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1	COMMONWEALTH OF MASSACHUSETTS	
2	MASSACHUSETTS GAMING COMMISSION	
3	PUBLIC MEETING #199	
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6		
7	CHAIRMAN	
8	Stephen P. Crosby	
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10	COMMISSIONERS	
11	Lloyd Macdonald	
12	Bruce W. Stebbins	
13	Enrique Zuniga	
14	Gayle Cameron	
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18	MASSACHUSETTS GAMING COMMISSION	
19	101 Federal Street, 12th Floor	
20	Boston, Massachusetts	
21	September 8, 2016	
22	10:00 a.m 12:08 p.m.	
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PROCEEDINGS

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3 CHAIRMAN CROSBY: We are calling to 4 order public meeting number 199, which 5 means we're one away from our 200th public

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COMMISSIONER ZUNIGA: Bicentennial.

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CHAIRMAN CROSBY: Bicentennial, yes,

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which we'll have more to say about in a couple of weeks. This is September 8,

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2016, and we are at the Gaming Commission  $\,$ 

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offices as usual. First item is the

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approval of minutes. Commissioner

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Macdonald.

meeting.

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COMMISSIONER MACDONALD: Yes. I

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move that we approve the minutes of the

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meeting of August 10, 2016 meeting subject

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to corrections, typographical errors and

other nonmaterial matters.

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COMMISSIONER CAMERON: Second.

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CHAIRMAN CROSBY: Discussion? All

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in favor?

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COMMISSIONER MACDONALD: Aye.

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COMMISSIONER CAMERON: Aye.

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COMMISSIONER ZUNIGA: Aye.

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COMMISSIONER STEBBINS: Aye.

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CHAIRMAN CROSBY: Opposed? The ayes have is unanimously. Next is a couple of commissioner items. As most everybody knows, the legislature with our support passed a law, which the governor signed calling for a study commission, a legislature base study commission to look at DFS, in particular, but to include all of online gaming and to consider issues of regulation and to make a proposal to the legislature.

The committee is supposed to convene by November and make a report by March. Hopefully this will be an opportunity for us to continue to talk with the initiative that we made about trying to come up with some omnibus legislation that gives the legislature and probably the gaming commission the tools to regulate all of online gaming.

The committee will be chaired by the statute by the chairs' cochairs of the

joint committee on emergent technologies and business -- what is it? Emergent technologies, and I can't remember the name of it. But, anyway, the committee that's chaired by Joe Wagner and Eileen Donahue.

And since the statant, there's a place for a member of the gaming designation of the gaming commission, and I thought that since the chairs of the committees are the cochairs, the study commission that we should probably be represented by a chair of our commission.

So I'm going to suggest that I get nominated for that position, because it will be -- obviously this will be something that's a very collaborative effort. I already talked to Commissioner Cameron who headed up our review project initially on DFS and are going to convene our staff team, Paul Connelly and Justin Stempeck, to hopefully offer, not hopefully, to offer our ability to help staff that commission too. So this be will a group effort for sure. But as to a formal designation, I

thought that probably should be me. So if somebody would be willing to so move.

just say a couple of things. I agree with that. I'm familiar with these kinds of commissions. In the past, I was a member of one for the Water Infrastructure Planning Commission, another commission that was designated statutorily for a very specific purpose, and then it ended once it complied its purpose.

And there is obviously a lot of work that happens at those meetings but, more importantly, a lot of work that does have follow-up in between meetings by staff and other members, you know, support staff of the commission members themselves.

So as such, I agree with your assessment. I think we should designate you, Mr. Chairman, as the designee of that commission. And with the thought in mind that as things progress, as subgroups are formed, you know, you will have the knowledge and really flexibility to pulling

other members of the staff here for particular discrete areas and whatnot.

CHAIRMAN CROSBY: And maybe commissioners as well.

mean, all of these are public meetings. I would be interested in, you know, making sure that the staff that has been very much in front, as you mentioned, or in the weeds, if you will, in the details of some of these topics be in attendance to all of those meetings.

Justin and Paul have made tremendous progress in terms of understanding the nuances of many of these topics. But, again, I would go along with the suggestion and, therefore, nominate you to be a representative, Mr. Chairman.

CHAIRMAN CROSBY: And maybe if you're okay with it, give me the authority to speak on behalf of the Commission. I'll always be saying I'm only one commissioner. But to a certain extent, I know because we decided, you know, kind of the way we're

leaning but I would like to be able to say,
you know, but always to report back to you
on anything substantive that comes up.
That could be part of your --

COMMISSIONER ZUNIGA: I think it's inquisitive. I also think that we will obviously continue to have regular meetings in between those meetings with the commission meeting and you, as the ultimate agenda setting commissioner, can put up any kind of, any kind of topic can call up an emergency meeting. Although, I find that to be probably unlikely. So, I think it's all complicit.

## COMMISSIONER STEBBINS:

Clarification question. I mean, obviously a lot of this interest has been generated by DFS and FanDuel and Draft Kings. We're getting into football season again, but the landscape keeps changing.

Justin and I talked the other day about another new online presence called mybookie.net which allows you to actually play money but, you know, on gaming nights.

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Not going through and selecting a drafting. So, you know, the landscape keeps changing.

But I'm assuming there's a component in this that we're mindful of as to what our licensees are doing with respect to their entry, and there's some online commissions that falls into this conversation.

CHAIRMAN CROSBY: Absolutely. And that would be, I think, from a gaming commission standpoint, from our fiduciary standpoint, that will be one of the major things we will have to wrestle with because we've never taken a position on that as to whether or not, you know, it's things like DFS or these other online activities should be tied in some way to our licensees or not. You know, that's not one we talked about and different states are starting to do it different ways, so that's really an important issue.

And as that begins to come up, that is something we will have to talk about here. We clearly if not -- other than to

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say publically, I think we said many times we don't think there ought to be any radical change in the gaming landscape in Massachusetts given the amount of money that's being invested by our licensees without our licensees being very much at the table. We have said that repeatedly.

But beyond that, we haven't taken any position on what their relationship should be. And, you know, for the licensees who are out there, this is something we would very much want your feedback on. I see representatives, at least one or two of you, but you should make sure that we are formed by our licensees how they would like.

Part of the work that Commissioner

Cameron and Justin and Paul have done have

been help inform us of what our licensees

are thinking about relative to this stuff,

and we've heard them having very different

perspectives on where they are coming from.

But if we do make online gaming broadly legal in Massachusetts and give the

gaming commission the ability to authorize it and regulate it, we will need, you know, feedback from our licensees about how they think that those relationships should work, what should their relationships be to online gaming. That doesn't mean that we'll agree with them necessarily, but we need to know. That's a really an important point. I see at least two of our licensees taking note of that.

also the principal in our white paper that, you know, that is very clear of the conversations to be broader than DFS, which you highlight in your comments as well as Commissioner Stebbins. And that because the landscape in this area is ever changing so quickly, it's important to think about on a broader perspective.

Of course DFS gets all the attention given its popularity and as I suspect going to, you know, get an update in terms of attention with the football season starting. But it's the topic about online,

moving online and intersection of play and gambling that's very important to consider for this Commission, for the DFS so-called commission.

CHAIRMAN CROSBY: And the sports betting issue that Commissioner Cameron is frequently talking about, you know, we are also going to have to wrestle with.

COMMISSIONER CAMERON: It was -- I had a conversation yesterday about something being done in England during the game. That's during the game.

