has ever been able to find a way to  
13 get to talk to them are the ones in the  
14 male, but there are some females who get on  
15 the bus, too. I'm just -- it's mostly  
16 males.

17 COMMISSIONER ZUNIGA: Thank you.

18 MR. VANDER LINDEN: Next we have Dr.  
19 Rudolpho Vega with JSI Research and  
20 Training Institute.

21 MR. VEGA: Good morning,  
22 Commissioners.

23 COMMISSIONER MACDONALD: Good  
24 morning.

1 COMMISSIONER ZUNIGA: Good morning.

2 COMMISSIONER STEBBINS: Good  
3 morning.

4 MR. VEGA: Good morning, everybody.  
5 My name is Rudolpho Vega. I am a senior  
6 public health consultant for the past 18  
7 years. I want to thank the Commission for  
8 endorsing this very, very important  
9 endeavor. Like Mark was saying before our  
10 meeting, we are taking the lead in the  
11 nation in research on gambling. And, I  
12 think, that what we are doing is cutting  
13 edge.

14 It is cutting edge because I work on  
15 HIV/AIDS prevention, substance abuse,  
16 diabetes and all of the instruments that we  
17 use where interventions are normalized and  
18 created mostly or regionally with white  
19 communities, then adapted to minority  
20 communities. Now with the stories, we have  
21 the opportunity to take one of the largest  
22 study in the history of the United States,  
23 10,000 respondent survey, qualitative data  
24 and use this qualitative data to develop

1 cutting-edge interventions. This is huge  
2 in the field, not only in gambling, in  
3 public health.

4 I would like to introduce my  
5 research team, Mr. Felix Cooper he is here,  
6 a researcher at the Massachusetts Council  
7 on Compulsive Gambling and Dr. Dharma  
8 Cortez. Dr. Kermit Crawford couldn't be  
9 here today. Dr. Kermit Crawford he is a  
10 thought leader, a community leader, an  
11 advocate in the black community here in New  
12 England and across the United States. He  
13 is conducting a master class to some  
14 residents. He couldn't make it today.

15 He was able to facilitate our  
16 partner agencies. They are the three  
17 largest mental health American service  
18 providers to blacks in Massachusetts, the  
19 EMOC Center, the Matapan Community Health  
20 Center, City of Roxbury. On top of that in  
21 Springfield, he was able to facilitate a  
22 social media company that has social  
23 network all over this state but, in  
24 particular, the black and latino community.

1                   Let me summarize quickly the problem  
2                   or the challenge with the African -- with  
3                   the black community and gambling. Blacks  
4                   tend to gamble less than white. That's  
5                   what the study shows, but those that gamble  
6                   tend to show or engage in more  
7                   problem-gambling behavior four times or  
8                   five times higher than white. They gamble  
9                   less, but they are affected five times more  
10                  than white.

11                  That is a concern. But when you  
12                  take that problem, that issue in the  
13                  context of social of health such as  
14                  HIV/AIDS, incarceration, poverty and that  
15                  pesky issue of racism, it becomes alarming.  
16                  The purpose of the study is aligned with  
17                  Dr. Wong -- with Dr. Wong's study.

18                  At the end, we will like to see this  
19                  is a development of a knowledge base of  
20                  qualitative data that folks that want to  
21                  create a social marketing campaign,  
22                  screening tools, intervention tools,  
23                  educational materials can draw from that  
24                  vocabulary that was created in this

1 database for blacks and now with Asians and  
2 use that to create the foundation.

3 I am not as pretentious as to tell  
4 you with four or five groups with the  
5 knowledge base. No, no, that is not what  
6 we are doing. What we are doing is finding  
7 ways to identify faults, to recruit them,  
8 how to ask the question, focus on  
9 individual behavior patterns, focus on  
10 community experiences in the context of  
11 where folks live in the context of social  
12 development of health for sure.

13 Take a look at the statistics. I  
14 have slides but I decided because I'm part  
15 of the team, they don't have slides, so I  
16 am with them. Take a look at the  
17 statistics here. The three casinos are  
18 located, and we are sampling for the places  
19 where two-third of black community live,  
20 60 percent of blacks live -- more than  
21 66 percent of blacks they live in Randolph,  
22 Brockton, Boston, Springfield, Malden,  
23 Milton, Everett, Cambridge, Lynn and  
24 Worcester. So we would have access to

1 about two-thirds of the black communities.

2 So this is our questions and answers  
3 are guided by some theory. There is some  
4 order of thinking behind the madness, you  
5 know, what theory are those. One is help-  
6 seeking behavior. Again, very aligned with  
7 Dr. Wong's story. Help-seeking behavior is  
8 a calculus that we all make.

9 Is this a problem? Do I have a  
10 problem? If yes, what can I do about it?  
11 If I do nothing about it, am I going to be  
12 able to do it? If I do it, am I satisfied,  
13 am I going to stay in the service? It's  
14 just a sequence of steps that people take  
15 when they define a problem and idioms of  
16 the stress, which is what Dr. Wong  
17 mentioned, how folks express the stress.

18 Those two topics came about from the  
19 work that Dr. Cortez did in the 1990s with  
20 Dr. Lloyd Robinson. That's what the  
21 contribution is going to be. We are going  
22 to be looking at -- our research questions  
23 will be looking at the consequences of  
24 gambling, the effect in a life context,



1 motivations to gamble, help seeking and  
2 also of course help-seeking behavior and  
3 idioms of the stress.

4 We have a generous timeline. Thank  
5 you for that. We had a short timeline for  
6 the proposal but a long timeline for the  
7 implementation and that's really cool, so I  
8 really appreciate that. So this is doable,  
9 and it's going to be good.

10 At the end I hope that when I come  
11 here next year, I'm able to tell you that  
12 our story and our space that we created is  
13 going to help form the creation of  
14 screening instruments, create space for  
15 modalities, social marketing campaigns and  
16 identify help-seeking behavior pathways.  
17 Yes, that's it. Thanks.

18 CHAIRMAN CROSBY: Thank you,  
19 everybody. Questions? Mark, I noticed on  
20 the slides it states the problem. You  
21 didn't use your slides, but we do have them  
22 here. It talks about the black community  
23 has a problem-gambling rate of 5.8 percent,  
24 which is four times the white rate but it

1           says is 1.4.

2                     Mark, that is using the previous  
3           weighting system, which we've now  
4           discarded. So they have been using the old  
5           pre-weighting statistics. The statistic  
6           now that we reconsidered are the weighting  
7           of our 10,000 samples to 2.1 --

8                     MR. VANDER LINDEN: 2.0.

9                     CHAIRMAN CROSBY: 2.0, okay.

10                    COMMISSIONER ZUNIGA: But for the  
11           overall population, not necessarily for  
12           whites. Whites is a subset of the whole  
13           population, remember?

14                    CHAIRMAN CROSBY: I'm sorry, you're  
15           right, good point. I am not sure which is  
16           using. I take that back. Good point.  
17           But, anyway, we should just make sure that  
18           they're operating with the re-weighted  
19           sample, not the originals.

20                    MR. VANDER LINDEN: The revised  
21           baseline population surveyor's report is  
22           due out by the end of the next fiscal year,  
23           so in the next couple of weeks. But it  
24           certainly affects the overall general

1 population prevalence rate, but it will  
2 also affect all of these subpopulations as  
3 well.

4 CHAIRMAN CROSBY: Right, right,  
5 okay. Thank you. Next up?

6 MR. VANDER LINDEN: Next we have Dr.  
7 Shane Kraus from Bedford VA Research Corp.  
8 Thank you, Shane.

9 MR. KRAUS: Thank you so much. My  
10 name is Shane Krause and I'm with MIRECC  
11 and the VA, and I'm a researcher. I also  
12 would like to acknowledge my collaborators,  
13 Dr. Shire, as well as the director of our  
14 nonprofit that we work with very closely,  
15 Dominic King.

16 So we work in the VA. I work in the  
17 VA. I'm a VA researcher, which is great.  
18 I'm also a clinician, and I run a clinic.  
19 You've discussed the issues with Veterans.  
20 We know that we don't have a ton of data,  
21 but the data we suggest have out really  
22 does suggest that veterans is kind of our  
23 vulnerable population for developing  
24 problem-gambling. It really the data

1 varies but suggests that one in ten  
2 veterans in a lifetime will have developed  
3 problem-gambling, which we know is high.

4 We know that's highly associated  
5 with mental health problems such as PTSD,  
6 problems with substance abuse. We know  
7 with millions of returning veterans coming  
8 back into our system who have very rates of  
9 PTSD and substance abuse and other  
10 problems, we are likely going to see an  
11 increased rates of other problems as well  
12 as, including problem-gambling.

13 So one of the things that we also  
14 know is that folks for problem-gambling  
15 generally don't seek treatment  
16 unfortunately. About one in ten folks with  
17 problem-gambling seek treatment and  
18 Veterans, the study that we have some data,  
19 was actually only five percent.

20 The good news here is, though, that  
21 many people who have problem-gambling --  
22 issues with problem-gambling will seek  
23 mental health treatment for other problems.  
24 So routine screening is a way to catch

1 other problems. So if they seek treatment  
2 for substance abuse, if we're screening for  
3 co-morbid problem-gambling, it's a nice way  
4 to kind of detect problem-gambling.

5 So that's something that we believe  
6 that the VA is highly committed to is  
7 screening. We screen annually for lots of  
8 things, including tobacco, substance abuse,  
9 suicide, PTSD and many, many things. And  
10 our proposal is really kind of expanding  
11 that to really also look at screening  
12 routinely for problem-gambling in addition  
13 to substance abuse, and all the other  
14 things and opiates and all the things we  
15 are doing right now in the VA, and we're  
16 going to be doing that.

17 Our proposal is really in primary  
18 care behavioral help. So in the VA system,  
19 70 to 80 percent of all medical care is in  
20 primary care, so most people get their care  
21 in primary care. Even if they have a  
22 mental health problem, they don't generally  
23 want to go to the speciality clinic. So  
24 reaching people in primary care is really a

1 great place to go.

2 In the VA, though, if someone  
3 suggests has a problem with depression or  
4 screens positive on something, they are  
5 referred to our primary care behavioral  
6 health clinic. It's a brief adjunctive  
7 treatment. In Bedford, it sees about 800  
8 people a year. It's a pretty big clinic.  
9 And we propose to routinely screen gambling  
10 as part of a, you know, full battery of  
11 screening and assessments.

12 And, I think, that is really a  
13 strength because we are already screening  
14 Veterans for substance abuse, PTSD,  
15 suicide, all these other medical problems  
16 and gambling has been embedded into that  
17 process in the addiction area. So that's  
18 really what we want to do so. We plan to  
19 screen over six months at least 300  
20 veterans, and we plan to screen everyone  
21 just as a routine screening process.

22 We are going to retrospectively go  
23 back and look at the data. We ourselves  
24 are not going to do it. It's going to be a

1 team process that primary care will do as  
2 they are committed to screening for this,  
3 so that's good. And that will help us give  
4 we hope more an idea of prevalence and how  
5 veterans are comfortable with being asked  
6 this, how many endorse these things.

7 And for those who screen positive,  
8 we will have follow-up questions, and they  
9 will be referred to my clinic, which I  
10 direct. Our clinic receives three to four  
11 patients a month. I work with trainees and  
12 residents and lots of folks. And this is  
13 our commitment for ensuring same day  
14 service and access for veterans.

15 So part of and independent to this  
16 project is we have been increasing  
17 screening for gambling throughout the  
18 hospital, so this is kind of a routine  
19 thing that we're doing now for this.  
20 That's it. And, yes, unless there's  
21 questions.

22 COMMISSIONER ZUNIGA: I do have a  
23 question, Dr. Kraus. Is it fair to say  
24 that if you screen the majority or all of

1 the people seeking primary care, you'd be  
2 capturing a fair representation of the  
3 overall veteran population in the Bedford  
4 area or is that a subset of a larger  
5 population that doesn't seek --

6 MR. KRAUS: Right. So PCH mental  
7 health is important because we would expect  
8 higher -- if you're going to go in one  
9 population, whether it's a higher  
10 likelihood of a problem, it's going to be  
11 those who had been flagged for a mental  
12 problem. What kind of mental health  
13 problem, we don't know. It could be  
14 bereavement. It could be depression. It  
15 could be anything, so that's where --

16 To eventually screen in primary care  
17 is our goal, so we really are committed in  
18 research to validating that screening  
19 process, and then over the next couple of  
20 years rolling this out nationally. And  
21 this grant is really going to help us work  
22 with all of our VA collaborators and do the  
23 research is what we do nationally on  
24 behavioral addition.



1                   So this is just the first of many  
2                   steps in addition to developing treatment  
3                   protocols that can be decimated nationally.  
4                   So this is why -- we were talking about why  
5                   I left the VA is that last year when I was  
6                   training on a different topic, there were  
7                   30 hospitals on call for the training.

8                   So we really have the opportunity to  
9                   really shape policy and treatment practices  
10                  nationally. And our center of MIRECC which  
11                  is that's really our goal. We focus on  
12                  doing hypnosis and addicted behaviors, and  
13                  we are committed to this area. So that's  
14                  the long-term goal but you're right. It's  
15                  just the logistics of that for this  
16                  proposal were not possible. It's better to  
17                  start small, have high fidelity, get it  
18                  done, have it -- you know, and then go from  
19                  there. Next question.

20                  COMMISSIONER CAMERON: Doctor, I  
21                  have a question. Where did that one in ten  
22                  number come from that you haven't been  
23                  screening?

24                  MR. KRAUS: So for non-veterans, the

1 one in ten for veterans.

2 COMMISSIONER CAMERON: I think you  
3 started your presentation by using that.

4 MR. KRAUS: So it varies. So it  
5 really varies. There is probably -- there  
6 are not too many papers, but there is  
7 probably about 70 papers that's actually a  
8 range from four to about eleven percent, so  
9 it's about ten percent. And it depends on  
10 the datasets and the population, but it's  
11 kind of an estimate.

12 A recent paper just came out with a  
13 collaborative of mine. They looked at the  
14 last twelve months, and it was two percent  
15 for problem-gambling. That is -- but,  
16 again, that wasn't -- those were flagged  
17 with problems and other issues.

18 COMMISSIONER STEBBINS: Couple of  
19 quick questions. The veteran population  
20 that you're working with is predominantly  
21 post-911 veterans, pre-911 veterans? I  
22 mean, kind of what's the makeup of the  
23 group?

24 MR. KRAUS: I mean, there are more

1 younger men and women veterans returning  
2 into VA care, but our hospital is a bit  
3 older. I would say we have much older  
4 veterans. I don't know the proportion that  
5 are returning veterans, but I know we know  
6 every year we're seeing -- unlike other VAs  
7 in Massachusetts and Connecticut, Bedford  
8 is actually growing for our population for  
9 veterans, including younger veterans. But,  
10 yes, we are probably a bit older population  
11 and say more in the 40, 50 years.

12 COMMISSIONER STEBBINS: You know,  
13 the veteran population is interesting  
14 because probably, you know, more so than  
15 the other target populations, veterans are  
16 exposed to gaming during active duty. How  
17 can you kind of compensate for that  
18 exposure or understand that previous  
19 exposure? I mean, it isn't coming home  
20 with PTSD and finding it out through  
21 gaming. It's probably some exposure to  
22 gaming earlier on in the service.