COMMISSIONER ZUNIGA: Skins.

commissioner cameron: Well, this is on a live professional sporting event but, you know, betting whether you make a field goal or, you know, soccer, you know, penalty kick, whatever, you know, just the ability is there's a huge interest in being able to bet during the game. And the analytics are there to make sure it's clean. So they're pretty much in many ways the leader when it comes to the breds, when it comes to sports betting and now the

	Page 12
1	advancement of the in gaming.
2	So, yes, lots of things to pay
3	attention to and, you know, we're a little
4	slower to get there but I suspect we will.
5	CHAIRMAN CROSBY: And if we do come
6	up with a really good omnibus approach,
7	that will be in the nature of unique. That
8	hasn't really happened yet. So do I have a
9	second for Commissioner Zuniga's motion?
10	COMMISSIONER MACDONALD: Second.
11	CHAIRMAN CROSBY: Any further
12	discussion? I will abstain from the vote.
13	All in favor?
14	COMMISSIONER MACDONALD: Aye.
15	COMMISSIONER CAMERON: Aye.
16	COMMISSIONER ZUNIGA: Aye.
17	COMMISSIONER STEBBINS: Aye.
18	CHAIRMAN CROSBY: All opposed?
19	Chairman abstained; otherwise, unanimous
20	four to zero. Thank you.
21	Okay, Commissioner Macdonald and I
22	went to Las Vegas for a conference. It was
23	actually a four day conference. I was
24	there for two of the days. Commissioner

Macdonald was there for four of them at the UNLV Law School on basically sort of broad best practices. And as we've now begun to get in the habit of doing, I thought maybe Commissioner Macdonald would want to give a little feedback.

It was a very, very substantively interesting, as I've said to a couple of you, as interesting and substantive content as I've ever seen at one of these. The audience, however, was extremely small, which was really too bad. It wasn't — this was at the law school, not at a hotel, not at a convention center. It was different from the normal kind of gaming conference but very interesting. But, Commissioner Macdonald, if you want to muse on it a little bit.

COMMISSIONER MACDONALD: Sure. I am going to go into some detail and,

Mr. Chairman, if I go on too long, just give me the hook. But I go into detail because as certainly all of us

Commissioners know and certain others here

in the room that our communications with each other are governed by the open meeting law. And as amazing as it might seem, I am not permitted under the open meeting law outside of a public meeting to report on what I did for four days.

CHAIRMAN CROSBY: Just to add to this, we used to informally amongst ourselves at like at a lunch we used to update each other on what we have been doing, particularly talking about going to conferences. But we were informed by the attorney general that that was a violation of the open meeting law, so that's what Commissioner Macdonald -- we used to do it just amongst ourselves, but now you all get to hear us tell each other what we're doing all day long.

COMMISSIONER MACDONALD: So the audience will probably not be that interested in this, but I'm going to -- I will give an overview.

I kind of feel like I used to when I was in grade school and after the summer

vacation it seemed every year the teacher
would ask us to stand up and say, "What did
I do with my summer vacation?"

That said, this was no vacation. As Mr. Chairman said, it was four days. He was there for two. I was there for all four. Began at 8:30 in the morning and ended sometimes after five but not before five.

I could have been in Topeka as well as in Las Vegas. Never got down to the strip. And at the end of the day, I was exhausted and hardly had time to catch up on what was happening in Boston before going to bed and getting ready for the next day's program.

But it was incredibly valuable for me. As the chairman said, that it wasn't that well attended and that's the bad news because we didn't have that many people that we could interact with from the industry or from other regulatory jurisdictions. But the positive part of it was that that gave much greater access to

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the presenters and the presenters were uniformly informed and all very well prepared. And, so, it was without question a very worthwhile experience.

And the physical location that we were at is a new organization. It's affiliated with the law school, but it's called the International Center for Gaming Regulation and the executive director of that a person by the name of Andre Wilsoneck, who is formally a senior regulator in the UK, described his hope that the institute would become what he called a global thought center sort of a new version of the phrase "think tank" for gaming issues, and he was one of the major participants in it.

On a more substantive level, kind of the overarching, the overarching themes were innovation, innovation, innovation.

And then the second theme was technology, technology, technology. The innovation aspect of it was one that in some ways was driven by what I sensed to be a real

concern of the industry being left behind as we get into the -- further into the 21st Century.

There's a real concern for being able to develop, to develop games, activities that appeal to the post, the post Baby Boom generation. There doesn't appear to be much of a belief in the future of slot machines as we have come to know them or know them now. That is a demographic that, I think, is active in slot machines, and slot machine gaming is the Baby Boom generation and that following it.

So there's a great premium that is being placed on the development of games and entertainment that appeals to the newer generations. The, you know, the most frequently -- and I'll give an example of that -- as an extreme is the whole development of so-called eSports. And, I guess, all of us have been introduced to this somewhat, but it's made a fact that was referenced.

And for those of you who don't know what eSports are is where people bet on people playing video games. So the game, the game is video games as amazing as that might be, but it's a very substantial emerging industry. And the first eSports, eSports facility in a casino is just getting introduced.

And a fact that was referenced in this discussion about eSports is that the people who are gaming on which the bets are placed, if they come from outside the United States are actually admitted as athletes on their custom's forms and treated it as such. There is even a serious discussion about, you know, eSports becoming an Olympic event. Go figure. But in any event, that's one aspect of innovation.

The other aspect of the or the other theme, not the innovation theme, is technology, technology, technology is with respect to both the technology of new games but in the innovation of new games but

technology as well in the enforcement side of the gaming industry worldwide.

And here the examples are what video surveillances has been able to be refined in combination with very sophisticated computer algorithms that are being developed in real-time with a combination of what's being observed through the surveillance remotely, and the computer can monitor play as it's going on. So those are the two most, you know, overriding things.

CHAIRMAN CROSBY: And what to do with that, you know, in terms of marketing. The casino can use it as a marketing medium on real-time marketing. It's also talked about as a possible responsible gaming tool that, you know, the data is the -- there is the technology now to track the data and aggregate the data and so forth. But, also, the issues are what do you do with that particularly on a real-time basis, which is really incredible.

COMMISSIONER MACDONALD: And then in

the regulatory front, there were competing, competing themes here as well. One, and I think that this was emphasized repeatedly through the days, through the days is that the promotion of honesty and integrity in the operations of the facilities and in the -- in conduct of the games with a strict regulatory oversight to assure that is seen as really the basis, the foundation for the modern gaming environment most dramatically expressed or embodied in the Las Vegas strip.

There were people who were presenting who reached back to the old days, the old bad days of, you know, of Las Vegas. People who were part of the cleaning up of the strip. And the conclusion that was repeated frequently is that it was only once there was a perception of the games and the operations of the strip as being, you know, on the level.

It was only once referred to as the bad guys who would have been removed by

aggressive regulation and law enforcement
that the area really took off. And as one
economist from British Columbia said that,

"Consumer trust is essential to an
efficient market, and that the efficient
market is one that is essentially assured
by aggressive but fair regulation."

about the New Jersey market and its evolution from bad old days to not so bad old days. They talked about the fact that four mayors had been arrested, and we observed that our Commissioner Cameron had done some of that arresting.

COMMISSIONER MACDONALD: I was kind of proud of that knowing that Commissioner Cameron had done the collars on some of these famous people.

COMMISSIONER CAMERON: Those stories we will not tell at the Commission.

CHAIRMAN CROSBY: The broad from New Jersey I think she's referred to.

COMMISSIONER MACDONALD: In any event, that was one. I used the word

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"contrasting themes" as to regulations.

That's the positive, that's the positive theme. The contrasting theme is a concern for regulation becoming -- having become and continuing to be a barrier to -- barrier to entry in the market and -- CHAIRMAN CROSBY: And to innovation, right.

COMMISSIONER MACDONALD: This spills over into innovation is if somebody has a bright idea, and there were some various presentations, and this was quite controversial. There were people on both sides here as to how serious the threat is at this point in time. But, nevertheless, there were a number of presentations from highly credentialed people that expressed great concern. Frankly, especially in the Nevada marketplace.

Nevada is what's referred to -- was referred to as a command and control prescriptive regulatory approach, you know, rules and regulations for virtually everything. And that by contrast, there

1 was an extremely impressive presentation by the senior regulator of the Ontario Gaming Commission.

> And they have moved very decisively towards what was described as a risk-base -- a risk-base approach to gaming regulation where the -- as opposed to a rules-based approach to regulation, and I look forward to learning more about this. I've already been in contact with the presenter who was happy yesterday to forward me a significant number of new materials on this.

But the emphasis, as I said, is focusing on what actual risks exist and then framing your regulatory policies towards developing standards rather than just explicit rules, standards that can then become a basis for almost collaboration between the operators that are being regulated, you know, the people who are being regulated and the regulatory oversight, oversight body.