23 MR. KRAUS: It's a very complicated  
24 issue, and I think that's something we are

1 still trying to figure that out. I think  
2 the lack of research is so limited right  
3 now. This is where we are at. I do think  
4 we will be working with other opportunities  
5 to look at these issues. But, yes, it's a  
6 complicated issue that I'm not sure yet.  
7 It's on our radar for sure.

8 COMMISSIONER STEBBINS: Okay, thank  
9 you.

10 MR. VANDER LINDEN: If I may add,  
11 our baseline survey found significantly  
12 elevated risk and, I think, Commissioner,  
13 you're referring to that study as we look  
14 at veterans post-911. That sample size was  
15 so small that it was unstable estimate. So  
16 our hope is to begin to scratch -- continue  
17 to scratch the surface on this to look at  
18 the nature of this issue more broadly.  
19 It's an issue that's gaining attraction, as  
20 Shane pointed out, it's gaining attraction  
21 across the country, including it's of  
22 particular interest of Senator Elizabeth  
23 Warren.

24 COMMISSIONER STEBBINS: Is there --

1 Dr. Vega's presentation had a timeline.  
2 Are you looking, I think, the final results  
3 to be presented in about 12 months; is that  
4 consistent with the other two proposals?

5 MR. VANDER LINDEN: You know, that's  
6 a great question. We're working on the  
7 final timelines and the contracts. So the  
8 way that I've structured it is I see this  
9 largely as projects that are to be  
10 completed in fiscal year 2018. The exact  
11 deliverable dates are being ironed out  
12 through the contract process.

13 CHAIRMAN CROSBY: Anybody else?

14 COMMISSIONER ZUNIGA: Very  
15 interesting. Looking forward to all that  
16 process.

17 CHAIRMAN CROSBY: Yes, I agree.

18 COMMISSIONER CAMERON: Thank you.

19 MR. VANDER LINDEN: Thank you.

20 CHAIRMAN CROSBY: We're all set,  
21 thank you. Next up is the finance  
22 division, Director Lennon. You moved 3B to  
23 the legal department, right?

24 MR. BEDROSIAN: We can.

1 CHAIRMAN CROSBY: I thought that's  
2 what you said. You said you were done with  
3 your report, because you were going to move  
4 --

5 MR. BEDROSIAN: Oh, I apologize. I  
6 think I just said the things I was working  
7 on we would talk about later, and later is  
8 obviously at the discretion of the Chair.

9 CHAIRMAN CROSBY: Wait a second.

10 COMMISSIONER ZUNIGA: We only did  
11 3A. We haven't done 3B.

12 CHAIRMAN CROSBY: No, we haven't  
13 done 3B. I'm sorry, I somehow  
14 misunderstood. I was thinking that was  
15 reappearing someplace else. No, we do need  
16 to go back to 3B. Sorry, my apologies.  
17 Thank you. So did you have --

18 MR. BEDROSIAN: No. Other than,  
19 obviously, we've had a number of hearings  
20 on this issue and I understand,  
21 Mr. Chairman, you've done some further work  
22 on the issue. So it might be informative  
23 if you inform the Commission, give them the  
24 nature of the Open Meeting Laws and what

1           you've done.

2                   CHAIRMAN CROSBY: Great, thank you.  
3           This is one of these complicated ones. We  
4           ended up last meeting, as the minutes said  
5           here, with a clear wish on the part of the  
6           Commission to see whether we can get the  
7           legislature to direct -- to this clarify  
8           issue for us. We have, as everybody knows,  
9           we have different understandings of, A, the  
10          degree of clarity of the lack of the  
11          statute; and, B, how the statute should be  
12          interpreted. And everybody, no matter what  
13          perspective they have on either of those  
14          issues has agreed that it would be best if  
15          we could get the legislature to fix this.

16                   And right after the meeting, I  
17          talked with Commissioner Macdonald, who has  
18          strong issues on the merits but also  
19          reemphasized the importance that we see  
20          whether we can get a legislative fix.

21                   I will say -- so I took it on myself  
22          the last couple of weeks to push as hard as  
23          I could with the legislature to see whether  
24          they would be willing to clarify. Not

1 talking to them to take a position, but  
2 just saying we can't figure this one out  
3 and we're betwixt in between. Can you  
4 clarify what your intention was here  
5 through a legislative amendment?

6 At the same time, Springfield, the  
7 MGM and many of the advocate groups have  
8 also been in touch with members, many of  
9 the members of the House of the Senate. I  
10 have not been able to discuss with what I  
11 have been doing with the other  
12 commissioners other than one, Commissioner  
13 Macdonald, because of these open meeting  
14 problems. But I have kept Commissioner  
15 Macdonald and Director Bedrosian pretty  
16 much up-to-speed on what has been going on.

17 Here's the long and the short of it.  
18 I explained to both the leadership and the  
19 house and the senate that particularly this  
20 juxtaposition of 16B and 30 -- particularly  
21 30F was confusing to us. We were split  
22 amongst ourselves. Our staff was split, as  
23 I said as to the degree of ambiguity,  
24 whether we had any authority to do anything



1 about it and what the right interpretation  
2 of the statute might be, and that we all  
3 strongly felt that if the legislature could  
4 clarify quickly what they wanted, it was  
5 important because the process of beginning  
6 to recruit people and train people like in  
7 the culinary institute in Holyoke is  
8 underway as we speak.

9 So the net of that was this. I  
10 talked to Jim Kennedy, who is the general  
11 counsel of the House and to Chairman Joe  
12 Wagner, who is the house chair of our  
13 commission of Economic Development and  
14 Emergent Technologies and got what I did  
15 not particularly expect to get. They  
16 were -- both of them have spoken clearly  
17 and explicitly with Speaker DeLeo. They  
18 were very, very emphatic that they did not  
19 mean to exclude or to automatically  
20 disqualify gaming service employees.

21 Speaker DeLeo said, "This is a  
22 blue-collar bill in my view. We want to be  
23 trying to hire people like this." And they  
24 felt that just somehow during the drafting,

1           there was some looseness of the management  
2           of the language, and you ended up with what  
3           they felt was a juxtaposition between 16B  
4           and 30F, in particular, that was  
5           irreconcilable.

6                     And they said -- and I have been  
7           authorized to say they said that they would  
8           never have intentionally written meant to  
9           write language that couldn't be reconciled,  
10          and they never intended to have the blanket  
11          disqualification cover gaming service  
12          employees. They clearly meant it for the  
13          others, but they did not mean it for gaming  
14          service employees.

15                    So on the senate side, I did get  
16          some clarification from one member of the  
17          leadership, but I have not been authorized  
18          to say anything about that in public. They  
19          are not prepared, at least at this point,  
20          to take any particularly public position.  
21          They have been some leaders in CORI reform  
22          legislation in the past, but what that  
23          means precisely is purely a matter of  
24          speculation.

1           The House will move as quickly to do  
2 a legislative fix as they can. And Speaker  
3 Joe Wagner, Chairman Wagner told me last  
4 night that he will take this as a personal  
5 mission. He had just talked to the speaker  
6 a second time, and they need to find a  
7 medium to do this. If there is a  
8 supplemental budget that goes through, they  
9 can append it to that. They don't know  
10 exactly when it can happen. But Chairman  
11 Wagner made it clear that he would move as  
12 quickly as he possibly could.

13           So the upshot of that from my  
14 standpoint is that we have learned that  
15 even some of the principal drafters on the  
16 house side, Jim Kennedy, the house counsel  
17 was the lead, I think, in the drafting  
18 agree that there is an unclarity that we  
19 have been put in an awkward position.

20           And there is a complete emphatic,  
21 which I think actually ironically all of us  
22 from the IEB to the commissioners felt that  
23 if we were left to our own devices rather  
24 than if we were being forced to read a

1 statute, that we would probably lean  
2 towards the Pennsylvania/Maryland type  
3 system where gaming service employees there  
4 was discretion on our part, in the  
5 commission rather than the automatic  
6 disqualification. But our problem was we  
7 were stuck with a statute, at least one  
8 section of which seemed to say something  
9 quite different from that.

10 So, we are left with, I think,  
11 pretty useful information that tells us  
12 what was intended certainly on the House  
13 side. We don't have certainty on the  
14 Senate side, and we have a high degree of  
15 likelihood that a strategic fix perhaps,  
16 this is my, again, talking about what  
17 they've told me, taking out the words "or  
18 registration" in 16B, which is what causes  
19 the lack of harmony between the sections  
20 principally. That might be the fix.  
21 That's what they've talked about.

22 So, we did not put -- this is by my  
23 oversight. I did not the put vote on this.  
24 So if we wanted to vote to change the reg.,

1           whether we do or not, I don't know but if  
2           we did, we can't because it's not on the  
3           agenda. But we certainly have a clear  
4           sense, I think, that it's highly likely but  
5           no more than that that we will get a clear  
6           signal that we will not be disqualifying in  
7           gaming service employees automatically for  
8           the criminal offenses. But that we will be  
9           empowered to do with gaming service  
10          employees either as a group or as pieces of  
11          that group, whatever we end up deciding.  
12          We will have the authority to do whatever  
13          we wanted to do, including disqualifying if  
14          we chose to under the new statute.

15                 So, I want that word to get out. I  
16          want the people in the community colleges  
17          and the people who are beginning to talk to  
18          people that this is coming, but I throw it  
19          open to you all to say whatever you want.  
20          It looks like Director Wells has something.

21                 MS. WELLS: I just as for a point of  
22          clarification on you mentioned Maryland  
23          and, you know, you also mentioned taking  
24          out or registration 16B. Operationally,

1           you know, it affects my budget and my  
2           staffing numbers sort of what the potential  
3           change would be. So I just want the  
4           Commission to be mindful whatever they want  
5           to decide.

6                     The Maryland model where they are  
7           commissioned by statute has authority to  
8           exempt certain categories of service level  
9           employees from registration that has a net  
10          lowering effect for the resources the I  
11          need. Because if they are not being  
12          registered, we don't need to do a  
13          background. We would rely on the  
14          background, you know, of the companies to  
15          do that.

16                    The other piece that you mentioned,  
17          which was to take out the sort of the  
18          automatic disqualifier and sort of allow  
19          for this rehabilitation, that increases the  
20          amount of resources I would need and the  
21          amount of time we need to open these  
22          casinos.

23                    So in evaluating what the Commission  
24          wants to do, I would just suggest you need

1 to understand that it has an operational  
2 impact and that we should consider that  
3 when we make a recommendation to  
4 legislature.

5 CHAIRMAN CROSBY: Right. I totally  
6 get that, and you all have always been  
7 straightforward that you're going to do  
8 your best to implement the law as you think  
9 it is written. And if the law gets  
10 changed, you will do that. And one of the  
11 things I have said to the legislature is  
12 this is very timely. I actually didn't  
13 mention the point you made, but I will  
14 reemphasize that.

15 So, I think, I think if we for that  
16 reason, as well as we have the uncertainty  
17 of the audience out there, we should  
18 probably put it on the agenda again next  
19 week so that we have the opportunity to  
20 discuss whether or not we want to do a reg.  
21 change formally, which because you need to  
22 know for your budget purposes. But, also,  
23 we will see in the next couple of weeks,  
24 you know, how close -- how likely it is

1                   they will be able to move quickly.

2                   MS. WELLS: I think you need the  
3                   legislative change in order to implement  
4                   the reg. change. You can't do the reg.  
5                   change before the legislative change.

6                   CHAIRMAN CROSBY: Well, that's been  
7                   one of the bones of contention.

8                   COMMISSIONER CAMERON: Yes, I would  
9                   agree with that. I think the good news  
10                  here is that the legislature is willing to  
11                  revisit this and revisit it quickly. I  
12                  think our move would then be after that  
13                  change is made, we can then, in fact,  
14                  adjust our regs. according to what the  
15                  change in the law is.

16                  And I do think that the opportunity  
17                  to speak before those changes are made  
18                  about either way of adjusting the law makes  
19                  a lot of sense, too, to get that  
20                  information to them so that they realize  
21                  what the differences are in the change in  
22                  the law. But, I think, the really good  
23                  news is they are willing to handle it  
24                  quickly. So that makes our, I think, our



1 collective responsibilities much clear in  
2 my mind because they move and then we move.

3 CHAIRMAN CROSBY: Well, it's always  
4 been a bone -- we've never agreed at the  
5 commission level or at the staff level for  
6 that matter about whether we could do a  
7 reg. change without a legal change. At the  
8 moment --

9 COMMISSIONER CAMERON: I think we've  
10 had some consensus, though, that that  
11 was -- if I am reading everybody and  
12 listening to everybody properly, staff did  
13 agree that the best way to do this would be  
14 legislatively. And, I think, in listening  
15 to my fellow commissioners, there was a  
16 consensus on that as well.

17 CHAIRMAN CROSBY: Well --

18 COMMISSIONER ZUNIGA: There was a  
19 consensus on the best way, but there is not  
20 necessarily a consensus on what the  
21 Chairman is talking about.

22 COMMISSIONER CAMERON: You mean  
23 moving before the legislature makes a  
24 change?

1                   COMMISSIONER ZUNIGA: No. Trying  
2                   to -- it's worthwhile now to wait, but  
3                   there is not a consensus as to whether we  
4                   have the discretion to interpret these  
5                   irreconciling pieces of the statute.

6                   COMMISSIONER CAMERON: Well, that's  
7                   and our staff believes --

8                   COMMISSIONER ZUNIGA: But we make  
9                   the policy. We are the ones who make the  
10                  policy.

11                  CHAIRMAN CROSBY: Hang on one sec.  
12                  This is where we were before. And I agree  
13                  with you, Commissioner, it doesn't matter  
14                  and now there's new data that may affect or  
15                  may not affect what people thought. What I  
16                  do think we can constructively do right  
17                  now -- let's not debate whether or not we  
18                  have the authority. If we have to at some  
19                  time because the legislature doesn't move  
20                  quickly, we can then get to that. So let's  
21                  put that one off for the moment.

22                  But I do think it would make sense  
23                  to see whether there is clarity on what we  
24                  would like to see there in the

1           hypothetical. So just for the sake of --  
2           well, usually I do it the other way around.  
3           Would you all -- would somebody like to  
4           suggest what they think the best not  
5           technical language but substantively if we  
6           were left to our own devices and we could  
7           say to the legislature here's what we think  
8           the best practice would be for gaming  
9           service employees, what would that be?

10                   COMMISSIONER ZUNIGA: To me, and I  
11           hear Director Wells' concern and the  
12           potential for additional resources, which I  
13           think we could always come back and figure  
14           some budget amendment like we do throughout  
15           the year. I think if the ten year was  
16           lower that would or to whatever amount of  
17           years, and this has come up in prior  
18           conversations, whatever amount of years we  
19           felt, you know, is a de facto of sorts of  
20           rehabilitation, three, five, given or  
21           whatever the amount of years that might be,  
22           it could be a really good balance in my  
23           view of using resources as efficiently as  
24           possible and then, you know, giving the

1 opportunity to people who have made  
2 mistakes in the past that's long gone.

3 CHAIRMAN CROSBY: If this were a  
4 tabular loss, if we were this writing laws  
5 ourselves, you do believe that gaming  
6 service employees as a general group should  
7 be automatically disqualified for some  
8 period of time?

9 COMMISSIONER ZUNIGA: Well, to be  
10 more granular, I think there's also the  
11 notion that not every service employee  
12 might be the same.

13 CHAIRMAN CROSBY: But I said -- I'm  
14 talking now about -- what kind of Director  
15 Wells pointed out and Director Bedrosian  
16 has said and I have too, is if we are left  
17 with the independence to do with gaming  
18 service employees what we want, we might  
19 decide if there are some gaming service  
20 employees who do need certain kinds of  
21 background checks or who do need to be  
22 disqualified. For example, a gaming  
23 service employee who actually operates on  
24 the floor of the casino.

1 COMMISSIONER ZUNIGA: Yes.

2 CHAIRMAN CROSBY: So my suggestion  
3 would be that we don't have any automatic  
4 across the board disqualification for  
5 gaming service employees, but that we have  
6 the authority to do with any gaming service  
7 employee or subgroup of gaming service  
8 employee whatever we think is appropriate,  
9 whatever we think is appropriate, including  
10 disqualifying some subgroups, if we think  
11 that is important for the integrity of the  
12 process. That would be my approach.

13 COMMISSIONER ZUNIGA: I would be  
14 fine with that.

15 COMMISSIONER CAMERON: Sounds good,  
16 but I think to implement that is very  
17 difficult.

18 MR. BEDROSIAN: Can I make one  
19 suggestion?

20 CHAIRMAN CROSBY: Just one second.  
21 Why would that be difficult to implement?

22 COMMISSIONER CAMERON: The whole  
23 thing is total discretion. So you're  
24 asking an investigative staff to start from

1 scratch and look at everybody as an  
2 individual. There are no  
3 disqualifications, nothing at all. It's  
4 just every person is looked at, and I'm  
5 just talking about how much work that is.

6 COMMISSIONER ZUNIGA: Not  
7 necessarily.

8 CHAIRMAN CROSBY: It would be what  
9 it says in Section 30C, which says, they  
10 are all registered, they all have to  
11 register, fill out some form. We know they  
12 are going to go through the background  
13 check process that whatever it is that the  
14 casino puts them through, and then we can  
15 require such other information that we  
16 want.

17 So it would be like -- I forget  
18 which state it is, but one or more of the  
19 states says there is no automatic  
20 disqualification. They must be registered  
21 and we can -- if we thought there was a  
22 group, like if we thought that waitresses  
23 on the floors of the casino should be  
24 treated differently, those the IEB would

1 have to deal with, but we wouldn't have  
2 the --

3 COMMISSIONER ZUNIGA: You could  
4 qualify them as a GEL, for example.

5 CHAIRMAN CROSBY: Right, right.

6 MS. WELLS: I'm a little confused.  
7 It sounds like what you're suggesting is  
8 that you want everyone to be registered,  
9 and you want everyone to be vetted by the  
10 IEB.

11 COMMISSIONER ZUNIGA: No, no.

12 MS. WELLS: So that's helpful. So  
13 in order to -- it sounds like what you're  
14 almost -- what Commissioner Zuniga is  
15 almost saying he'd like a change so it sort  
16 of mirrors Maryland. So what Maryland did  
17 is they originally had a lifetime ban for  
18 felonies, even at the lowest level. They  
19 had a legislative change. They reduced  
20 that from a lifetime ban to seven years, so  
21 there's that piece.

22 Maryland, the Commission as a body,  
23 also has the discretion to say, okay, we  
24 look at all the employees at that lower

1 level. This group keep them in the  
2 registration background process. This  
3 group you don't have to register. You  
4 know, we don't feel you need to be subject  
5 to any kind of disqualification. So as a  
6 practical terms, the IEB doesn't look at  
7 those. That seems -- okay, so that's a  
8 little different from what I heard you  
9 saying before, which is we sort of take a  
10 look and then have discretion.

11 Operationally, what Commissioner  
12 Zuniga is saying that works operationally  
13 from a resource perspective, because you  
14 have sort of a bright line rule. You have  
15 some kind of bright line rule for the folks  
16 if the Commission decides that. The other  
17 ones they do not register, so we don't use  
18 resources to do some evaluation on their  
19 background.

20 So what the Commission is basically  
21 saying with that group is that as a matter  
22 of policy, say hypothetically it's the  
23 employee that works at the bowling alley at  
24 MGM. The Commission makes the decision.



1 We don't see any reason that the person  
2 that works at the bowling alley at MGM  
3 should be treated any differently than the  
4 guy that works at the bowling alley across  
5 town.

6 So in that event in that  
7 circumstance, if that's the Commission's  
8 policy decision, then they make that  
9 decision by categorizing saying exempt  
10 employees don't go through the process.  
11 And that, you know, based on the staff had  
12 a universal agreement, there is not  
13 statutory authority to do that right now.  
14 You need a statutory change.

15 You know, I've looked at it. It's a  
16 very small statutory change in 30A and 30C  
17 that you just need to say that all  
18 employees need to register; however, the  
19 Commission has authority to exempt. That  
20 would be the change. You could add the  
21 additional change in 16B that for say you  
22 want to keep the GEL level, the gaming  
23 employee level at ten years but for service  
24 employees maybe you want -- for those that

1           you're keeping -- remember, there are ones  
2           that are not even looked at. For the ones  
3           that you're keeping, maybe you want to  
4           reduce that to seven years like Maryland or  
5           whatever number they recommend. So that  
6           seems what I'm hearing is what is on the  
7           table right now, if I stand corrected.

8           COMMISSIONER ZUNIGA: Yes. And, by  
9           the way, let me just jump into that.

10          That's a great summary. When I was  
11          thinking about, you know, we have that  
12          discretion was it exactly that, figuring  
13          out what groups, not what individual --

14          MS. WELLS: Correct. So that  
15          addresses --

16          COMMISSIONER ZUNIGA: -- you're  
17          going to do. We are going to do this  
18          group, so that then you have a rule, a  
19          regulation that you can go implement times  
20          2,000 as opposed --

21          MS. WELLS: And that addresses the  
22          operational concerns.

23          COMMISSIONER ZUNIGA: As oppose to  
24          the notion there would be a discretion on

1 every individual. That was never my  
2 intention or approach.

3 COMMISSIONER CAMERON: I think I did  
4 not understand -- are you saying the same  
5 thing, Mr. Chair and Commissioner Zuniga,  
6 is that exactly what you're both saying,  
7 what was just layed out, that summary?

8 COMMISSIONER ZUNIGA: Well, that  
9 reconciles with what Steve is saying  
10 relative --

11 COMMISSIONER CAMERON: That's what  
12 I'm asking, because I didn't understand it  
13 to mean that. So what we are doing here  
14 now is figuring out what we would like to  
15 recommend to the legislature?

16 COMMISSIONER ZUNIGA: That was the  
17 question, yes.

18 COMMISSIONER CAMERON: Okay, okay, I  
19 see, all right. So, listen, that makes a  
20 lot of sense. I did not -- I thought that  
21 what we were asking staff to do is look at  
22 every individual.

23 COMMISSIONER ZUNIGA: No, no.

24 COMMISSIONER CAMERON: So you are

1 both saying the same thing?

2 CHAIRMAN CROSBY: Well, we need to  
3 say it again because I'm not sure. Do you  
4 want to --

5 MR. BEDROSIAN: Yes. I think the  
6 difference I've heard, Mr. Chair, is that  
7 you might envision a situation in which not  
8 only would the Commission have discretion  
9 on which gaming service employees to look  
10 at but what to do in that analysis, that  
11 background analysis by collecting certain  
12 information.

13 CHAIRMAN CROSBY: Which reg.?

14 MR. BEDROSIAN: The gaming service  
15 employee analysis. So there's people, as  
16 Director Wells has articulated, the goal I  
17 think everybody agrees upon is there are  
18 people we would -- if we wrote the statute,  
19 we would exclude from any gaming service  
20 analysis, registration analysis, right.

21 I think what Director Wells is  
22 saying from her point of view, and I agree  
23 with this, is if you do the analysis right  
24 now as a statute exists, even with an

1 exemption, the analysis is the 16B  
2 analysis. I thought I understood you,  
3 Mr. Chairman, to think maybe we would also  
4 have the discretion to do something  
5 different than 16B for those people who are  
6 kept in. Am I misunderstanding that?

7 CHAIRMAN CROSBY: Say it again?

8 MR. BEDROSIAN: So, I thought you  
9 were articulating that under 30C because we  
10 can collect specific information, maybe we  
11 wouldn't have to do a full 16B analysis for  
12 those folks that we kept in as the waitress  
13 on the floor, for example. And just to  
14 maybe put this to bed, I would suggest  
15 this. If the Commission had a consensus  
16 because this -- while you had conversations  
17 with legislators, I had conversations with  
18 staff and I did get some questions and  
19 requests for do you have a legislative fix  
20 here? And I don't want to say promise or  
21 committed, but I told them I would try and  
22 get back to them by the end of the week.

23 And I'm trying to think if it is the  
24 consensus of the Commission that in the end

1           what they would want is a strategic  
2           legislation fix to do is to give the  
3           Commission discretion to exempt categories  
4           of gaming service employees from  
5           registration.

6                     And, so, what that would do then is  
7           you would all have the ability to decide,  
8           the Commission would decide potentially by  
9           regulation that certain categories of  
10          gaming service employees would not be  
11          subject to registration. Those subject to  
12          registration would still comply with the  
13          system as it currently exists. We wouldn't  
14          be the changing the system as it currently  
15          exists. We would just be exempting people  
16          from that, from that system.

17                    COMMISSIONER ZUNIGA: I would add to  
18          that, you know, lowering the ten year to  
19          something lower, whatever that is.

20                    MR. BEDROSIAN: So, I hear you. You  
21          know, in terms of sometimes having a  
22          legislative wish-list, I don't know if, and  
23          I think the Chairman's articulated one way  
24          that I will talk to staff about whether you

1 just eliminate a couple of words would  
2 suffice to give us the regulatory authority  
3 in that situation.

4 If the legislature wants to be  
5 strategic and minimalist as possible about  
6 this so the collateral consequences weren't  
7 that the gaming act was being totally  
8 reopened, I understand and I might agree  
9 with you. It just may be that we have to  
10 pick and choose and maybe we can go with  
11 everything right now, and they say we can  
12 do the most minimalist we can do.

13 COMMISSIONER ZUNIGA: I was still  
14 answering the question as to what would we  
15 do, if we could, and that can change very  
16 quickly through whatever iterations this  
17 may take. And, Mr. Chairman, I still have  
18 a sort, I think, it's still reconciled with  
19 what you express, which is in order to get  
20 the ability to exercise discretion on all  
21 service employees, practically it occurs to  
22 me is the easiest is to think of them in  
23 trenches however many. Let's just assume  
24 it's two. One that we exempt and another

1 category that we use something less than  
2 the GELs. Because, you know, that sort of  
3 scales all the investigation.

4 CHAIRMAN CROSBY: The way -- what  
5 I'm suggesting is that we are left to make  
6 those group decisions.

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: But several of you  
9 are introducing something that has never  
10 been discussed with the legislature, and  
11 that is eliminating registration. What  
12 Wagner and DeLeo conveyed to me was they  
13 don't mind registering. As a matter of --  
14 a practical matter having us have a  
15 database of the names and addresses of the  
16 people who are working in the gaming  
17 establishment, they didn't change that.

18 They were only saying that if you  
19 are a gaming service employee, you're  
20 registered, which means you fill out your  
21 name and your address and whatever we say  
22 should be on the form and you're put it in  
23 the file. IEB does nothing with it.  
24 Registration is just signing a piece of



1 paper.

2 And that we then on all those people  
3 who register who are all of the gaming  
4 service employees can make an independent  
5 judgment to the Commission about whether  
6 any of those categories like people on the  
7 floor we want to treat differently. If we  
8 do, we have the authority to do it.

9 And we can talk about which groups  
10 should it be and how much background checks  
11 should it be. It's not -- if we want to  
12 recommend getting rid of registration, we  
13 can do that. But that's not what the  
14 legislature is talking about.

15 They are saying registration is a  
16 purely administrative process. That means  
17 we have a database where everybody is on  
18 record, but we don't do any background  
19 checking or any suitability checking of  
20 registrants and registrants are gaming  
21 service employees. That's obligatory --  
22 nothing that's obligatory. We only would  
23 do whatever we decide to do with what our  
24 IEB decides to do with certain subgroups.

1                   COMMISSIONER ZUNIGA: I really think  
2 we're talking about the same thing. I  
3 mean, I would just in my view because we  
4 have access to all the records of the  
5 casino, you know --

6                   MS. WELLS: That's right.

7                   COMMISSIONER ZUNIGA: Whether  
8 they're registering with us or whether they  
9 are registering with Penn first and we look  
10 at it, you know, it's the investigation  
11 that we conduct --

12                   MS. WELLS: That's correct.

13                   COMMISSIONER ZUNIGA: -- upon  
14 registration.

15                   CHAIRMAN CROSBY: It's what?

16                   COMMISSIONER ZUNIGA: It's the  
17 amount of due diligence and investigation  
18 that we conduct.

19                   CHAIRMAN CROSBY: Which would be  
20 zero.

21                   COMMISSIONER ZUNIGA: In one group,  
22 whatever we decide, we would say just  
23 register. In another set of groups,  
24 whatever we decide, we might do that and,

1           you know, additional level of due  
2           diligence.

3           MS. WELLS: I think just the way the  
4           Gaming Act is written and the way things  
5           are woven together, the simplest and most  
6           efficient way to get to where you want to  
7           go is to say that they don't register.  
8           Because once you're saying they are  
9           registered, it triggers all these other  
10          things within the statute so --

11          CHAIRMAN CROSBY: I don't that's  
12          right, Karen, that it does. I don't think  
13          it does trigger anything.

14          COMMISSIONER MACDONALD: Maybe we  
15          don't need to go into all this detail at  
16          this point.

17          MR. BEDROSIAN: I think we need to  
18          work -- look at this at staff level and  
19          give us new information, Mr. Chairman, of  
20          what, in effect, would be taking out in  
21          registration requirement. I guess, the  
22          challenge is I would like to -- and I'm not  
23          quite hearing unanimity -- but to the  
24          extent this is on the fast track and we can

1 work with the legislature on this, I just  
2 want to make sure staff is exceeding its  
3 authority of what the sense of the  
4 Commission is in responding to the  
5 legislature.

6 So I don't know exactly how to deal  
7 with this, because I want to go back with  
8 staff and relook at it. I think we have --  
9 I think we could wait until that -- I think  
10 we potentially have a meeting next week at  
11 which we could come back and give you some  
12 options and clarity and maybe more granular  
13 interpretation if you take out this, that's  
14 the consequence.

15 CHAIRMAN CROSBY: Did you want to --

16 MS. WELLS: Just as an example, you  
17 could as an example say the Commonwealth  
18 may in its judgment and by vote exempt a  
19 gaming service employee job position from  
20 the background check requirement of 23K.  
21 It's how you phrase the language to get  
22 where you want to go.