The new principal that he was

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emphasizing and that others gave expression to is that the depth of investigation should be seen as a function of sensitivity to the actual goals of the regulatory agency.

Stage of the Las Vegas strip. I can't remember what year it happened, but there was a, there was a tipping point recently in which the proceeds, the revenues from the casinos have become less based on gaming revenues and more based on entertainment. And this has led to the development of which we're seeing here in Springfield and in Everett with the Boston Harbor Wynn casino to this concept of an integrated resort.

And this is something which exists not just on the strip. As noted, it's being embodied in Springfield and the Wynn, the Wynn casino in Everett, but it's around the world. It was amazing. The first I've ever seen it. In Singapore it's just an unbelievable casino that looks like a blimp

that's on top, and then down below that the gaming floors and whatever. It's just mind-boggling.

CHAIRMAN CROSBY: That's a Shelton

Adelson Casino. Commissioner Cameron and I

were there in Singapore and it's an

extraordinarily design, the architecture.

There are two of those. One is an MGM

themed casino, Migente, I think and then

there's the Adelson Casino, which is

incredible. It also has a fine arts

museum, and it's an incredible phenomenon.

came back again and again in the presentation that the focus here is not just on the gaming side. It's on the total experience. You know, that said, you know that the -- it was observed at various times that, as to Las Vegas at least, they think it's important to maintain a certain image of being kind of, you know, on the edge, that a little racy, a little naughty. They don't want to be seen -- they don't want to be seen as boring. That's the

absolute opposite of it.

So there are various references to prostitution and the big billboards for marijuana dispensaries for medical marijuana. So if you ever wanted a concern -- I know I'm speaking out of term here, but this is not a law enforcement social policy forum. But in any event, that element of edginess is still there with the image of the --

CHAIRMAN CROSBY: Just to make sure, nobody was talking about prostitution as one of the desirable side lives of Las Vegas.

COMMISSIONER MACDONALD: It was mentioned. It was mentioned as part of the not appeal. You're not going to find that on the billboards.

CHAIRMAN CROSBY: Menu in the room service menu.

COMMISSIONER MACDONALD: On the menu, but I'm here to report what was -- I certainly didn't make it up. Anyway, that there was some hometown pride that I

experienced out there because the work of, particularly the work of Mark Vander Linden in the responsible gaming strategies for dealing with problem gambling that our work -- now I'm saying giving the royal we -- our work was identified repeatedly as truly groundbreaking.

And one of the most impressive, impressive presentations was by a Gary Earlock, who I think was a former assistant attorney general in New Jersey, and he gave about an hour and a half presentation on problem gambling. And a significant portion of that was his telling the story of what's been accomplished and what's on the stove here in Massachusetts. And, so, I'm really pleased with the exposure that Mark's work and our Commission work in that regard has been getting a larger community.

And speaking of that, I was proud of our own Chairman who gave two presentations, and they were very well received. One person took me aside who was a professor at the University of Nevada Law

School and used the phrase "spot on" to describe Chairman Crosby's presentation first on the lessons of -- the lessons of establishing a new gaming regimen in Massachusetts, but then gave a more general perspective in the context of a panel discussion. But the Chairman had identified eight lessons and appropriate, appropriate power point presentation.

His eight lessons were, you know, good law, number one; second, promote competition; three, understand and mitigate what you don't know; four, prepare for controversy. I don't have to underscore that too much since I'm the only person at this table who hasn't been sued.

CHAIRMAN CROSBY: Accused of corruption.

COMMISSIONER MACDONALD: Five was resist the way we've always done it; six, search for best practices, the central monitoring system and GameSense and Play My Way initiatives were most certainly; assure -- seven, assure a participatory

transparent and fair process and, finally,
he said they don't do horse heads anymore.

And with that, he had a slide of that
iconic scene from "The Godfather" in which
the guy wakes up in the Las Vegas hotel
with a horse head.

In any event, that was a reflection on making a positive point that this is a legitimate and well-founded, well-regulated industry generally and that it was a privilege he said to, you know, be able to be part of the extension of that development to Massachusetts.

CHAIRMAN CROSBY: There was a personal line, too, because when Governor Patrick asked me to do this job, my wife said, "If you want to do it, do it but I don't want to wake up some morning with a horse head in my bed."

COMMISSIONER ZUNIGA: So far so good.

CHAIRMAN CROSBY: So far so good.

COMMISSIONER MACDONALD: I'll touch
on a few other things. But the week was

full of really substantive, interesting and challenging topics. One of them was anti-money, anti-money laundering compliance. And I must admit I hadn't really perceived this as a significant part of our responsibilities, but it got great emphasis out there. And that the thing which makes -- how to put it.

The key legal status factor here is that under the Federal Bank Secrecy Act that casinos have been determined by the Treasury Department, the Financial Crimes and Enforcement Network, otherwise known as FEN, that casinos are considered to be financial institutions, quote, unquote.

So that casinos are just as subject to compliance with the laws relating to so-called currency -- filing currency transaction reports and so-called CTRs and filing suspicious activity reports, SARs, as a bank and that this is a matter of tremendous concern. Because as one of the presenters said that the Department of Justice considers casinos to be a, quote,

target rich environment. And there was an illustration of this.

The mother of all anti-money laundering enforcement actions related to the Las Vegas Sands organization in which they were assessed a 47.4 million-dollar fine in connection with gaming at the casinos by a single person. It happened to be a drug lord named Igan from Mexico, and the 47.4 million-dollar fine represented the amount of money that had been spent by this Igan at the Las Vegas or at the Sands casinos.

And when he was arrested, when he was arrested in Mexico, they found 207 million-dollars in currency in his home, a big home mind you. And there was a photograph of the stacks of dollars. The stacks of dollars weighed 2-tons.

In any event, as I said, that is the mother of them all, but that there is a great deal of concern for the use of casinos as vehicles for the laundering of illicit money. It's not just drug money

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that was one of the things that was emphasized. In fact, drug money is not the largest of the kinds of cash that they are concerned about with money laundering.

By far the greatest source is from what generically is called "fraud." And within the fraud category, the largest is embezzlement, is funds embezzled from private institutions and then brought to casinos in various parts of the country.

I meant to make this point earlier.

In various parts of the country, there's one other form of gambling now in 48 of the 50 states so that this concern of anti-money laundering enforcement goes right across the country. And the strong recommendation by the people who are presenting of establishing — as establishing working relationships with law enforcement.

There was a presentation by a very impressive guy who is now in private industry but who had been the head of the IRS, CID, Criminal Enforcement Division or

whatever in Las Vegas. And he said that they have a regular -- that there is a regular roundtable meeting out in Las Vegas which is, you know, which has FBI, the IRS, CID people and representatives of the compliance officers in the private institutions and also from the state regulators. He was emphasizing how significant that was in what he considers to be a pretty well-developed environment of enforcement in this regard in Nevada.

Briefly, Advantage Play, I guess I had heard of Advantage Play but Advantage Play is another word for gaming the games. It's not necessarily illegal, but the classic thing here would be the card counters in Keno, poker, blackjack that here technology is getting applied on video surveillance, the development algorithms with regard to what's going on on the floor to spot suspicious activity.

The thing -- a thing that was emphasized here is that it's a highly mobile group population that is pursuing

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the Advantage Play abuses, and they go from one -- as I just said, 48 out of the 50 states have gaming establishments. And there is enormous mobility amongst these groups. And while sometimes it's just a single individual, it's very common to have organized groups of people to go from one jurisdiction to another, and this wouldn't apply so much to our facilities here but -- CHAIRMAN CROSBY: Yet.

COMMISSIONER MACDONALD: Yes. The point I was going to make is that they prey on smaller jurisdictions, you know, more remote casinos who don't have the kind of sophisticated surveillance systems and other assets that exist in Las Vegas but in the other jurisdictions where the major operators are. And let's see, looking at my notes here, I think that's it.

CHAIRMAN CROSBY: That was great.

COMMISSIONER MACDONALD: Is there a nine? Oh, Indian gaming, fascinating.