23 CHAIRMAN CROSBY: All I am -- what  
24 is motivating -- I have explained what I

1 think is substantively correct. Beyond  
2 that, I am just motivated by making it as  
3 simple as possible. And it might be not  
4 absolutely totally perfect but the less --  
5 we are all desperate to get this done  
6 legislatively and the sooner --

7 COMMISSIONER ZUNIGA: If there's a  
8 proposed chapter --

9 MS. WELLS: For example, New Jersey,  
10 they just eliminated the registration  
11 process because --

12 CHAIRMAN CROSBY: That raises, as I  
13 said, that raises something that has never  
14 been discussed with the legislation. I  
15 just don't know whether they would, you  
16 know, that is the --

17 COMMISSIONER MACDONALD: That's also  
18 a -- I think, Commissioner Zuniga said  
19 you're wordsmithing. You're wordsmithing  
20 here. And registration in your mind may be  
21 different from registration in New Jersey's  
22 mind. As I understood the Chairman's  
23 question to us as a group today is to get a  
24 sense of what our positions are. And let

1 me just go on record and say, I think, that  
2 this is an enormously significant and  
3 important development that it sounds like  
4 the legislature appears to be poised to  
5 deal with what has increasingly become a  
6 really serious obstacle to our licensees  
7 being able to achieve the employment  
8 objectives of the Expanded Gaming Act.

9 So I am personally 100 percent in  
10 favor of a surgical legislative fix of what  
11 appears to have been an inadvertent  
12 conflict in the legislation as it currently  
13 exists, and I'm in favor of making it the  
14 simpler the better as well. And we can, as  
15 the staff proceeds with this, give our  
16 input as to what specific changes in the  
17 legislation -- the current legislation is  
18 necessary. I have any own views on that.  
19 I've circulated that to the Chairman and to  
20 Executive Director Bedrosian and to Ms.  
21 Wells about this, and I think we can just  
22 proceed accordingly.

23 CHAIRMAN CROSBY: Yes, and thank  
24 you. You know, we are left unfortunately

1 with mixed signals for people who have to  
2 build a budget and for people who have to  
3 start recruiting people. And for the  
4 moment, I think we're stuck with that and  
5 we will stick with it for at least a little  
6 while long.

7 But, I think, the representatives  
8 from the licensees and the local community  
9 you can get, you know, a -- well, you've  
10 heard -- you get the gist and you keep  
11 pushing yourselves out there because it's  
12 made an impact that you all had -- your  
13 representatives or advocacy groups have  
14 spoken to the leadership. They were aware  
15 of this when I brought it up. So having  
16 you all continue to push it and that it  
17 needs to be quick will be helpful.

18 COMMISSIONER CAMERON: So are we  
19 comfortable since we do have a special  
20 meeting next week that we'll have staff  
21 come back to us with recommendations after  
22 they've really looked at the wordsmithing;  
23 does that make sense?

24 CHAIRMAN CROSBY: Sure. We don't

1 have to give the legislature anything.  
2 They'll solve this themselves.

3 COMMISSIONER CAMERON: But it may be  
4 put in a way that there are unintended  
5 consequences for our employees.

6 MS. WELLS: I don't want us having  
7 to go back for a second legislative because  
8 they didn't see -- and I think there have  
9 been other jurisdictions do it a certain  
10 way because it has an operational impact,  
11 so I think that's helpful.

12 CHAIRMAN CROSBY: Okay, yes, I'm  
13 fine with that.

14 MR. BEDROSIAN: We will put it on  
15 the schedule, and we'll have suggested  
16 changes.

17 CHAIRMAN CROSBY: It goes on the  
18 agenda for the 14th.

19 MR. BEDROSIAN: For the 14th, yes,  
20 sir.

21 COMMISSIONER CAMERON: Good work.

22 COMMISSIONER MACDONALD: That is  
23 great except for the fact I won't be here,  
24 but I can make my views known.



1 MR. BEDROSIAN: We will make sure we  
2 work with Commissioner Macdonald before  
3 then.

4 CHAIRMAN CROSBY: Okay, anything  
5 else? All right. Now we are --

6 COMMISSIONER ZUNIGA: Can we take a  
7 quick break?

8 CHAIRMAN CROSBY: Let's take a quick  
9 break, then we will come up to the finance  
10 division.

11

12 (A recess was taken)

13

14 CHAIRMAN CROSBY: We are reconvening  
15 public meeting number 218, and we are on to  
16 Item No. 5. Thank you very much, and we  
17 are now on to Item No. 6. Now we're  
18 adjourned. Now we are going to go watch  
19 Comey. Now we're on Item No. 5.

20 MR. LENNON: Good afternoon, Mr.  
21 Chairman and Commissioners.

22 COMMISSIONER MACDONALD: Good  
23 morning.

24 COMMISSIONER ZUNIGA: Good morning

1 still.

2 COMMISSIONER CAMERON: Good morning.

3 MR. LENNON: Good morning. I'm  
4 joined today by Agnes Bowlier and Maria  
5 Bitari, the budget and revenue managers  
6 within the finance office. We are here to  
7 present to you the fiscal year 2018 budget  
8 projections for the Gaming Control Fund and  
9 the Racing Oversight and Development Fund.

10 In your packet you have a budget  
11 memorandum and three attachments laying out  
12 the details of this budget. Before I go  
13 into any details, I'd like to take a quick  
14 moment to discuss our budget process.

15 The MGC's office of finance met with  
16 each division and bureau head within the  
17 MGC and developed spending and revenue  
18 projections that represented realistic  
19 needs of for FY/18 to operate the  
20 Commission, as well as what can be expected  
21 for revenue based on the Commission's  
22 current fee structures.

23 These requests were then reviewed by  
24 me and the executive director and then

1 finally by the treasurer, the executive  
2 director for our internal review. A third  
3 review was conducted by representatives of  
4 the current gaming licensees, Penn  
5 National, Wynn and MGM at a meeting on  
6 May 16th 2017 at the MGC offices. The  
7 meeting included a comprehensive review of  
8 the Commission's budget at a line item  
9 level, as well as a review of each division  
10 staffing levels by employees and  
11 anticipated hires.

12 We are now presenting to the  
13 Commission in a public meeting our  
14 recommendations, getting feedback from you  
15 and the public. We'll post our budget for  
16 public comment for two weeks and, finally,  
17 undergo another review before you vote to  
18 approve the budget.

19 This is the most transparent  
20 government budgeting process I've been a  
21 part of in my 17 years of state service, as  
22 well as it gives vast input into the  
23 process by the entities responsible for  
24 funding our budget, the licensees. The

1 level of detail we provide to our licensees  
2 as well as post to a public website is not  
3 emulated anywhere in the executive,  
4 judicial or legislative branch in  
5 Massachusetts state government.

6 Before I move on with the budget  
7 presentation, I would like to know if the  
8 Commissioners have input into any  
9 additional matters we could implement to be  
10 more inclusive or transparent.

11 CHAIRMAN CROSBY: Anybody want to  
12 gill that lily?

13 COMMISSIONER CAMERON: I think you  
14 have done a great job as far as educating  
15 us in the process, the steps, the inclusion  
16 of everyone I know. This is difficult, and  
17 so I'm just going to commend you for the  
18 work rather than have a suggestion on how  
19 to do it better. Because, again, this  
20 is -- I haven't asked a question yet where  
21 there wasn't an answer or an explanation of  
22 how many steps it took to get there. So,  
23 again -- and it's also an easy-to-read  
24 document, which I commend you every time

1 for that, because I've read other budgets  
2 that were much more difficult to  
3 understand, so just a comment, not a  
4 recommendation.

5 COMMISSIONER STEBBINS: I would echo  
6 that. I appreciate the process. I think  
7 the transparency of the process is  
8 important to people but, you know, fund the  
9 bills, participation in the process is  
10 encouraging. I think you and your team and  
11 also Executive Director Bedrosian, who I  
12 think had more hair at the start of this  
13 budget process but know it's not easy and  
14 know that we are still almost a full fiscal  
15 year away from opening. So being mindful  
16 of those costs and our interest of not  
17 being the most expensive jurisdiction out  
18 there, I appreciate you kind of keeping to  
19 those guidelines.

20 COMMISSIONER ZUNIGA: Let me mention  
21 one thing about the process, which has been  
22 part of a I totally endorse and think is  
23 very efficient. In the past, and I have  
24 every intention of doing that this year as

1 well, we benchmark to other jurisdictions  
2 in a number ways, ratios, specific  
3 assessments, which we control or don't  
4 control, and we will do that at some point  
5 in the very short-term.

6 Again, I think we've done it in the  
7 past quite a bit and very informed. And  
8 there is always going to be differences.  
9 Pennsylvania does this thing differently  
10 and, you know, over they have more casinos  
11 and is one ration better than a comparison  
12 than the other.

13 But this year is highlighted by the  
14 notion that we really have these big  
15 opening at the end of this fiscal year,  
16 this ramp-up period at the end of the  
17 fiscal year or the beginning of next with  
18 some moving pieces and then, you know, all  
19 of that is discussed here to some degree.  
20 And that in my view puts us in a unique  
21 position relative to comparables, but we  
22 will make those comparable and we'll report  
23 them.

24 CHAIRMAN CROSBY: Anybody else

1 before you proceed? Proceed.

2 MR. LENNON: Thank you. Moving on  
3 to the budget presentation. I'll try to  
4 take each item individually, first gaming  
5 and then racing. So it might not follow  
6 smoothly with the memorandum, but I'll  
7 reference the sections I'm on.

8 The Gaming Control Fund is composed  
9 of the cost of the MGC requires to maintain  
10 regulatory oversight of Category 1 and  
11 Category 2 casinos, as well as statutorily  
12 mandated assessment to our cost. It's  
13 important to distinguish among the  
14 different components of the proposed Gaming  
15 control Fund of FY/18 and understand the  
16 difference between the regulatory and the  
17 statutory costs.

18 What we're defining as regulatory  
19 costs are directly with -- are those costs  
20 directly within the MGC control. Statutory  
21 costs on the other hand are assessments  
22 contained in the gaming -- Expanded Gaming  
23 Act but not within the budgetary discretion  
24 or control of the Gaming commission.

1                   However, it's important to point out  
2                   as a responsibility of our licensees so the  
3                   annual assessment process to pay for both  
4                   the statutory and regulatory costs funded  
5                   from the Gaming Control Fund. The MGC is  
6                   currently approved FY/17 budget for Gaming  
7                   Control Fund is 27.07 million. And we're  
8                   recommending an FY/18 budget of 29.15  
9                   million. That includes both regulatory and  
10                  statutory costs. This represents an  
11                  approximate 7.7 percent increase to that  
12                  fund and our licensees.

13                  However, breaking the two components  
14                  apart, the regulatory cost only grew by  
15                  about 1.5 percent from 18.48 million in  
16                  FY/17 to 1.76 million in FY/18 while the  
17                  statutory would cost grew by approximately  
18                  21 percent from 8.58 million in '17 to  
19                  10.39 million in FY/18. That's pretty well  
20                  laid out on the chart on page three.

21                  Just to go through what the  
22                  \$10.39 million statutory required costs are  
23                  made up of, \$3.67 million for the cost of  
24                  the attorney general's office inclusive of



1 their Mass. State Police, which is  
2 authorized under Chapter 12 of the General  
3 Laws, Section 11M; 4.99 million for the  
4 research and responsible gaming office,  
5 which will be funded from the Public Health  
6 Trust Fund in subsequent years which is  
7 authorized under Chapter 23K, General Laws  
8 Section 56, Paragraph E, Section 58 and  
9 Section 71; 75,000 for the Alcoholic  
10 Beverage Control Commission authorized  
11 under Chapter 10 of the General Laws  
12 Section 72A, and 1.66 million for  
13 Commonwealth of Massachusetts assessed and  
14 direct cost, which we've talked about at  
15 nauseam in these meetings in the past,  
16 which is authorized by the governor's  
17 Office of Administration and Finance under  
18 administration of finance, bulletin five.

19 As indicated earlier in my  
20 presentation, we have very limited input  
21 into those referred statutorily required  
22 costs on page three of the memorandum. So  
23 the majority of the rest of the  
24 presentation will focus on the regulatory

1 portion of the MGC budget.

2 COMMISSIONER ZUNIGA: Before you do  
3 that, I think this is relevant to -- I  
4 wanted to highlight something about one of  
5 the statutory costs, the Office of the  
6 Attorney General. Section 9 of the section  
7 laws is a bit ambiguous into what costs  
8 should be reimbursed as part of this  
9 assessment.

10 This is the first year that this  
11 becomes a topic that I just want to  
12 highlight for everybody's information.  
13 There's language in the section that talks  
14 about the method for reimbursement, one in  
15 which because the Division of Gaming  
16 Enforcement is comprised of both people in  
17 the attorney general's office and state  
18 police assigned to that unit that the  
19 method for reimbursement is going to be the  
20 state police submits hours to the Division  
21 of Gaming Enforcement, and we reimburse the  
22 state police for those hours.

23 The section goes on to say that the  
24 Commission shall not approve a request for

1 reimbursement that exceeds an annual of  
2 \$3 million, and that's where the section  
3 ends. But because of the way that the mode  
4 of reimbursement is spoken about prior to  
5 that section, it creates a confusion as to  
6 whether the state police assigned to the  
7 DGE is part or not of the \$3 million. That  
8 says -- is that a fair statement of the  
9 section? I could read them, but that's in  
10 a nutshell what we have.

11 MR. LENNON: Correct. That's the  
12 gist of it, and we talked about this  
13 internally and I think at a few meetings  
14 publically for three years, and it's just  
15 hitting that point now where -- so if you  
16 look at interpretation different ways, the  
17 attorney general's office is at 2.6 million  
18 for their costs and then there's an  
19 additional one plus million for state  
20 police costs assigned to them.

21 So under their reading, they're  
22 still within their \$3 million reimbursement  
23 because of the reimbursement for the state  
24 police is not to the AG's office. It's to

1 state police. Under some other readings,  
2 you know, it could be it's a combined total  
3 for that whole effort. So I know we talked  
4 about this a few times with really no  
5 resolution on it.

6 COMMISSIONER ZUNIGA: And, by the  
7 way, this is the first year where that's  
8 become an issue. Because this is the first  
9 year that in conjunction the two together  
10 are over \$3 million. So that is why I  
11 wanted to highlight it, because I think  
12 that the part of the section that says we  
13 shall not reimburse the request -- the  
14 annual request for reimbursement if it  
15 exceeds 3 million, I just wanted to  
16 highlight that because this would be the  
17 first year with that -- that's a topic.

18 COMMISSIONER MACDONALD: Maybe just  
19 that point, Derek, could you maybe address  
20 yourself to the attorney general's line  
21 item there, and if I am reading this  
22 correctly, that there is a very substantial  
23 increase in the math that's budgeted there,  
24 54 percent. Could you for the public

1 record just describe very briefly what is  
2 responsible for that significant increase.