Unfortunately, I missed the last step presentation on Indian gaming. But various

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significant couple of AA stats. In 1988, 121,000,000 million-dollars in revenue was generated on reservation. In 2015 29.9 billion-dollars. 400 --

CHAIRMAN CROSBY: Billion dollars.

COMMISSIONER CAMERON: Billion, B.

COMMISSIONER MACDONALD: B, billion dollars. There are 470 Indian casinos in 28 states. A small number of them probably not surprisingly kind of dominates the gross gaming revenue. But it's the presenters have said that it is revolutionized, quote, unquote. The tribe's political influence, lobbyists apparently are doing very well on behalf of the tribes.

The presenters were described, however, in bottom line terms for the Indian population that say, quote, it's a tremendous success all the while presenting data, which I found very interesting, that although there has been a steady uptake on the social economic and dimensions of the Indian tribes, they still very, very

seriously lag behind on all the relevant and dimensions of the general population in the United States.

I emphasize that the Indian -- well run Indian operations are very successful in part, because they have a competitive advantage. They're not subject directly to the same kind of tax structure that commercial casinos are. Being considered a sovereign nation, you know, liquor regulations, smoking, they don't have to comply with that.

How important this has become for the Indians is underscored by the circumstance of the federal budget for Indian support has actually declined, and that has raised the stakes for the protection and expansion of this revenue stream for the benefit of tribes across the country.

So, that's it. Sorry everybody here that I had to go through that, but I found it a personally fascinating time as everybody here knows that I'm the new

person at this table, and it was definitely worthwhile going out there and being able to get a -- begin to flatten out my learning curve.

CHAIRMAN CROSBY: That was great.

That was a lot of fun there. Thank you.

That was well done.

COMMISSIONER ZUNIGA: Thank you.

There is a lot to react to. But I'll just mention, you know, the risk-based approach that you highlight something that has been in our minds early on as we promulgate regulations and something that should continue.

asked Commissioner Macdonald to pursue this a little bit. I mentioned that to Director Wells. It's easy to say and hard to do.

It's hard to get your head around exactly how it works, but there's a lot of sophisticated thinking going on about it, and it's something we want to make ourselves aware of and think about, you know, the extent which there's something

constructive for us.

It's happening in lots of regulated industries. It's not just casinos but environmental regulations and everything else. And if there is something of value there, we want to be aware of it.

Just two passing highlights. This issue about the player tracking data, the real-time play data, it's nothing we've ever really talked very much about. What do the casinos do with it, if anything? What should we do with it, if anything? Does it have responsible gaming implications? So this has come up now several times, and I've had several notes. This is something we have to begin to get on our table to think about.

The other one is a guy from

Australia talked about the play management

system and talked about how they think that

it would be very helpful to something like

our Play My Way to give the players an

opportunity to budget remotely. You'd be

better off setting your budget when you are

sitting quietly at home rather than when you're in the excitement of the facility.

I'm not sure whether that's good, bad or indifferent but they are trying that and I'm going to talk to Mark about maybe seeing whether we can get a window into that. Any other thoughts, questions? That was great. Thank you.

COMMISSIONER CAMERON: Thank you.

CHAIRMAN CROSBY: Okay,

administrative update.

MR. BEDROSIAN: Good morning, Commissioners.

COMMISSIONER CAMERON: Good morning.

MR. BEDROSIAN: Through various circumstances, I think vacation and other commitments I think I missed the last two public meetings, so it's good to be back. In that time frame, we've had some personnel changes I would like to tell you about. As Commissioner Cameron knows, any state police unit it is a bit of a transient population. We've been very fortunate to have a committed staff of

state troopers.

We now have some new state troopers. Down at Plainridge, not present today, Sergeant Ron Gibbons and Kevin Nolan have moved in to take other folks' slots. In back today, and I don't know if they have the traditional state police pose up against the wall with their arms folded, we have Mike Banks and Tom Rogers who have joined us in Boston.

CHAIRMAN CROSBY: Mike and Tom, welcome.

MR. BEDROSIAN: The did their appropriate -- barely an acknowledgment wave. Also on our staff Teresa Fury has joined us as program manager of research and responsible gaming. Is Teresa here?

CHAIRMAN CROSBY: Raise your hand.

MR. BEDROSIAN: There she is right in the front row. We're very happy to have her. And Colin Hennigan has joined us as a financial investigator. Colin.

CHAIRMAN CROSBY: Welcome.

COMMISSIONER CAMERON: Welcome.

MR. BEDROSIAN: I told Teresa and Colin they'd have to do a poem or a song, but I guess we'll give a pass on that. A couple of other updates, social gaming, you had a presentation from Penn about some of the stuff they are doing, and I told you that I would keep you informed of any development updates.

In the packet you will see there is two letters. One an August 10th letter from their deputy chief of compliance. And this letter is sort of a next evolution in social gaming and it's not -- again, our concern is it's not wandering into the gaming area by involving any element of chance. But what it is doing is attaching a different level of rewards to the purchases of social gaming.

Previously when they first came to you, what they did is they attached the rewards to their marquee tier levels. So you could be -- I think their tier levels are rewards celebrity producer, executive producer and icon and you could climb up

the tier level with your comp. rewards.

Now what they are doing is they are attaching it to something called comp.

work, which is more directly rewards

non-gaming. As you will see, I wrote back

a letter to Mr. Baldacci on August 22nd

indicating that we were at staff level fine

as long as we weren't wandering into the

gaming. And, again, these were non-gaming

amenities, and he confirmed that for us.

So, if you have any questions after reading those, please follow-up with me, any concerns, any directions, again, please follow-up with me. Again, our concern was a promotional level. Obviously this is non-gaming.

Chairman, I suspect this will be one of the areas that your commission, your legislative commission may consider. So obviously if there's anything staff can do to support that, we will do that for you also.

CHAIRMAN CROSBY: Great.

MR. BEDROSIAN: Finally, just an

update, for those who are in the room here and for those who visited us at 101 Federal Street, this past summer they might have noticed that the new building owners spent, I don't know, building management but appears they spent significant amount of time this summer redoing our lobby. As part of that, they have put up what people might expect a traditional Boston building we didn't have before, which is the electronic gates, which will limit access to elevators.

As a result, we will -- and those gates are now up, but they are not functional. We anticipate they will be functional starting October 1st. So as a result, we will post on our website and when we have public meetings, at least the first few public meetings, we'll try and have someone identifiable as staff down the lobby helping people navigate, registering with the building and still being able to get up to our public meetings in a smooth manner.

Building management is aware we have public meetings, and that the public needs access to this space at those times and we will work with that. So this is just a notification, and we will post it on our website.

CHAIRMAN CROSBY: What's the latest on the fitness center?

MR. BEDROSIAN: I understand the building fitness center is September 15th.

issues. They're waiting for the final inspection, and we're a decimal too low. They were addressing the alarm system, so you can go to the second floor and take a look. They are all -- it's a very nice looking space with all brand-new equipment.

CHAIRMAN CROSBY: Great.

COMMISSIONER ZUNIGA: On the access will the public need to give their names out to security? What do we anticipate?

MR. BEDROSIAN: I don't have an answer for that. We will post those instructions. I think they will have to

register with the building or we will give a blanket access, but they will have to know this person is going up here but we will determine that in the post. And we have -- I anticipate we will have one more public meeting before the first meeting.

So I will have even more update at that point, but it's not until October that this kicks in.

It will also with staff will have to do that for our visitors, our guests that are coming to see us will now have to likely come in the other and have to register them downstairs so they can get up here. But that's an internal issue that we will take care of. Great, that's all from me. Thank you, Mr. Chairman.

CHAIRMAN CROSBY: Great, thank you.

Okay, we are to the racing division,

Director Lightbown.

MS. LIGHTBOWN: General Counsel Catherine Blue is going to discuss the first item.

MS. BLUE: Good morning,

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Commissioners. I've placed in your packet today a number of documents. The first is a copy of Section 2 of Chapter 128C. That outlines simulcasting, you know, basically who can do what and what needs to be paid where. You will see a letter from Suffolk Downs to the folks in Raynham requesting payment of certain funds.

There is a response behind that from an attorney for Raynham outlining their position and why the funds haven't been paid. And then, finally, there is a petition from the attorneys for Suffolk Downs requesting the Commission to review this matter.

The purpose of having this in your packet today is not to ask you to make a decision on this today but to get guidance from you as to how you would like staff to move forward on this. There's a number of options. You can take no action on this. You can advise staff to meet with the parties. You can advise staff to set up a hearing of some kind. But I wanted to get

this information in front of you as Suffolk requested, and then just get guidance as to how you would like us to proceed.

COMMISSIONER CAMERON: It's my understanding that you've had meetings to date about this issue or --

MS. BLUE: We have not had meetings specific to this issue. We have discussed this issue separately with both sides, yes.

COMMISSIONER CAMERON: Okay.

CHAIRMAN CROSBY: Any questions, comments?

COMMISSIONER ZUNIGA: I was wondering if it would be perhaps relevant for the record to state the nature of the -- just summarize the nature the request.

MS. BLUE: So this in a request by
Suffolk Downs to the track -- the simulcast
licensee in Raynham for the payment of
certain premiums that are required under
128C Section 2. Now, these premiums have a
certain limited period of time, and the
time period in question is from a point in

2014 to about March of 2015. And it is

Suffolk's contention these payments should

have been made and were not.

Raynham's attorney has raised issues about why they haven't been made. And this is -- these aren't payments that come to the Commission, so it's not something that we have been involved with or that we audit or anything like that. But they are payments that are supposed to go directly between the licensees.

Other licensees are required to make the same kinds of payment, so this is not just limited to Suffolk Downs and Raynham.

It's Raynham and Plainridge, Plainridge and Suffolk Downs. All of these payments go back and forth between the licensee, but this is a particular situation that has been brought to our attention.

CHAIRMAN CROSBY: And this money is 300,000 something, 350,000, something like that.

MS. BLUE: Approximately.

CHAIRMAN CROSBY: This would go

1 effectively to the horsemen. 2 MS. BLUE: It goes into the purse 3 account at Suffolk, and then is allocated 4 pursuant to a purse agreement. 5 COMMISSIONER STEBBINS: Is Raynham 6 currently making premium payments to 7 Suffolk outside of this window of time that 8 you discussed? 9 MS. BLUE: I don't know. We have 10 not checked that. COMMISSIONER CAMERON: And there was 11 12 a change in a statute that these payments 13 are no longer required; is that correct? MS. BLUE: Yes. 14 There was a change in the statute in 2015. That is why this 15 16 is a limited amount of money and in a limited period of time. 17 CHAIRMAN CROSBY: So they aren't 18 19 making payments now. 20 MS. BLUE: There's different kinds 21

of payments that go between the licensee. So I don't know in general if they're making all the other payments they are supposed to. These particular payments

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stopped as of March 2015.

COMMISSIONER MACDONALD: But as I understand it, the approximate amount of money we are talking about here is \$300,000; is that correct?

MS. BLUE: That's correct, roughly.

COMMISSIONER MACDONALD: And that Suffolk Downs has asked for the payment not for Suffolk Downs' purposes but for the benefit of the horsemen, for the purse accounts for the benefit of the horsemen.

MS. BLUE: It goes into Suffolk's purse account and then however their purse account allocates that money, then it goes out. Our understanding is that would go to the horsemen, but that's between the horsemen and Suffolk Downs.

COMMISSIONER MACDONALD: But that is how they have characterized -- that is how they do characterize it in the communications that have been part of our fact, right?

MS. BLUE: That's correct, yes.

COMMISSIONER MACDONALD: And the

Page 51 1 reason that Raynham has not paid this 2 according to the materials in our packet 3 from their attorney is what? 4 MS. BLUE: Their attorney's contention is that Suffolk Downs wasn't a 5 licensee during the period in question. 6 7 COMMISSIONER MACDONALD: Which is 8 2015. 9 MS. BLUE: Part of 2014 and into 10 2015, yes. 11 COMMISSIONER MACDONALD: And you 12 have looked into this issue? 13 MS. BLUE: I have looked into 14 whether Suffolk Downs was a licensee, yes. 15 It is my opinion they were during that 16 period. 17 COMMISSIONER MACDONALD: So it's 18 your advice to us is that the legal basis 19 that Raynham has advanced for withholding 20 this money from Suffolk Downs is not 21 accurate. 22 MS. BLUE: I don't agree with their 23 attorney's basis as articulated in his

letter, no. I have no idea if they have

any other basis that they would put forward or not. But I don't agree with what he has put in his letter, no.

COMMISSIONER MACDONALD: So they are withholding this on the basis of Suffolk Downs not being a licensee in 2015. But you're advising us that Suffolk Downs, in fact, was a licensee.

MS. BLUE: They were a licensee under a license granted by this Commission up until December 31st of '14. They had an extension of their license for the first 90 days of 2015, and then they were granted a license from the legislature for the current license -- the current type of license that they operate under in March of 2015. So they have been licensed through the period.

COMMISSIONER MACDONALD: In any of the materials that are part of the packet, there are copies of the statutes here. One of them being Chapter 128C Section 2, and that provides that any violation of this chapter shall be a cause for the Commission

to suspend and revoke a license pursuant to Section 11 of Chapter 128A; is that right?

MS. BLUE: 128A provides for the suspension, revocation of not granting a license by the Commission. This is not a -- Raynham's license is not a license granted by the Commission. It's granted by the legislature.

COMMISSIONER MACDONALD: But it reads: Shall be caused for the Commission to suspend or revoke a license pursuant to Section 11. Why would -- are you advising us that we don't have that authority?

MS. BLUE: I'm advising you that you would need to determine how you want to move forward to make that decision.

COMMISSIONER CAMERON: That was a special provision, that license, because they are not racing, which then would -- that would have been our license if they were racing because --

MS. BLUE: I think the Commission would probably like to hear the position of the parties on that matter before making a

decision.

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you mentioned briefly a possibility of a hearing. We have some materials, and it's somewhat easy to follow the argument. But I think it would be beneficial to have the parties prepare the likes of a legal brief or position paper and come -- much of which may already be here -- and come to a future meeting or a hearing of this Commission to state their case and have these sort of questions be posed to them. That's in the spirit of trying to get to a resolution.

CHAIRMAN CROSBY: Yes. And I would state that a little bit more affirmatively. I think it's on one hand I don't want to get involved in this, you know. But this is material money, and it does seem to me that from my reading of this we absolutely have the authority. I don't understand how you would come to a reading that we don't or might not, but that doesn't mean we are right. That's just the way I look at this, but it seems pretty clear to me.

In fact, we may even have a duty by this statute to take action in the event of a breach of any of these -- any of these terms. And, so, I think if they can't reconcile it themselves, I think we absolutely should decide whether we want to

take a position or not.

But I also think they ought to have an opportunity to flesh out their views in front of us. I hate like hell to get involved in this, and I would encourage them to try to fix it between themselves.

But if they can't, I do think this has gone on for a long time. It's real money. I think we have the authority and the duty to get involved. So I think we ought to figure out a mechanism.

I don't really care how you -- as far as I'm concerned, the licensees can come before us. That they should submit something in writing for sure so we have a chance to think about it and get your reactions to it. But, I think, we should move forward on this pretty quickly. It's

been going on a long time.

COMMISSIONER ZUNIGA: So is that a bit of a consensus towards having them submit a position paper for a future commission meeting and have them present to us?

COMMISSIONER MACDONALD: I think so if you're looking at me. I think that's appropriate. Simply make it an agenda item, have a deadline maybe two weeks before for submission of briefs on the issue and want to hear it and just make it part of a regular hearing.

CHAIRMAN CROSBY: Regular meeting.

COMMISSIONER MACDONALD: Regular meeting.

MR. BEDROSIAN: My only suggestion,
Commissioners, is that maybe we could in
terms of just the time frame expedite this
and have it on the next meeting agenda only
because racing licenses applications are
due October 1st. I have no idea whether
this will play into a suitability factor
whether it's the same discretionary level.

But, I think, to the extent you get
this resolved before those applications
were due, it would be a good thing. And I
think we're going to have one more meeting.
So I think staff can work on that. If
you're giving us that direction to get it

you're giving us that direction to get it done ASAP, we will work on that.