3 MR. LENNON: So, once again, we have  
4 very limited control over this budget. The  
5 explanation given to us was an addition of  
6 five FTEs with their costs, which were over  
7 30 percent on top of the salaries. And  
8 then some construction-related costs of,  
9 one, an office build-out and lease in  
10 Springfield; and, two, a build-out of their  
11 central office state police area. And  
12 that, you know, with any construction  
13 project, you never know when it's going to  
14 hit, when DCAM can get it authorized or  
15 not, so they're estimates.

16 COMMISSIONER MACDONALD: Is it fair  
17 to say that this is also a reflexion of the  
18 anticipated increased personnel needs as  
19 Wynn and MGM come online? Not in this  
20 fiscal year but projecting to the future.

21 MR. BEDROSIAN: Commissioner, I  
22 think I can answer that. Yes, I think that  
23 is exactly right. As had been talked  
24 about, this budget year happens to be what

1 I call the perfect storm of events and that  
2 is it's the opening of MGM is close enough  
3 outside of this fiscal year to collaterally  
4 impact this fiscal year, and I think a lot  
5 of agencies we've seen, including the  
6 attorney general, are using this time in  
7 their minds to staff up for what they  
8 anticipate the requirements will be.

9 COMMISSIONER CAMERON: And I know  
10 the AG's office has worked on a number of  
11 significant investigations and, frankly,  
12 the other police agencies do not have -- we  
13 just talked about this at a recent  
14 conference -- do not have the ability or  
15 the resources to handle those kinds of  
16 gaming investigations, so I think they are  
17 filling that gap. And I know that our  
18 licensees have had an opportunity to meet  
19 directly at the AG's office, so there has  
20 been dialogue with regards to all of these  
21 issues.

22 MR. LENNON: So moving on to the  
23 regulatory portion. The regulatory portion  
24 of the gaming control trust funds 11

1 divisions and bureaus. Each division and  
2 bureaus cost providing regulatory oversight  
3 to the expanding gaming are built into the  
4 \$18.75 million figure. There are  
5 approximately 69.5 FTEs funded in that  
6 item, including 3.5 new FTEs in the IEB.

7 Through an updated cost allocation  
8 plan, portion of many employees aggregating  
9 to a total of 4 FTEs were transferred from  
10 the Gaming Control Fund to the Racing  
11 Oversight and Development Fund. This  
12 methodology was reviewed with our  
13 treasurer, Commissioner Zuniga, as well as  
14 our Budget Advisory Group, and it was  
15 determined by the group as well as the  
16 treasurer that is reasonable and warranted.

17 In addition, while we determined the  
18 Research and Responsible Gaming Public  
19 Health Trust Fund component of the Gaming  
20 Control Fund to be a statutory required  
21 funding source, I need to include that two  
22 FTEs and the 69.5 FTEs are funded from that  
23 item within the packet.

24 I would like to call to your

1 attention the chart on page six of our  
2 memorandum, especially to show that each  
3 division with the exception of the  
4 executive director, the IEB and the  
5 licensing and I'll get into those three  
6 reasons why. From FY/17 to FY/18 are  
7 showing decreases in their budget.

8 So each division took this process  
9 seriously, understands the scrutiny we are  
10 under as a commission and as a jurisdiction  
11 to try to remain competitive and, I think,  
12 it's reflected by their budgets going down  
13 in a year when we're expecting ramp-up  
14 everywhere else.

15 Now, with the executive director,  
16 his budget would have gone down, too,  
17 except he did a reorganization midyear and  
18 he took on three new employees. So what  
19 you're seeing is a \$70,000 increase, but  
20 what you are not seeing reflected in that  
21 number is in excess of 200,000 in contracts  
22 he has eliminated from his budget.

23 And then with the IEB and licensing,  
24 they're the two divisions that really need



1 to focus on the opening 15 months out.  
2 They're the two that really have to have  
3 this operational impact in this current  
4 year, so you would expect to see their  
5 budgets increase. But everywhere else  
6 where we've been able to back down, we have  
7 made that effort and outlined it.

8 If you'd like to see more granular  
9 information on where the ups and downs  
10 happen within each budget, you can find  
11 that in attachments B and C to this  
12 memorandum.

13 I'll move on to the Racing Oversight  
14 Development Fund. That funds the  
15 operations of the racing division as well  
16 as a portion of the shared services of the  
17 MGC. The majority of the funding for this  
18 appropriation is payroll, seasonal payroll  
19 and federal-related cost. As I mentioned  
20 earlier, we did do an updated cost  
21 allocation, which shifted 4 FTs off to this  
22 count. And for the first time, the state  
23 troopers assigned to racing have been  
24 picked up by the racing division. The MSP

1 used to pay for that. It helped us get  
2 through our difficult time period where our  
3 seasonal costs really outweighed the  
4 ability to help them out, and now we've  
5 picked that up.

6 Those two costs being shifted over  
7 had substantially driven up the racing  
8 budget, but it's still within their revenue  
9 stream as you will see on attachment A.  
10 Other costs of the racing division are drug  
11 and laboratory testing for 238,000 and ISA  
12 to DPH for 70,000 and purchased client  
13 services for economic hardship payments,  
14 eight full payments and a jockey guild  
15 which is statutorily required, which is  
16 totaled 235,000.

17 Now that I've updated on what is  
18 included in the budget, we must address the  
19 funding exposures that are in this budget,  
20 which was as Executive Director Bedrosian  
21 has said, this was a challenging budget to  
22 develop with the potential opening of MGM  
23 Springfield in September of 2018, which is  
24 less than 90 days after the close of '18

1 and opening of fiscal '19. Due to that,  
2 there are both regulatory and public safety  
3 costs that could require additional funding  
4 and us coming back to you at some point in  
5 FY/18.

6 The regulatory costs are staffing,  
7 specifically gaming agent positions for the  
8 MGM facility, licensing positions for the  
9 on slot of additional licensing needs and  
10 possibly a position for the revenue office  
11 to account for the increased revenue coming  
12 in. Litigation costs are also underfunded  
13 in this budget. We are currently carrying  
14 the minimum required for our litigation  
15 insurance. We expect that to be between  
16 250 and \$500,000 shortfall. We're working  
17 with our licensees. They'd rather see the  
18 actual bill than us go high, and then  
19 revert money at the end of the year.

20 And then there is the public safety  
21 piece. State police compliment was built  
22 into the IEB's budget for the two months  
23 that we anticipated having troopers  
24 assigned to MGC to help open up the MGM

1 facility. However, there are costs the MSP  
2 will bare as a result of taking those  
3 troopers on, specifically public training  
4 class and further discussions on how to  
5 fund those costs, what's available on MSP  
6 versus here are required before we come to  
7 you with that figure.

8 The cost not included in that budget  
9 have been discussed with our licensees as  
10 well the rational for not including the  
11 cost. I think we have general agreement on  
12 why we wouldn't include them. Maybe not on  
13 an exact numbers going forward. But we do  
14 intend on returning to the Commission  
15 toward the end of the calendar year 2017 to  
16 address both the public safety and  
17 regulatory funding exposures as a landscape  
18 and timeline of the opening of MGM  
19 Springfield becomes more concrete and  
20 better estimates and options are available.

21 As you're familiar with Chapter 23K,  
22 Section 56 A through C which tells us how  
23 we can fund our operations, which is  
24 further defined through the CMR 121, 205

1 CMR 121. By taking projected spending less  
2 the net revenues, for FY/18 the Commission  
3 we utilize that CMR to assess approximately  
4 24.45 million on the licensees, which is  
5 shown on page eight of the memorandum.

6 Before recommending this budget be  
7 posted for public comment, we would like to  
8 take this time to address any questions,  
9 comments or concerns the Commission may  
10 have. And if you would like to direct them  
11 to Agnes and Maria, I'm all for that.

12 MR. BEDROSIAN: Mr. Chairman, before  
13 you hop into questions, let me just make a  
14 few additional comments, which is I want to  
15 thank Derek and his team and all the  
16 directors. They were incredibly flexible  
17 in this budget period. I think you've  
18 heard me and both CFAO Lennon talk about  
19 the challenge of having an opening close to  
20 the end of the fiscal year but not in the  
21 fiscal year.

22 And we did make a conscious decision  
23 not to try and speculate about what our  
24 opening costs would be now but come back to

1 the Commission. And, I think, collaterally  
2 the discussion earlier today also impacts  
3 that. You know, what happens to our  
4 service employees could then affect when  
5 our actual granular budget recommendation  
6 is down the line.

7 We've had that discussion also with  
8 our licensees who have been incredibly  
9 cooperative, not shy about sharing their  
10 opinion, but that's the process we  
11 undertook and I think it's a good process.

12 So, that's all I just wanted to say,  
13 and I think I individually talked to you  
14 all probably at nauseam. You probably  
15 don't want to see me anymore in your office  
16 about this process. I just want to thank  
17 both Derek and his staff and his licensees  
18 to get us to this point.

19 COMMISSIONER ZUNIGA: Let me mention  
20 one thing along the lines of that. In  
21 terms of regulatory costs, there is an  
22 increase because there is a need to  
23 ramp-up, and it's mostly around licensing  
24 and IEB and we're accounting for that

1 granted there's moving pieces still to  
2 define, as you mention, and we'll get to  
3 that.

4 But the counter of all of that is  
5 just about every other director looked  
6 around and really, really thought through  
7 what they really need as opposed to looking  
8 at the prior year and saying I'm just going  
9 to have the same year budget, which in  
10 budgeting in agencies inertia is really  
11 what predominates it. Not the case here.

12 We're really looking at what do we  
13 need. I'm sure there is some cost  
14 shifting, and that's also part of getting  
15 more efficient. But there's quite a bit of  
16 a number of costs and the details are here  
17 that are decreasing because we are now  
18 taking on less consultants, more in-house,  
19 more efficient we're doing. We're price  
20 sizing in some cases. And at the request  
21 of the licensees trying to get to the exact  
22 number without a lot of cushions for  
23 contingencies.

24 Let me mention one other thing

1           around that as well. You mentioned this,  
2           but I want to emphasize. We're reflecting  
3           what we believe is the right allocation to  
4           the racing costs. Racing takes a lot more  
5           of our time that we had prior allocated to  
6           that fund, but the reality was that there  
7           was not enough of money available really to  
8           allocate.

9                         We are now reflecting what we  
10           believe is the amount of time that it takes  
11           of our legal department or of our racing  
12           division for sure of some commissioner time  
13           that allows us now to allocate the right  
14           amount and it's totally defensible to the  
15           racing fund, and that as well leaves a  
16           little bit of room to the increase that we  
17           are seeing in the gaming regulatory piece.

18                        But, overall, I think it's a really  
19           good process of looking critically at what  
20           we need rather than saying we just are  
21           going to look at the last -- at the prior  
22           year budget as a fixed cost and just  
23           increase from there. That would be a way  
24           to really increase the budget, and that's



1 not the processing here.

2 COMMISSIONER CAMERON: I agree with  
3 you, Commissioner. And the other thing I  
4 would like to point out is we look at this  
5 on paper, but what we don't see is the  
6 hours and hours of time. And we all have  
7 our areas of expertise. I am particularly  
8 familiar and advise with racing and IEB.  
9 The public safety aspect of opening a  
10 casino is huge. All we have to do is read  
11 our clips every week to see where there are  
12 issues around because, as you know, any big  
13 venue in a major city there are -- can be a  
14 target.

15 And the level of work that's been  
16 done behind the scenes, patience, the level  
17 of research, the analysis in particular  
18 with our state police working in  
19 conjunction with local and federal  
20 partners, I'm very, very impressed with  
21 their -- they come in with numbers, but  
22 there is a real analysis behind it and  
23 flexibility and utilizing staff, for  
24 example, racing troopers, frankly, I can

1 talk about any jurisdiction around the  
2 country that was not looked upon as a job  
3 that you necessarily -- well, let me just  
4 say this. I don't want to be somewhat  
5 diplomatic.

6 Those troopers are now doing gaming  
7 background investigations. I walk into the  
8 racing office for a racing meeting, and the  
9 troopers there have a stack of gaming  
10 service employees that they are working on  
11 while they take care of their racing  
12 responsibilities.

13 So I, for one, just -- I look at the  
14 numbers and, you know, public safety  
15 everywhere is always an issue, right,  
16 because the costs are high. But the  
17 responsibility is huge and the effort that  
18 everybody is making to keep these casinos  
19 safe and secure, I think I'm impressed with  
20 it, and I know that the numbers are high  
21 but the work is so important. We said we'd  
22 do this in the Commonwealth, but we'd make  
23 it a priority to keep it safe and secure.

24 So, you know, we talked a lot about

1           this but I just listening, sitting in on  
2           meetings and watching the effort has been  
3           impressive to me, and everyone really wants  
4           to do this in the right way, work together,  
5           collaborate, share information. And, so,  
6           that part of it we see on paper. We might  
7           discuss here, but there's a lot that goes  
8           in behind the scenes, and I just wanted to  
9           make note of that.

10           CHAIRMAN CROSBY: Great. Anybody  
11           else? Questions for Agnes or Maria?

12           MR. BEDROSIAN: They're ready for  
13           them. So, I think the next step is there  
14           is no vote today obviously. We would post  
15           this two weeks for a public comment and  
16           come back. I think we attentively schedule  
17           and come back on the 22nd, Mr. Chairman,  
18           and schedule it for a vote then.

19           CHAIRMAN CROSBY: Sounds good.

20           MR. BEDROSIAN: Thank you.

21           COMMISSIONER ZUNIGA: It posts for a  
22           public comment, right?

23           MR. BEDROSIAN: Yes. It will post  
24           for a public comment, and then we'll vote

1 on the 22nd.

2 CHAIRMAN CROSBY: Thanks very much.

3 COMMISSIONER CAMERON: Thank you,  
4 great work.

5 CHAIRMAN CROSBY: Yes, great work.  
6 Item No. 6, Director Griffin.

7 MS. GRIFFIN: So it's 12:01. I can  
8 say good afternoon, Commissioners.

9 CHAIRMAN CROSBY: Good afternoon.

10 MS. GRIFFIN: Commissioners, I'm  
11 here to give you background and to update  
12 you on a policy change that has  
13 dramatically affected the results of our  
14 licensees' diversity goals, specifically  
15 results for contracting with minority  
16 business enterprise firms in the  
17 construction period and casino.

18 So I supplied you with background  
19 details in my memo but just for the public.  
20 As you remember both MGM Springfield and  
21 Wynn Boston Harbor formulated for  
22 commission approval a marketing program  
23 identifying specific goals for the  
24 utilization of minority business

1 enterprises along with women business  
2 enterprises and veteran business  
3 enterprises to participate as contractors  
4 in the design and construction of the  
5 gaming establishment as required in Chapter  
6 23K, Section 15.

7 The supplier diversity goals in the  
8 marketing programs plans to reach those  
9 goals were devised and presented and  
10 approved by the Commission in the first  
11 quarter of 2015. Following that in a memo  
12 to us in April 21st of 2016, the  
13 Massachusetts Supplier Diversity Office  
14 stated that all Portuguese owned minority  
15 business enterprises will no longer be  
16 considered MBEs but will instead be  
17 considered Portuguese Business Enterprises  
18 due to a decision or due to an order by the  
19 superior court.

20 This change of status of all  
21 Portuguese owned businesses previously  
22 included in the Commonwealth's definition  
23 of MBE or minority owned businesses  
24 impacted our licensees because the

1 Commission's own definition in 205 CMR  
2 135.01 states that an MBE is a minority  
3 owned business that has been certified by  
4 either the Massachusetts Supplier Diversity  
5 Office or the Greater New England Minority  
6 Supplier and Development Council or both.

7 So the Supplier Diversity Office  
8 stated in their April memo that if the bid  
9 was submitted by the prime bidder to the  
10 awarding authority on or before April 12th  
11 2016, any Portuguese owned businesses  
12 included as MBEs on the prime bidders' list  
13 of MBE subcontractors may remain on that  
14 list and count towards the projects M/WBE  
15 participation goal.

16 So in my memo, you will see at least  
17 one case where both of our licensees  
18 utilized one construction firm, S&F  
19 Concrete Contractors. In MGM Springfield's  
20 case, S&F Concrete Contractors has \$108,000  
21 in MBE diversity counting towards the  
22 project goals, but 8.8 million cannot be  
23 counted towards those goals. So,  
24 essentially, the early enabling work

1 regarding the church move is counted.

2 In Wynn Boston Harbor's case, that  
3 same contractor, S&F Concrete Contractors,  
4 Incorporated has 0 percent of their work  
5 attributed to the MBE diversity goals, and  
6 118 million of those commitments cannot be  
7 counted.

8 CHAIRMAN CROSBY: 118 million?

9 MS. GRIFFIN: Yes. Essentially  
10 there is a lot of concrete in that  
11 building. The MGM Springfield project has  
12 9 million in commitments to PBE or  
13 Portuguese Business Enterprise companies.  
14 Of the total 9 million in commitments to  
15 those same companies, 117,300 is counting  
16 towards the project minority business  
17 enterprise goals, and 8.8 million of those  
18 commitments are not counted.

19 MGM Springfield's total commitment  
20 to minority business enterprise companies  
21 are currently just over 27 million or  
22 6.1 percent of their total commitments. If  
23 the Portuguese business enterprise dollars  
24 were counted, MGM Springfield's current

1 commitments to MBE companies would be  
2 36 million or 9 percent of their total  
3 commitments.

4 Wynn Boston Harbor has a total of  
5 123.3 million in commitments to Portuguese  
6 business enterprise companies. 34,834  
7 towards their MBE diversity goals are  
8 counting towards the project. And there  
9 are 123.3 million in commitments that  
10 cannot be counted.

11 So Wynn Boston Harbor's total  
12 commitments to minority business enterprise  
13 companies are currently 49 million or  
14 4.9 percent of total commitments. If the  
15 Portuguese business enterprise dollars were  
16 counted, the current commitments to MBE  
17 companies would be 172 million or  
18 17.2 percent of their total commitments.

19 So I simply wanted to update you  
20 today on the impact that this action has  
21 taken.

22 COMMISSIONER ZUNIGA: I have a  
23 question, but you're welcome to go first.

24 COMMISSIONER CAMERON: My question



1 was: You mentioned that these companies  
2 are now to be considered Portuguese own  
3 businesses. But is there any way -- what  
4 does that mean? Where is that -- that  
5 doesn't fall into -- you can't say minority  
6 and Portuguese owned? How does that -- why  
7 have a designation if it's not being  
8 utilized?

9 MS. GRIFFIN: There was a court  
10 case -- I might -- I don't know. So the  
11 Superior Court issued an injunction  
12 following a lawsuit against the Supplier  
13 Diversity Office of the Commonwealth and  
14 although there was no decision, there was  
15 an injunction that ordered STO to stop  
16 counting them as minority businesses.

17 COMMISSIONER CAMERON: But they have  
18 their own designation now. So can you say  
19 minority and Portuguese together add up to  
20 X or no?

21 MS. GRIFFIN: So we're looking --  
22 and this litigation has not -- is not  
23 final. And, in fact, the Supplier  
24 Diversity Office or I should say the

1 Executive Office of Administration of  
2 Finance is collecting Portuguese specific  
3 data as part of a new disparity study. And  
4 it's due out very soon.

5 COMMISSIONER ZUNIGA: That was going  
6 to be my question. Is that -- could that  
7 potentially turn into a goal for MBEs?

8 MS. GRIFFIN: So as you know, goals  
9 are intended to come back documented  
10 history of discrimination and lack of  
11 diversity. So if they can demonstrate that  
12 there is, in fact, discrimination in this  
13 disparity, then, you know, they may be in a  
14 very different place.

15 COMMISSIONER ZUNIGA: I have another  
16 question. In the memo from the Supplier  
17 Diversity Office to all public awarding  
18 authorities, they state that for any bids  
19 submitted by a prime bidder after  
20 April 12th there's no recognition. It  
21 assumes that anything before it will be.  
22 And throughout the memo you talk about  
23 commitments, but the advisory is relative  
24 to bids. When you calculate or when the

1 licenses calculate the numbers, do they  
2 take into account when they receive the bid  
3 or when they make the commitment?

4 MS. GRIFFIN: Yes. So in April when  
5 I received the letter, the memo from the  
6 Supplier Diversity Office, I did forward it  
7 immediately over to our licensees, and the  
8 figures in this memo are consistent with  
9 that date, the cutoff.

10 COMMISSIONER ZUNIGA: But for the  
11 bid, not for the commitment.

12 MS. GRIFFIN: For the bid.

13 COMMISSIONER ZUNIGA: It's two  
14 different things. They were counting --

15 MS. GRIFFIN: No. If the bid took  
16 place after the April date, they are not  
17 counted towards the diversity goals. And  
18 in fact --

19 COMMISSIONER ZUNIGA: So they almost  
20 have no bids even though they had a plan  
21 to, you know, according to the numbers,  
22 they had a plan to go with certain  
23 contractors. They knew the population of  
24 minority -- certified minority contractors

1 and had a plan.

2 MS. GRIFFIN: Sure. When they put  
3 the plan together --

4 COMMISSIONER ZUNIGA: There was no  
5 bid.

6 MS. GRIFFIN: -- and the goals, they  
7 did not have bids and although they knew  
8 the universe of the firms. So, you know,  
9 that's one reason I am here before you  
10 today because the goals were set prior to  
11 this action. I'm not recommending any  
12 action today, but we may come back to you  
13 at a future date.

14 COMMISSIONER STEBBINS: Jill, and  
15 Catherine, step in maybe on a legal front,  
16 there is still some legal wrangling over  
17 this decision?

18 MS. BLUE: So I pulled the docket  
19 sheet yesterday, and what has happened to  
20 get this result was there was a preliminary  
21 injunction issued last year to keep the  
22 regulations promulgated by A and F from  
23 going into effect, and the regulation was  
24 what set out the Portuguese business

1           enterprise and what made them part of the  
2           MBEs. But there is still continuing  
3           litigation. It looks at this point as  
4           though they are in some sort of discovery  
5           mode. The case is still listed as active.

6           So, you know, whether the issues --  
7           because we don't see the pleadings when we  
8           look at the docket. But whether the issues  
9           that are remaining are actually issues that  
10          pertain to this particular reg. I don't  
11          know, but the case is ongoing. What we do  
12          know for sure is there was a preliminary  
13          injunction issued, and that's why these  
14          regs. are not enforceable at this point.

15          COMMISSIONER STEBBINS: Is there  
16          any -- you know, the memo was sent out, as  
17          Commission Zuniga just highlighted, to all  
18          public awarded authorities. How do we fit  
19          into that category? We are not DKM. We  
20          are not MassDOT. We aren't somebody who is  
21          actually in control of the contract. We're  
22          monitoring the activities of somebody else.

23          MS. BLUE: And that's right. So,  
24          you know, we try to keep track of what OSD

1 has on their websites. We try to, you  
2 know, get that information out there. But  
3 the memo when I read it looked to me like  
4 it was for agencies that were out there  
5 issuing actual contracts, and that's not  
6 the case here.

7 We are helping -- you know, our  
8 licensees are issuing contracts, and they  
9 are trying to comply with the goals that  
10 the Commonwealth has set. At the time they  
11 created their plans, this was a bona fide  
12 category of MBEs and so they proceeded  
13 according to what the regulations -- the  
14 state regulations provided.

15 COMMISSIONER ZUNIGA: Yes. That's a  
16 central point to hear, because we awarded a  
17 license back in 2014 but we don't receive  
18 any bids relative to construction. It's  
19 the licensees that fall under this contract  
20 now of minority businesses.

21 COMMISSIONER MACDONALD: Jill, at a  
22 recent meeting, we had the quarterly  
23 reports from Wynn and MGM. And just  
24 speaking from myself, amongst the most

1           impressive aspects of those quarterly  
2           reports were the successes which both  
3           licensees were having in terms of minority  
4           business enterprises, women and veterans.

5                     If a Portuguese business enterprise  
6           is part of those statistics were  
7           subtracted, what affect would that have had  
8           on the otherwise record of having  
9           successfully reached the goals for minority  
10          business enterprises?

11                    MS. GRIFFIN:  So the reports that  
12          you receive in the quarterly meeting do not  
13          include Portuguese business enterprises  
14          after the April date.  So MGM, you know,  
15          their MBE goal is five percent and for  
16          construction and they are at 6.1 percent.  
17          I received their updated figures yesterday.  
18          They've awarded to date \$21.72 million to  
19          MBE companies.

20                    CHAIRMAN CROSBY:  That's  
21          disqualifying the Portuguese.

22                    MS. GRIFFIN:  That's without the  
23          Portuguese.

24                    COMMISSIONER MACDONALD:  So they

1 still met their goal even though the  
2 Portuguese business enterprises have been  
3 subtracted from the calculation.

4 MS. GRIFFIN: At this time, and Wynn  
5 also has a goal of five percent and they  
6 are very close. They're at 4.9 percent,  
7 and they have awarded to date 49.2 million  
8 to MBE firms. But as you all know, our  
9 licensees are very interested in exceeding  
10 their goals, and they have been working  
11 very hard to do so.

12 COMMISSIONER MACDONALD: Well, I  
13 have a similar personal perspective to add  
14 to all this having grown up in the  
15 southeastern part of the Commonwealth was a  
16 very substantial Portuguese population,  
17 particularly in New Bedford, Fall River and  
18 surrounding communities. And just from my  
19 own experience of having, you know, grown  
20 up, this was hardly a flush ethnic  
21 community. It was a very strong and  
22 tightly, you know, tightly bound ethnic  
23 community but really struggling at the  
24 lower end of the economic, economic ladder.



1           And what that community has accomplished in  
2           let's say not my short life but my  
3           relatively long life now is really striking  
4           and it's a shame -- and I'm saying this  
5           just personally. I'm not being critical of  
6           anything -- but it's a shame that that  
7           principals of S&F Concrete Contractors  
8           having worked as hard as they did to become  
9           as competent as they have would somehow now  
10          be lose the, in effect, the leg up, which  
11          their struggles to achieve things has  
12          allowed them. I'm not looking for an  
13          argument or a response.

14                   COMMISSIONER STEBBINS: I appreciate  
15          the update, Jill. I appreciate the  
16          response of our licensees. You know, just  
17          kind of going forward, it's obviously  
18          something we have to watch, you know. It's  
19          rather unfortunate it's going to be coming  
20          in the middle of the construction process,  
21          but maybe something we need to keep our  
22          attention toward is operational side, you  
23          know, and the commitments layed out in the  
24          operational side of the purchasing for our

1 two licensees.

2 And I'd be curious to know, you  
3 know, what OSD does with this new category  
4 and, you know, is there a part of the  
5 population that this new category that  
6 would be eligible under the other kind of  
7 target certifications.

8 Since you can't be in both, you  
9 know, can we see some shift in businesses  
10 that decide to go and get certified as a  
11 veteran owned businesses as well or a woman  
12 owned business as well. It would be  
13 interesting to kind of track some of those  
14 trends and see what happens with those  
15 population companies.

16 MS. GRIFFIN: I agree. I think  
17 anecdotally I've heard that this impacts  
18 construction in particular, and that two  
19 very large industries in this population  
20 are fishing and construction. And, you  
21 know, I think there are also -- you know,  
22 we will look into the operation period, but  
23 I think this is where we'll see the huge  
24 impact in terms of the casinos.

1                   And I would add, Commissioner  
2                   Macdonald, that I think in terms of impact  
3                   to companies, it's the smaller businesses  
4                   that will fill that impact, you know, some  
5                   of those small but growing firms.

6                   CHAIRMAN CROSBY: Okay. Anything  
7                   else for this item? Do you have anything  
8                   else, Jill?

9                   MS. GRIFFIN: So I'll just stay in  
10                  touch with the Supplier Diversity Office,  
11                  and I'll certainly keep you updated  
12                  regarding this situation.

13                 COMMISSIONER CAMERON: Thank you.

14                 MS. GRIFFIN: Thank you.

15                 CHAIRMAN CROSBY: Next up  
16                 Commissioner Stebbins.

17                 COMMISSIONER STEBBINS: Sure. As  
18                 you have included in your packet is the  
19                 material that I've distributed because of  
20                 our need to comply with the Open Meeting  
21                 Law. It was handed out in the last meeting  
22                 in Springfield. Certainly made available  
23                 to you for any questions you might have of  
24                 me. But it's more to, again, kind of

1 discuss the ongoing process we've had in  
2 looking at developing strategies to be  
3 shared with the legislature and the  
4 administration about how money is flowing  
5 into the gaming economic development fund.  
6 It may be able to have a more impactful  
7 purpose in and around the regions of where  
8 our casino licensees are going to be.

9 You see the background on the memo.  
10 And, actually, Mr. Chairman, the meetings  
11 that you and I have had to this date, a  
12 draft solicitation letter to go out to  
13 local stakeholders as well as the actual  
14 statute language about the creation of the  
15 fund and what the legislature assigned as  
16 to priority is for spending.

17 Just as an aside, we continue to  
18 kind of do some outreach to other  
19 jurisdictions in terms of whether they have  
20 a similar model, a similar revenue stream,  
21 a similar process that they could invoke  
22 that would be in line with what we're  
23 considering.

24 I did get a reply back from a fellow

1 gaming jurisdiction that talked about money  
2 going into a trust fund, but how that money  
3 immediately went out to pay for debt  
4 service on a lot of capitalized projects in  
5 one jurisdiction. But the one jurisdiction  
6 wound up saying, it looks like  
7 Massachusetts can be more creative in  
8 allocating funds for public works, tourism  
9 and job creation and their jurisdiction  
10 allows them, so that was encouraging.

11 Again, Jill, myself, John Ziembra,  
12 Derek Lennon, Elaine and Janice are kind of  
13 the team that continues to work on this as  
14 we look to schedule hearings, get the  
15 solicitation letter out. And unless there  
16 are any major changes to it that you might  
17 have or would want to recommend but we  
18 haven't scheduled it yet. I think we can  
19 continue to have something completed by the  
20 end of the year.

21 CHAIRMAN CROSBY: Great. Comments,  
22 any other comments?

23 COMMISSIONER CAMERON: Good work.

24 CHAIRMAN CROSBY: Thank you very

1 much. We are on to Item 7, legal division.