CHAIRMAN CROSBY: Thank you.

COMMISSIONER ZUNIGA: That's a very important milestone, if you will. But when are the decisions due?

MR. BEDROSIAN: I think it's November.

MS. BLUE: November 15th.

COMMISSIONER ZUNIGA: It's an important milestone October 1st but, you know, there's still a little leeway in terms of making decisions. But I think, you know, the sooner the better.

CHAIRMAN CROSBY: Yes. I would agree just you with the licensee if you guys can figure it out. If they need more time, fine. But if we can do it in two weeks, that would be better. The other

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thing is if we determine that we have the authority to suspend or revoke this license and then we decide the decision -- decide whether we should suspend or revoke, that puts us into unchartered territory and we would need to have somebody think through for us how do we conduct ourselves in the event of a revocation or suspension of the license. It's something that we have never done.

I don't know whether the process is any different, whether it's adjudicatory versus something else, but just if you would make sure that we are advised on --

MS. BLUE: Under our regulations, it would be an adjudicatory proceeding.

CHAIRMAN CROSBY: And then what the parameters of that would be.

COMMISSIONER ZUNIGA: But to be clear, these hearings or it's not that. We would first make the determination whether we, A, have the authority; and, B, whether we want to exercise revocation before we conduct it at that hearing.

MS. BLUE: That's correct.

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CHAIRMAN CROSBY: So the issue is on the table for as soon as possible are if anybody has an opinion as to whether or not we have the authority to suspend or revoke this license, if anybody has an opinion on that, we're --

MS. BLUE: Mr. Chairman, I would just say, this is a matter between two parties. So this is not a broad general request as to whether we have authority. We need information from the parties that are involved, and they can opine on that when they submit their information. I mean, this is a very specific legal matter between two parties.

COMMISSIONER MACDONALD: But it also involves us, I mean our enforcement role, oversight role.

MS. BLUE: I may be interrupting and maybe too soon. But this is not a request for people outside of those two parties to opine on whether we have the authority.

That will be your decision to make, and you

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will see their briefs. So this is not something we would request public comment on. This is for the parties to explain to us and for our staff to review and look at.

CHAIRMAN CROSBY: As a practical matter, that's what I meant. But I don't know why we would object to having anybody else comment on it if they want to. I mean, our other licensees, for example, might have an interest in that.

MS. BLUE: We take comments from everyone that comes in, but this is a legal contractural matter. The kind of hearing that you're going to have, you are going to decide legally under a contract who owes other people money. So this is predominantly based upon what the two parties believe their basic rights and obligations are under that. So it would not make sense for our gaming licensees to weigh in on that. It's not --

CHAIRMAN CROSBY: No, not on that.

I said there are two issues. The first issue is, do we have the authority to

suspend and revoke? The second issue is, are we going to exercise that authority? And that depends on the facts of this particular legal dispute. But the first issue is one, which is a general one, that other people may have an interest in.

could be other remedies other than a suspension or a revocation. I think we should talk about that too. For example, if someone were to come before us for a new license, this matter could be part of that process, which is very different than a revocation. So, I think, it would be important to explore all of these.

that's a very real possibility. But can I just stay a little bit with the authority? Maybe we just ask our outside counsel to, you know, opine on these very matters of authority. We seemingly have the authority of revoking and suspend licenses. That there is a wrinkle here, because the one license for Raynham is a statutory license.

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And in that convergence, maybe if we can get outside counsel to give us a reading.

MS. BLUE: We can ask for a reading.

COMMISSIONER ZUNIGA: As opposed to
the public, which is something that I know
you don't want to do and I don't think we
should do it.

MS. BLUE: We can ask for legal advice from any of our counsel. That would be appropriate. The question is about asking for advice on this issue from parties who aren't part of this contractural issue. So we can certainly get legal advice from wherever we'd like to obtain.

COMMISSIONER ZUNIGA: Well, I would be interested in the report.

CHAIRMAN CROSBY: Okay, so I'm speaking to the parties. But if anybody wants to send any information and they can but I'm not talking to -- the parties involved, if you want to weigh in on whether or not you have a judgment about whether we have the authority, please do

Page 63 and obviously weigh in on the pros and cons 2 of this particular dispute. Those are the 3 two issues that, I think, we need to deal 4 with. And we'll do that as quickly as the 5 staff can put it together. 6 MS. BLUE: We will schedule that for 7 the next meeting. 8 CHAIRMAN CROSBY: Okay. Anything 9 else on that, Catherine? 10 MS. BLUE: No, that's it. 11 CHAIRMAN CROSBY: Dr. Lightbown. 12 MS. LIGHTBOWN: We just wanted to 13 remind everybody, I'm sure all the stakeholders are aware, but on October 1st 14 15 is the deadline for submitting racing 16 applications for next year and obviously the Commission will vote on it by 17 November 15th. 18 19 COMMISSIONER STEBBINS: Alex, what's 20 the timing of the hearing for the 21 applications? 22 MS. LIGHTBOWN: Pardon? 23 COMMISSIONER STEBBINS: Do you set

the timing on the hearings for the

applications after receiving them?

MS. LIGHTBOWN: Right. I think since we already have some dates set up -MS. BLUE: We've actually set them up. I think the Plainridge hearing is around October 10th, somewhere in there.

one in the event that Suffolk Downs files.

So then if any other applications come in,

We booked a room. We're looking to set up

we will set them up. The goal would be to set them up as soon as possible after the applications, but we'll make sure that the redacted applications are posted and

available before the hearings so people can comment on them and come forward.

CHAIRMAN CROSBY: And this is a hearing you conduct typically?

COMMISSIONER CAMERON: I have -- and it's a couple of us. Commissioner Stebbins, Commissioner Zuniga, who is available but typically I've, you know, presided over those hearings in those communities.

COMMISSIONER ZUNIGA: I remember one

hearing in which you presided, but it was
the five of us but anyway.

COMMISSIONER CAMERON: For racing?

COMMISSIONER ZUNIGA: For a racing
application.

COMMISSIONER CAMERON: Was it a controversial one, Commissioner?

COMMISSIONER ZUNIGA: Yes, the memorable one, which is why I remember it.

Anyway, can I just --

CHAIRMAN CROSBY: Just let us know when those dates are so we can go if we want to.

MS. BLUE: Yes, we will.

COMMISSIONER ZUNIGA: Any indication that we would get placeholder so-called applications?

MS. LIGHTBOWN: I'm not
anticipating, and I know the Commission has
felt like we should not have placeholder
applications. The application should be as
complete as possible. If for some reason
one of the people can't do it, I guess
that's up to the Commission as to whether

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we would go forward with that or not.

COMMISSIONER ZUNIGA: And remind me, the past we've had both ways, an application with or without a purse agreement?

MS. BLUE: We ask for the purse agreement as part of the application, but we don't always get it. It's not always finalized by the time the application is submitted.

CHAIRMAN CROSBY: Next up.

MS. LIGHTBOWN: The next issue is the Massachusetts Thoroughbred Breeders Association request to run some of their races out-of-state this fall. George Brown, the president, is here. He would like to come up in case you have any questions.

In 2015 the acts changed Chapter

128, which is the agriculture regulations.

Those regulations cover the Mass. Breeders

Association, and the change was made so
they can run those races within or outside
the Commonwealth.

The Commission approved these races last fall. We approved some of them again this spring. And now with some of the money they have left, they would like to do some at Finger Lakes. The two year-old races, since we ran at Suffolks a little earlier this year, the two year-olds weren't ready to race yet so they will have their big two year-old stake race at Finger Lakes. And then, also, they wanted to run a grass race, so they were thinking of Delaware/Laurel for that. George Brown is here to answer any questions.

COMMISSIONER STEBBINS: Just a quick question, Mr. Brown or Alex, in the Thoroughbred Breeders Association letter, just remind us for the purpose of our new colleague that they have available funds after running the nine stake races at Suffolk Downs.

MS. LIGHTBOWN: Yes. Obviously they can only run the races if they have the funding, and our financial team has gone back and made the adjustments now that the

horseracing committee and the Commission decided on when those changes became effective. So, they should be aware of exactly what money they have available to them.