2 MS. LIGHTBOWN: Good afternoon,  
3 Commissioners.

4 COMMISSIONER MACDONALD: Good  
5 afternoon.

6 CHAIRMAN CROSBY: Good afternoon.

7 COMMISSIONER CAMERON: Good  
8 afternoon.

9 MS. LIGHTBOWN: Today we have some  
10 medication changes to make. RCI recently  
11 at their April meeting updated some of  
12 these, and we knew from the agenda they  
13 were going to be on them. Ordinarily we  
14 would try to do these during the off-season  
15 so that the changes were made before the  
16 meeting opened, but we felt some of these  
17 changes were important enough to wait until  
18 the April 20th meeting, which Justin  
19 Stempeck and I attended. So, we're going  
20 to go forward with them now.

21 I'll just give a brief description  
22 of them. You all have seen them in the  
23 packet, and we've discussed them with  
24 stakeholders and I'll let Catherine Blue

1 after I'm done describing them, she'll  
2 describe the process that we'll go through  
3 to implement them if you choose to vote to  
4 go ahead with.

5 So the first one I'm going to go off  
6 the standardbred reg. rules, which is  
7 started with the three of them, number  
8 three. The same regulations are basically  
9 also going to be in the thoroughbred  
10 regulations, so we will go off the  
11 standardbred regs. for this discussion.

12 327 is the veterinary practices and  
13 basically we're adding the number two,  
14 which is the appropriate role of  
15 veterinarians. And this is basically  
16 something that the veterinarian should  
17 actually be doing as part of their  
18 veterinary license through the Division of  
19 Professional Licensure anyways. So it's  
20 not really asking them to do a whole lot  
21 more.

22 The second one is 328, prohibited  
23 practices. And, again, we're adding number  
24 two. It talks about restrictive

1 therapeutic use of medications. There's a  
2 bunch of medications that are prohibited,  
3 but some of them when talking to private  
4 practitioners, it became clear that there  
5 may be a unique situation where their use  
6 was appropriate and that they would need to  
7 use these drugs. So this section sets out  
8 a way for them to be able to use these.

9 And when you look at it, it can be a  
10 little confusing. There is a chart near  
11 the end that basically shows what  
12 procedures they would need to do to meet  
13 the requirements for this use. And,  
14 basically, I've spoken to the horsemen  
15 about it. And if their veterinarian felt  
16 they needed to use these drugs, they  
17 certainly come to me. We'll discuss it,  
18 and we'll make sure that we go through the  
19 procedures in an orderly way.

20 COMMISSIONER ZUNIGA: Dr. Lightbown.

21 MS. LIGHTBOWN: Yes.

22 COMMISSIONER ZUNIGA: Are they still  
23 prohibited -- outright prohibited  
24 substances? I'm just curious.



1 MS. LIGHTBOWN: Yes, yes.

2 COMMISSIONER ZUNIGA: Is that the  
3 only RCI is going to allow some in some  
4 instances.

5 MS. LIGHTBOWN: Exactly, yes. The  
6 third one is 329, medications and  
7 prohibited substances. The change is  
8 number two where we talk about multiple  
9 medication violations. And the easiest  
10 thing in this section is to look at the  
11 charts. This rule was implemented several  
12 years ago in response to horsemen that were  
13 getting repeated positives.

14 And what was happening was, you  
15 know, it didn't look good for the industry  
16 if somebody who had ten positives was still  
17 racing. So what they ended up doing was  
18 creating this other way to penalizing the  
19 horsemen so that they also get the  
20 medication points, and there is penalties  
21 that go along with it.

22 Once it was implemented, some of the  
23 feedback was maybe this was a little too  
24 restrictive. People with a large outfit,

1 large number of horses racing might  
2 inadvertently accumulate some therapeutic  
3 overages and things like that more quickly  
4 than the person who had a small stable.

5 And, actually, our own judges and  
6 stewards had mentioned this. So it was  
7 recognized on the regulatory side as well  
8 as on the racing side that maybe these  
9 needed to be changed a little bit, so  
10 that's what's been done in that section.

11 In Section 329, number six, about  
12 the Furosemide, the Lasix. This is the  
13 only medication that's allowed on race day.  
14 And a while ago, RCI changed the dose that  
15 was allowed on that. It used to be a top  
16 limit of 250-milligrams, and they changed  
17 it to 500-milligrams. And when the  
18 Commission was looking at all the  
19 regulations back in 2013, the thoroughbred  
20 side was changed to the 500. At that time,  
21 the harness industry preferred to stay with  
22 the 250 limit.

23 So, you know, it was lower than what  
24 was the model rule. And, so, we felt if

1           they wanted to keep it that way, they  
2           could. Since then now they like the option  
3           to use it. It doesn't mean they have to  
4           use it. They still have a range, so the  
5           trainer can decide what they want to use.  
6           So now we're simply bringing this up on the  
7           harness side up to the model rule.

8                     The fifth one is 330, the added  
9                     competition testing. It's just an  
10                    expansion and a more detailed description  
11                    of how the program should work. The  
12                    original RCI added competition testing rule  
13                    maybe had four bullet points and now this  
14                    is several pages long. And this allows us  
15                    to test for drugs when horses are not  
16                    racing. Obviously when they race, we test  
17                    them. They go to the test barn.

18                    This program allows for -- there are  
19                    certain drugs that we may not be able to  
20                    pick up if they were given long enough ago,  
21                    but they still may affect the performance  
22                    of the horse. So this allows commissions  
23                    to go and test these horses basically add  
24                    competition as it exists.

1           The last one is 334, environmental  
2           contaminates and substances of human abuse.  
3           This is a section that we're adding totally  
4           new to us. It has been there for a few  
5           years. This basically allows the judges to  
6           use possibly contaminants and all these  
7           mitigating circumstances. In practice our  
8           judges and stewards already would do this,  
9           but this just puts it into our regulations.

10           If you don't have any specific  
11           questions, then General Counsel Blue can  
12           describe the process that we go through.

13           COMMISSIONER STEBBINS: Alex, I just  
14           have more of a curiosity question. Some of  
15           the treatment restrictions talk about  
16           presence of syringes around the test barn,  
17           the treatment areas and the stables and  
18           things like that. But it talks about if a  
19           person has a personal medical condition  
20           needs to have a syringe with them, they  
21           need to notify the stewards or notify the  
22           Commission. Is there really a visible  
23           difference between a syringe a person might  
24           use for medication versus a syringe that

1 somebody would use to inject a horse?

2 MS. LIGHTBOWN: The cases that have  
3 come to us is somebody who may have  
4 diabetes, and those needles are very small.  
5 I guess you could use them with horses  
6 also, but this gives us a way of  
7 controlling it.

8 COMMISSIONER STEBBINS: Okay, thank  
9 you.

10 COMMISSIONER CAMERON: Dr.  
11 Lightbown, I have just a question about the  
12 added competition testing. What we're  
13 talking about here is really a relationship  
14 with other jurisdictions and asking them to  
15 take blood.

16 MS. LIGHTBOWN: That's correct. If  
17 a horse is stabled off grounds or out of  
18 the state, what we can do is we can call  
19 another jurisdiction and say, you know, so  
20 and so has been racing this horse with us  
21 regularly and we would like to, you know,  
22 have him tested.

23 Also, for some of the bigger races,  
24 for instance, the big race that Plainridge

1 is planning on having, we can work with the  
2 other jurisdictions where these horses are  
3 coming from and get samples drawn before  
4 they race, and then they are submitted to  
5 our lab for testing.

6 COMMISSIONER CAMERON: And you think  
7 they'll be cooperative with this?

8 MS. LIGHTBOWN: Yes.

9 COMMISSIONER CAMERON: And they'll  
10 call us as well, correct?

11 MS. LIGHTBOWN: Right, right. They  
12 can call us, and we'd obviously  
13 reciprocate.

14 COMMISSIONER CAMERON: Thanks.

15 CHAIRMAN CROSBY: Anybody else? We  
16 do not have a vote here, right?

17 MS. BLUE: No, we do. We're asking  
18 you to approve this on an emergency basis,  
19 which means that they will go into effect  
20 right away, but we will also start the  
21 promulgation process at the same time. And  
22 I know, as the Commission recalls, under  
23 the racing regulations, we have to put them  
24 to the legislature for 60 days, so the

1 process takes a little bit longer than the  
2 normal promulgation process.

3 CHAIRMAN CROSBY: It doesn't  
4 actually say vote on here.

5 MS. BLUE: It does on the updated  
6 agenda, yes, we did. We updated the  
7 agenda.

8 MR. BEDROSIAN: The fact that it's  
9 listed as emergency regs. applies, but we  
10 did update the agenda.

11 MS. BLUE: So, I believe, we drafted  
12 a regulation for this. So if you could  
13 approve this, we'll get the process  
14 started. Dr. Lightbown will be able to  
15 implement these tomorrow at the track,  
16 because it's the emergency approval.

17 CHAIRMAN CROSBY: Okay. Do I have a  
18 motion?

19 COMMISSIONER CAMERON: So, Mr.  
20 Chair, I move that we approve the racing  
21 medication regulations on an emergency  
22 basis.

23 CHAIRMAN CROSBY: Second?

24 COMMISSIONER MACDONALD: Can I just

1 ask a question? Does this apply to both  
2 205 CMR 3 and 205 CMR 4?

3 MS. BLUE: Yes, it does.

4 COMMISSIONER MACDONALD: So we're  
5 not going to have a separate presentation  
6 on the thoroughbred side.

7 THE WITNESS: No, they are  
8 predominantly the same.

9 COMMISSIONER MACDONALD: Second.

10 CHAIRMAN CROSBY: All right.  
11 Further discussion? All in favor? Aye.

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER STEBBINS: Aye.

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

18 MS. BLUE: Thank you.

19 COMMISSIONER CAMERON: Thank you.

20 MS. BLUE: So next on the agenda you  
21 have a number of small business impact  
22 statements. They're for regulations that  
23 have come before you before. What we are  
24 asking today is that you approve those



1 regulations for the formal promulgation  
2 process as well as the small business  
3 impact statement. That means that we will  
4 start the process. We'll hold hearings.  
5 We'll take any additional comments. We put  
6 these out for comments before, but we'll  
7 take any additional, and then we will move  
8 them forward. And then finally when we are  
9 through that process, we will come back for  
10 a final approval on an amended small  
11 business impact statement and final  
12 promulgation.

13 COMMISSIONER STEBBINS: Mr. Chair,  
14 I'd move that the Commission approve the  
15 small business impact statement for 205 CMR  
16 141 surveillance of a gaming establishment  
17 and complete the formal promulgation  
18 process.

19 CHAIRMAN CROSBY: Do you want to  
20 include the others?

21 MS. BLUE: If you would like to move  
22 them all at once, you can too if that's  
23 easier.

24 COMMISSIONER STEBBINS: How about I

1 move them all at once.

2 COMMISSIONER MACDONALD: Second.

3 CHAIRMAN CROSBY: 141, 143 and 115.

4 Any discussion? All in favor? Aye.

5 COMMISSIONER CAMERON: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER MACDONALD: What about  
9 134 as well?

10 MS. BLUE: Well, 134 is only the  
11 small business impact statement. So, I  
12 think, let's finish the 7B 1, 2 and 3 first  
13 and then we can address C.

14 CHAIRMAN CROSBY: All in favor?

15 MS. BLUE: So I think we need a  
16 second on the first one.

17 COMMISSIONER CAMERON: Second.

18 CHAIRMAN CROSBY: No, we had a  
19 second. Do we have a second? Yes, we have  
20 a second. All in favor? Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER MACDONALD: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

1 CHAIRMAN CROSBY: All opposed? This  
2 has passed unanimously.

3 MS. BLUE: And then Item 7C is the  
4 small business impact statement for the  
5 administrative closure of regulation.  
6 We're asking you to approve that small  
7 business impact statement and to allow us  
8 to go into the formal promulgation process.

9 COMMISSIONER MACDONALD: I move that  
10 the Commission approve the small business  
11 impact statement and regulation for 205 CMR  
12 134 as included in the packet and authorize  
13 the staff to continue the regulation  
14 promulgation process.

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Any discussion?  
17 All in favor? Aye.

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER STEBBINS: Aye.

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

24 MS. BLUE: Thank you.

1                   CHAIRMAN CROSBY:  Item 8.  Welcome  
2                   back.

3                   MS. LIGHTBOWN:  We're running a  
4                   little bit early.  Chip is not here yet,  
5                   Chip Tuttle, but I think we can go ahead  
6                   with them.  And if you have any questions  
7                   that you wanted for him, we can break and  
8                   see if he gets here.  It's up to you.

9                   CHAIRMAN CROSBY:  Yes, I think so.  
10                  I think these are pretty noncontroversial.

11                  MS. LIGHTBOWN:  Okay.  He said he is  
12                  downstairs, and he's going to be right up.  
13                  So the first one is the -- well, why don't  
14                  I go ahead and start with the racing  
15                  officials because that way we will have  
16                  Chip up here for the purse funds.

17                  So on the racing officials, we have  
18                  a list that they have given us for  
19                  approval.  These are people that we've had  
20                  before.  It's a great staff.  I wanted to  
21                  just share something with you.

22                  Suffolk originally got their  
23                  National Thoroughbred Racing Association  
24                  safety approval accreditation in 2011.  It

1 has to be renewed every two years. So last  
2 year was one of the years to renew it. And  
3 some of it involves a lot of the commission  
4 regulations as well as things that the  
5 track does. So on our side, we're very  
6 involved with it as well as Suffolk Downs.

7 And they came on opening day and  
8 opening weekend. So, of course, it's very  
9 busy with opening and everything. And the  
10 person that I was dealing with complimented  
11 Suffolk Downs and the Commission at the end  
12 of that that they were expecting to see  
13 things a little disheveled and everything  
14 with it being opening day and opening  
15 weekend, and they were very impressed with  
16 how smoothly things went and how well  
17 everybody worked together. So I just  
18 wanted to share that, because a lot of it  
19 is due to these racing officials.

20 So, again, we're just starting the  
21 process to license these folks again, so  
22 your approval would be based on them  
23 completing licensing process and passing  
24 their background checks.

1                   COMMISSIONER CAMERON: So I move  
2                   that the Commission approve the request of  
3                   Suffolk Downs to approve their June 2nd  
4                   2017 list of key operating personnel and  
5                   racing officials certainly pending the  
6                   approval by the stewards and a satisfactory  
7                   completion of their background checks by  
8                   the Massachusetts State Police.

9                   COMMISSIONER STEBBINS: Second.

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

12                  COMMISSIONER MACDONALD: Aye.

13                  COMMISSIONER CAMERON: Aye.

14                  COMMISSIONER STEBBINS: Aye.

15                  COMMISSIONER ZUNIGA: Aye.

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

18                  MS. LIGHTBOWN: The next item I'll  
19                  go to is the takeout reduction request. So  
20                  Suffolk has asked for this in the past.  
21                  They've reduced it to 15 percent across the  
22                  board last year. This year they are asking  
23                  to increase it slightly from that to  
24                  16 percent on when place in show and 19

1 percent on the exotics. That allows the  
2 people to receive their signal -- to  
3 receive a little bit more money on their  
4 side. And it's still in compliance with  
5 our 19 and 26 percent, and the money that  
6 comes to the state doesn't change at all.