MR. BROWN: We have the money available to run these races that we have lined up, and there are five \$35,000 races and one \$75,000 race, which is a two year-old race which we didn't run at Suffolk, because it was too early in the season.

As far as the grass race, it was asked by some of the members if we could do it and we said that if there was enough interest and enough horses to run it down there, we would. But so far we haven't been able to get it together. So I don't know if that's going to happen or not.

COMMISSIONER CAMERON: The track is willing, Mr. Brown?

MR. BROWN: Yes.

COMMISSIONER CAMERON: Delaware is

willing too?

MR. BROWN: Laurel.

agree with Dr. Lightbown's recommendation.

This is the mechanisms to get the breeders the moneys, which they absolutely need to continue their breeding program, so I'm in agreement with this recommendation. We're just not able to do them all here in Massachusetts, conduct these meets.

CHAIRMAN CROSBY: Your letter makes it sound like even with the difficult situation of that we're in with the thoroughbred racing that the full crop is increasing, that the breeders are breeding now. It's on an upswing.

MR. BROWN: Yes. And not only that but what I've noticed is there is a much more demand for Mass. breds because of the awards that we can pay, you know, any states of the 50 states if they run, we can pay the Mass. bred awards out. So this has been a big plus. Because if you run a Mass. bred in a claimant race, 9 times out of 10 they're gone because people are

trying to get a hold of Mass. breds.

I myself, personally, I sold seven or eight horses this spring, and I'd be lucky to sell three in most cases. But there is a demand now for them and --

CHAIRMAN CROSBY: There's a demand in other states because if you run Mass. bred horses, even if you're owned out-of-state and some of our racehorse development fund can be used like you're doing here for purses, so that encourages people out-of-state to buy Mass. bred folds.

MR. BROWN: Right, that's a big plus. We never had this going for us before, so it's a big plus to breed more Mass. breds.

COMMISSIONER MACDONALD: That's great.

COMMISSIONER CAMERON: It's just unfortunate that we aren't able to have those races here and have the owners stay local.

COMMISSIONER ZUNIGA: Although there

Page 71 1 was some in the six day meet for Suffolk 2 Downs, weren't there? There was some Mass. 3 bred racing. 4 MS. LIGHTBOWN: Right. There were nine of them? 5 6 MR. BROWN: Yes. 7 MS. LIGHTBOWN: There were nine 8 races at Suffolks. 9 MR. BROWN: There were nine \$75,000 10 races at Suffolk. 11 COMMISSIONER ZUNIGA: I'm just 12 curious, what determines -- it's obviously 13 a commercial decision on Suffolk Downs. But what determines the amount of those 14 15 races; would it be the field as well? MR. BROWN: The breeders determine 16 17 the amount of based on what money we have, 18 you know, that's available. In the past, 19 we went down to like eight races total and 20 they were like 50,000. So, this year we 21 run 11 races for 35,000 and 10 for 75, so 22 that's what's making --23 CHAIRMAN CROSBY: This is the

Suffolk Downs races.

Page 72 MR. BROWN: Nine at Suffolk. 1 2 COMMISSIONER ZUNIGA: Ten at Finger 3 Lakes. 4 MS. LIGHTBOWN: And they ran this 5 spring at Finger Lakes. 6 MR. BROWN: We ran five or six at 7 Finger Lakes this spring. 8 CHAIRMAN CROSBY: So, when you talk 9 about there's money leftover, the money 10 that was originally allocated from the 11 Racehorse Development Fund went into the 12 purse account and there was other money. COMMISSIONER CAMERON: It's the 13 14 4 percent breeders' money. 15 COMMISSIONER ZUNIGA: No, 16. 16 COMMISSIONER CAMERON: I'm sorry, 17 the 16 percent breeders' money, that's 18 correct. CHAIRMAN CROSBY: It's the 19 20 16 percent breeders' money. 21 COMMISSIONER CAMERON: It goes 22 directly to the breeders. 23 COMMISSIONER ZUNIGA: That has 24 always been paid.

1 CHAIRMAN CROSBY: And you're using 2 that money for purses -- oh, I see. 3 MR. BROWN: Right. That money is 4 not coming out of the horse development 5 I mean, it's coming out of it but --6 CHAIRMAN CROSBY: No, I understand. 7 But it's not the purse portion. 8 MR. BROWN: We're talking about 9 16 percent that we get. So we're putting 10 up the money for these races. 11 COMMISSIONER ZUNIGA: That's the 12 whole purpose of the horserace. 13 MS. LIGHTBOWN: Right. It shows how 14 the Racehorse Development Fund has helped 15 them, even the breeders despite the fact 16 that the length of racing in Mas thoroughbred has been decreased. 17 18 breeders program is still being able to --19 CHAIRMAN CROSBY: So even without a 20 track here or very little of a track, we 21 could be thinking about using the other --22 the 80 percent, you know, for --23 COMMISSIONER ZUNIGA: No, we cannot. 24 That really determines statutorily.

80 --

CHAIRMAN CROSBY: The 80 of the thoroughbred share.

MS. BLUE: That goes straight into purses to the licensees who may be in the Commonwealth. This 16 percent goes directly to the breeders on both sides.

COMMISSIONER ZUNIGA: We can't change the 80/16/40.

CHAIRMAN CROSBY: I know but the 80 -- but that goes by statute to the licensees.

MS. BLUE: Yes, for purses. We can't redirect that to the breeders, no.

CHAIRMAN CROSBY: I know we can't do it to the breeders. But could we allocate it for purses out-of-state?

MS. BLUE: No.

CHAIRMAN CROSBY: I mean, we couldn't do with that money what the breeders are doing with their 16 percent you're saying.

MS. BLUE: That's correct. Although we always encourage our licensees here to

run Mass. bred races on both sides using that purse money that they get from the 80 percent, yes.

CHAIRMAN CROSBY: Right. But could we -- we can talk about this offline. But could we think of a mechanism by which the 80 percent could be allocated through somebody or other to have Mass. breds race at tracks where there are places there are tracks?

MS. BLUE: See, that money is allocated pursuant to a purse agreement between the horsemen and the track. It's potentially possible that those parties could agree to do something. I don't think we could do it other than encourage them.

CHAIRMAN CROSBY: We could say if you do we'd give you money, which would probably encourage them to do it.

MS. LIGHTBOWN: I believe the 80 percent money is directed directly to tracks in Massachusetts.

CHAIRMAN CROSBY: Licensees.

MS. LIGHTBOWN: Licensees in

But a

Massachusetts.

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licensee in Massachusetts could sponsor a race someplace else.

Right.

CHAIRMAN CROSBY:

MS. BLUE: I don't think they could, no. Because then they'd have to deal with the racing commission in that other jurisdiction. So that money, the 80 percent is for licensees here to race under our jurisdiction. They can have Mass. bred races that Suffolk did have this year, and they can use some of that money.

CHAIRMAN CROSBY: We'll look into this. I haven't really sort of put this together.

COMMISSIONER STEBBINS: Mr. Chair,
I'd move that the Commission approves the
request of the Mass. Thoroughbred Breeders
Association to run five restricted Mass.
bred races in the two year-old Norman Hall
stakes at Finger Lakes racecourse this fall
and approve the request to run at either
Laurel Park or Delaware Park.

COMMISSIONER CAMERON: Second.

	Page 77
1	CHAIRMAN CROSBY: Further
2	discussion? All in favor?
3	COMMISSIONER MACDONALD: Aye.
4	COMMISSIONER CAMERON: Aye.
5	COMMISSIONER ZUNIGA: Aye.
6	COMMISSIONER STEBBINS: Aye.
7	CHAIRMAN CROSBY: Opposed? The ayes
8	have it unanimously.
9	COMMISSIONER CAMERON: Thank you,
10	Mr. Brown. Nice to see you.
11	CHAIRMAN CROSBY: Good luck. Next
12	up.
13	MS. LIGHTBOWN: Next up we have
14	Senior Financial Analyst Doug O'Donnell,
15	and he's going to talk about Suffolk's
16	request for consideration on some capital
17	improvement programs.
18	MR. O'DONNELL: Good morning.
19	CHAIRMAN CROSBY: Good morning.
20	COMMISSIONER MACDONALD: Good
21	morning, Doug.
22	COMMISSIONER CAMERON: Good morning.
23	MR. O'DONNELL: What we have
24	presented for you today is a request for

improvement trust fund. It's for six projects for various different track improvements that they have done, and the total amount for these six projects are \$92,649.19 coming out of the capital improvement trust fund of which the current balance is \$590,239.83. We will need the Commission's approval for this request for consideration.