7 COMMISSIONER MACDONALD: I'm just  
8 curious, Alex, as to why they are doing  
9 this.

10 MS. LIGHTBOWN: Well, it's more  
11 money back to the better. So the idea is  
12 that the betting public likes this, and  
13 they bet more because the takeout is less,  
14 so more is being returned to them.

15 COMMISSIONER MACDONALD: So the  
16 takeout is the takeout to the simulcast,  
17 the operator.

18 MS. LIGHTBOWN: Well, there's a lot  
19 of different places the takeout goes to.  
20 You know, some comes to us. It's a whole  
21 different, you know, number of different  
22 things.

23 COMMISSIONER MACDONALD: And it  
24 doesn't go to the betters.

1 MS. LIGHTBOWN: It doesn't go to the  
2 betters, exactly. So the percentage of the  
3 betters they're going to get goes up.

4 COMMISSIONER CAMERON: This is not  
5 exact science, Dr. Lightbown, right? They  
6 seem to adjust this pretty regularly every  
7 year.

8 MS. LIGHTBOWN: Correct. And  
9 they're trying to find a balance between  
10 reducing enough to attract more betters but  
11 not to reduce it so much that you end up  
12 losing money yourself on it from a track  
13 standpoint.

14 CHAIRMAN CROSBY: You want to go  
15 ahead?

16 COMMISSIONER MACDONALD: I move that  
17 the Commission approve the request of  
18 Suffolk Downs to reduce the takeout to  
19 16 percent on win place show and 19 percent  
20 on exotics.

21 COMMISSIONER CAMERON: Second.

22 CHAIRMAN CROSBY: Further  
23 discussion? All in favor? Aye.

24 COMMISSIONER MACDONALD: Aye.



1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 CHAIRMAN CROSBY: All opposed? The  
5 ayes have it unanimously. Before you start  
6 on the next one, we got this submission  
7 from Mr. Lagorio and it came early in the  
8 morning, and I haven't had a chance to try  
9 to understand exactly what it's saying.  
10 Can somebody give us a heads-up on whether  
11 there is relevance here for this next item  
12 or any of these next items?

13 MS. BLUE: I've had a chance to  
14 review it. It did come in kind of early  
15 this morning. It's not particularly  
16 relevant to the concept of your decision on  
17 purse money. He does raise some concerns  
18 regarding the transfer of the sale of  
19 Suffolk Downs, which is an item that you've  
20 already approved, and he raises some other  
21 issues he has about racing in general.

22 But in terms of your consideration  
23 of appropriate purse money for Suffolk  
24 Downs, we just want to keep in mind that

1           you approved a supplemental license to  
2           Suffolk Downs. You've approved a number of  
3           race days. This would be the next logical  
4           step for you to approve purse money from  
5           the Race Horse Development Fund. So, I  
6           think, it would be good for Commissioners  
7           to read his submission, but it should not  
8           impact your decision on the purse money  
9           today.

10                   COMMISSIONER CAMERON: Yes, I did  
11           read this this morning. And, look, I think  
12           it's really apparent that the horsemen are  
13           not in agreement -- they're not in  
14           agreement that this is an appropriate way,  
15           these six days are an appropriate way to  
16           use the Race Horse Development Fund, and  
17           this document is an example of why at least  
18           this individual feels like it's not a good  
19           idea to use the money this way.

20                   I think as a Commission we've talked  
21           about this. We don't think it's ideal that  
22           six days of racing is an ideal from year to  
23           year a way to preserve this industry, the  
24           thoroughbred racing. But it is the only

1 license available last year, for this year.  
2 And I know I thought that, and I still do,  
3 that some racing, some ability for the  
4 breeders to make some money is better than  
5 none at all.

6 So, I think, again, we do realize  
7 and we read everything that some of the  
8 horsemen do not feel it's appropriate to  
9 utilize some of the moneys in this fashion.  
10 So, I think, we read everything. We take  
11 it into consideration, but I do not feel  
12 like these questions raised should  
13 affect -- it's not going to affect my  
14 decision that we're giving this limited  
15 amount of money, which is the same as last  
16 year, by the way, as far as purse money,  
17 that that, in fact, changes my mind that we  
18 shouldn't authorize this request.

19 COMMISSIONER ZUNIGA: Yes. I  
20 emphasize a lot with the group that doesn't  
21 like the number of race days. Having said  
22 that, it's currently, as you pointed out,  
23 it's currently the existing law there and  
24 what we see or hear from the operator is

1           that this is a way to keep and attract both  
2           a field of horsemen and betters, you know,  
3           in many ways it's better than nothing  
4           within their current law of anywhere  
5           between one and 50 days. Dr. Lightbown,  
6           remind me, the amounts are similar to prior  
7           years on an operational basis?

8                        MS. LIGHTBOWN: Right. It's just  
9           the same as the last two years. They will  
10          average about 400,000 a day out of the Race  
11          Horse Development Fund and about another  
12          100,000 out of other funds, so the average  
13          would be around 500,000 a day in purse  
14          money they give out.

15                      COMMISSIONER CAMERON: And just  
16          going out there every year, not only the  
17          accreditation team, and I was there when  
18          they made those very positive comments  
19          about how well staff, both Suffolk Downs  
20          staff as well as our regulatory staff have  
21          pulled it together in order to have a  
22          successful meet to include a meeting all  
23          the requirements of accreditation. But  
24          just the folks that show up, and there are

1           lots of them on those limited days that are  
2           just really thrilled to be there and to be  
3           part of the history of Suffolk Downs and to  
4           be part of the race day. So from my  
5           experience going out there and seeing the  
6           crowds and the activities, it's certainly  
7           not ideal but it is something, and people  
8           are excited to be there.

9           COMMISSIONER STEBBINS: Alex, you  
10          talk -- the purse request does not include  
11          the request we usually get from the  
12          horsemen's group for the administrative  
13          expenses your. Pending the completion of  
14          an audit, do you have any time frame from  
15          when they complete that audit?

16          MS. LIGHTBOWN: I think it will be  
17          done in a couple of weeks for a while. So  
18          we're hoping it will be done soon. This is  
19          an outside audit they are getting done.  
20          It's not something we are doing internally.

21          CHAIRMAN CROSBY: Any other  
22          discussion?

23          COMMISSIONER STEBBINS: Should we  
24          invite Chip to say something since he was

1 downstairs and be part of the conversation.

2 CHAIRMAN CROSBY: Sure. Would you  
3 like to say something?

4 MR. TUTTLE: Thanks for your  
5 consideration, and I apologize for my  
6 tardiness. I did not do a good job  
7 handicapping the Commission's agenda today.

8 COMMISSIONER ZUNIGA: We're running  
9 early.

10 CHAIRMAN CROSBY: We rarely run  
11 early. Anything else?

12 COMMISSIONER STEBBINS: Mr. Chair,  
13 I'd move that the Commission approve the  
14 request of Suffolk Downs for 2.4 million  
15 from the Race Horse Development fund for  
16 their purses.

17 CHAIRMAN CROSBY: Second?

18 COMMISSIONER MACDONALD: Second.

19 CHAIRMAN CROSBY: Further  
20 discussion? All in favor? Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 COMMISSIONER MACDONALD: Aye.

24 COMMISSIONER ZUNIGA: Aye.

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

3 MS. LIGHTBOWN: Thank you.

4 COMMISSIONER CAMERON: Thank you.

5 CHAIRMAN CROSBY: We are now at our  
6 last item, Commissioner updates. Does  
7 anybody have anything?

8 COMMISSIONER CAMERON: The only  
9 thing I have is I did have an opportunity  
10 to attend a conference and speak on a  
11 panel, and this was an illegal gaming  
12 panel.

13 COMMISSIONER MACDONALD: Illegal?

14 COMMISSIONER CAMERON: Illegal, yes.  
15 And, you know, looking at different models  
16 around the world actually I had to combat  
17 illegal gambling, so, you know, I was just  
18 able to talk a little bit about, and it's  
19 legislative here to the attorney general's  
20 office, our state police and the more  
21 complicated investigations get turned over  
22 to the attorney general's office and cases  
23 that have collaborated with the lottery.

24 So we had a little something

1 positive to report and a lot of the folks  
2 on the panel talked about the fact that  
3 they did not have the ability to really  
4 work on cases like this. They didn't have  
5 the staff to do it or the moneys,  
6 resources. So it's a little bit positive  
7 for us.

8 And the other thing that I did get  
9 to listen to was a -- there was a racing  
10 panel. And speaking with some of the folks  
11 after the fact, we did get nice remarks  
12 about the way we regulate racing and the  
13 things that we're doing. It's noted in the  
14 industry. It was just nice to hear that  
15 about the upgrade in our regulatory system  
16 with regard to racing.

17 CHAIRMAN CROSBY: Great.

18 COMMISSIONER STEBBINS: I have two  
19 quick items. Yesterday I was honored to be  
20 invited by Agnes and Sarah to join them  
21 in -- speaking of OSD, they had their  
22 annual supplier diversity awards event  
23 yesterday up at the State House and the  
24 Gaming commission was recognized as one of



1 the quasi public organizations of the year  
2 for our efforts, as it was pointed out, not  
3 only for our own diversity it's been, but  
4 it was acknowledged that the event of the  
5 unique role we have working with our  
6 licensees to make sure that they are  
7 meeting their proposed diversity expense.

8 I also had the honor last week of  
9 having lunch with the new president of  
10 Westfield State University and one of their  
11 trustees. I was joined by Director Griffin  
12 and Director Connelly to talk about careers  
13 and opportunities for students from  
14 Westfield State.

15 We also had a great deal of the  
16 history as Westfield State shared with us.  
17 It was one of the first public institutions  
18 to accept men, women regardless of color,  
19 create financial ability, et cetera, in the  
20 country, so that was exciting to learn.  
21 But they are also very anxious to connect  
22 with the folks at MGM to talk about the  
23 opportunities to hire graduates from  
24 Westfield State. Obviously a good number

1 of their graduates all come from  
2 Massachusetts.

3 COMMISSIONER CAMERON: If I could  
4 just comment on the award that we received,  
5 I happen to be down in the offices of our  
6 financial team yesterday for another reason  
7 but the team brought me around, showed me  
8 the award. They are very proud of it, as  
9 they should be, and I was proud of them for  
10 receiving it. It's prominently displayed,  
11 so if you have a chance to go down.

12 Because they really do work hard at trying  
13 to achieve those goals. So they were  
14 really pleased to receive the award and  
15 it's prominently displayed in their offices  
16 downstairs.

17 CHAIRMAN CROSBY: That's awesome.  
18 Anybody else? I had been directed to send  
19 the Race Horse Development Fund letter,  
20 which I did. You have all seen that. I  
21 think it's probably public now. I haven't  
22 gotten any response to it, but the  
23 legislature has noted it's received and I  
24 think will be interested in our position.

1                   The other one that was covered  
2                   publically was this online gaming  
3                   commission is the deadline is the end of  
4                   July, I think. And the Commission meeting  
5                   last time chaired -- the two chairs asked  
6                   everybody to just kind of give a summary of  
7                   comments. And with the exception of the  
8                   representatives of the DFS trade  
9                   association, Steve Shanky, I think his name  
10                  is they -- all the legislative  
11                  representation was quite predisposed  
12                  towards the omnibus approach that we have  
13                  been talking about.

14                 I think it looks to me like -- I  
15                 doubt anything will happen this year. But,  
16                 I think, staff is going to be writing up a  
17                 report, and it seemed just from an informal  
18                 poll that the points that we have made  
19                 about the need for putting all this  
20                 together and taking it in one big lump  
21                 rather than on a time after time basis is  
22                 working, and everybody seemed quite  
23                 supportive of that. We will soon find out.

24                 COMMISSIONER CAMERON: I just would

1           like to thank Chairman Crosby and our  
2           staff, Justin Stempeck and Paul Connelly  
3           who did a lot of background work for this  
4           project, because I do believe that they are  
5           listening and they look at us as  
6           credible -- a credible resource when it  
7           comes to this topic.

8                     And I know just in speaking with  
9           Paul and Justin, they are working with  
10          staff over at, you know, the legislature  
11          for background information. And because we  
12          took the time in the last couple of years  
13          to really understand these issues, I think  
14          we are a credible resource and so thank  
15          you, Mr. Chairman, and our team for being  
16          in that position.

17                    COMMISSIONER ZUNIGA: Yes, I agree.  
18           So is there a next phase of writing that --  
19           writing a report; are we at that phase?

20                    CHAIRMAN CROSBY: Yes. I think the  
21           staff, and I wouldn't be surprised, as  
22           Commissioner Cameron said, that Justin and  
23           Paul will be involved.

24                    COMMISSIONER ZUNIGA: Take a crack.

1                   CHAIRMAN CROSBY: Right, and  
2                   certainly will be helpful. I don't know  
3                   whether they will include legislation but  
4                   it doesn't demand -- the commission mandate  
5                   does not demand that they -- excuse me,  
6                   produce legislation only that they produce  
7                   recommendations, and I think that will  
8                   happen within the next month probably.

9                   COMMISSIONER ZUNIGA: Another  
10                  in-house resource is Floyd Barroga and has  
11                  been on the topic, and also has been  
12                  helping early on with his expertise before  
13                  he came.

14                 CHAIRMAN CROSBY: Yes, good point.  
15                 And also pursuant to what you were saying,  
16                 the phrase and the content of omnibus  
17                 approach is picked up around the industry  
18                 across whatever. We go to the shows and  
19                 everybody is talking about it, too, and I  
20                 think we are noted as being the creators of  
21                 this important concept, which is nice.  
22                 Anything else? Do I have a have motion to  
23                 adjourn?

24                 COMMISSIONER STEBBINS: So moved.

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CHAIRMAN CROSBY: Second?

COMMISSIONER MACDONALD: Second.

CHAIRMAN CROSBY: All in favor?

Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER ZUNIGA: Aye.

CHAIRMAN CROSBY: We are adjourned.

(Meeting adjourned at 12:55 p.m.)

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APPEARANCES:

MASSACHUSETTS GAMING COMMISSION STAFF:

- Catherine Blue, General Counsel
- Edward Bedrosian, Executive Director
- Karen Wells, Director of IEB
- Mark Vander Linden, Director of Research and  
Responsible Gaming
- Jill Griffin, Director of Workforce
- Michael Sangalang, Digital Communications  
Coordinator
- Derek Lennon, Chief Financial Officer
- Alex Lightbown, Racing Division Director
- Chip Tuttle

GUEST SPEAKERS:

- Carolyn Wong, Ph.D, Research Associate UMass  
Boston Institute
- Rudolph R. Vega, Ph.D, JSI Research and Training  
Institute, Inc.
- Shane W. Kraus, Ph.D, Clinical Psychologist

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COMMONWEALTH OF MASSACHUSETTS

I, KRISTEN M. EDWARDS, COURT REPORTER, do hereby certify that the foregoing is a true and accurate transcription of my stenographic notes, to the best of my knowledge and ability.

WITNESS MY HAND, this 13 day of June, 2017.

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Kristen M. Edwards