And this particular one is a little different from the norm, because it dates back to 2012 and the work has already been completed. Normally we would -- the track would submit a request for consideration to the architect. He would review the scope of work, send it to us. We would present it to you where when we received an approval, we would then in turn have the tracks do the work, complete the work, submit it to the architect where we would get the final approvement for reimbursement.

They ran into an issue back in 2012.

They had an immediate project that had to be done with the EPA for storm drainage and that project was 4 million-dollars. They just -- we actually just completed paying that off earlier this year.

So, again, this is unique in the sense that the work has already been done and it's not, you know, the normal procedure. So, again, with the backup, the architect has approved everything. So if we do get the Commission's approval for this consideration, he will in turn send the RFR immediately so we will be able to reimburse the funds.

COMMISSIONER STEBBINS: And a couple of quick questions. This is my favorite topic. The 590 is the balance before the 92,000 or after the 92,000?

MR. O'DONNELL: Before, and that changes every day that does.

COMMISSIONER STEBBINS: Yes. You know, I went through these. These are certainly kind of patchwork projects, you know, an air-conditioner here, a heater

1 there. I think what's interesting, and I 2 read back through 128A Section 5G because, 3 again, I'm always intrigued by these capital improvement trust fund questions,

and I know it's a legacy issue.

But kind of looking down the road, I wouldn't expect -- I want the Commissioners' opinion, I don't expect Suffolk is going to find an opportunity to invest another half a million dollars in that property. And, I guess, what I'm looking at is for this fund, I think, the Raynham track is an additional capital improvement trust fund.

But at some point, I'd love to come back to some language in the regs. which talks about us, I guess, as trustees permitting the expenditures of these funds as the language states, "directly to the improvement of racing" and thinking prospectively how these funds may also be allocated, you know, looking at design of a new track, looking at other improvements as we kind of watch this evolution of racing.

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There is another reg. change and, again, I don't know if it's -- it's in the reg. I don't know if it directly relates back to a statute. But, again, we are putting this out on the table. We can always come back and visit what the regs. say. The Commission shall hire the services of an architecture and engineering. I don't know what those costs are for the review of this project. But you know, again, I'd put it out for your consideration.

We have somebody internally now who is doing an architectural review of our licensee's project. This may be additional work for them to take on. But if it's a simple reflection of this reg. from "shall" to "may," maybe give us the flexibility to kind of have this work done in-house. It doesn't save us big bucks. It's still money that's, you know, more appropriately spent.

MR. O'DONNELL: Well, they have already -- in fact, this week I received an

	Page 82
1	additional packet for requesting
2	consideration from Suffolk for work has
3	already been done dated back to 2012. They
4	have also done work for 2013, '14 and '15
5	that they have not submitted as of yet.
6	And I don't know what the totals are for
7	that.
8	CHAIRMAN CROSBY: But that's really
9	an interesting idea. We should think about
10	that, because the money keeps getting
11	replenished. That's a good thought.
12	COMMISSIONER ZUNIGA: As long as
13	there's simulcasting, right?
14	MR. O'DONNELL: Right.
15	COMMISSIONER CAMERON: So I move
16	that we approve Suffolk Downs racecourse
17	request for the work that has been done on
18	alterations, additions, replacements and
19	changes as stated in the memo.
20	COMMISSIONER STEBBINS: Second.
21	CHAIRMAN CROSBY: Further
22	discussion? All in favor?
23	COMMISSIONER MACDONALD: Aye.
24	COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Opposed? The ayes have it unanimously.

MR. O'DONNELL: Thank you.

COMMISSIONER CAMERON: Thank you.

CHAIRMAN CROSBY: Next up.

MS. LIGHTBOWN: Our next topic,
Plainridge had a request put in for the
approval of two new veterinarians to
substitute for their regular veterinarian
who is going on vacation. This was a
time-sensitive issue so I went ahead and
approved it, and now it has to come before
the Commission for your approval. So my
recommendation is that you approve their
request for approval of Dr. Clifford Morcum
and Dr. Jesse Sugrue as racing officials
for Plainridge.

CHAIRMAN CROSBY: Is this -- this is really detailed. But are we approving the request or are we what, we are supporting your decision or, you know, what are we technically doing?

1 age of
MS. BLUE: You're affirming the
director's decision that you're doing, yes,
because she has delegated authority to make
these. But she needs to come back and
report to you, and you need to affirm her
decision.
CHAIRMAN CROSBY: So it's really
here the language isn't really quite right.
Do we need to vote?
MS. BLUE: It's appropriate to vote,
yes.
CHAIRMAN CROSBY: So to be technical
about it, we're voting to affirm Dr.
Lightbown's approval of this request.
COMMISSIONER STEBBINS: Mr. Chair, I
move that the Commission approve the
request of Steve O'Toole to approve Drs.
Clifford Morcum and Jesse Sugrue as fill-in
association veterinarian.
CHAIRMAN CROSBY: Affirm Dr.
Lightbown's approval.
COMMISSIONER STEBBINS: I can amend
the motion as it was in the book. But the
commission I withdraw my previous motion

Page 85 and move that the Commission reaffirm the 1 2 approval of the request of Steve O'Toole to 3 approve Drs. Clifford Morcum and Jessica 4 Sugrue as fill-in association veterinarians. 5 6 CHAIRMAN CROSBY: Second? 7 COMMISSIONER ZUNIGA: Second. 8 CHAIRMAN CROSBY: Further 9 discussion? All in favor? COMMISSIONER MACDONALD: Aye. 10 11 COMMISSIONER CAMERON: 12 COMMISSIONER ZUNIGA: Aye. 13 COMMISSIONER STEBBINS: Aye. 14 CHAIRMAN CROSBY: Opposed? The ayes 15 have it unanimously. 16 MS. LIGHTBOWN: And then a very 17 similar request from Suffolk Downs. 18 needed a new outrider for the final weekend 19 William Lavergne, and so I'm asking the 20 Commission to affirm my approval of him for 2.1 as a racing official. COMMISSIONER ZUNIGA: What's an 22 23 outrider? 24 COMMISSIONER MACDONALD: That's what

	Page 86
1	I was going to ask.
2	MS. LIGHTBOWN: They lead the horses
3	out when they go out. And then if any of
4	the horses get loose during the race, they
5	are the ones who go after them and catch
6	them. Those are the main duties.
7	CHAIRMAN CROSBY: Somebody want to
8	so move?
9	COMMISSIONER CAMERON: Mr. Chair, I
10	move that this Commission affirm the
11	approval of Dr. Lightbown for William
12	Lavergne as an outrider.
13	CHAIRMAN CROSBY: Second?
14	COMMISSIONER MACDONALD: Second.
15	CHAIRMAN CROSBY: Further
16	discussion? All in favor?
17	COMMISSIONER MACDONALD: Aye.
18	COMMISSIONER CAMERON: Aye.
19	COMMISSIONER ZUNIGA: Aye.
20	COMMISSIONER STEBBINS: Aye.
21	CHAIRMAN CROSBY: Opposed? The ayes
22	have it unanimously. Director Wells.
23	MS. WELLS: Good morning.
24	COMMISSIONER MACDONALD: Good

morning.

COMMISSIONER CAMERON: Good morning.

CHAIRMAN CROSBY: Good morning.

COMMISSIONER STEBBINS: Good

morning.

COMMISSIONER ZUNIGA: Good morning.

MS. WELLS: So next on the agenda we do have under the Investigation and Enforcement Bureau just a licensing regulation review discussion. As you may recall, I don't remember the date of the meeting from the last meeting, we had some proposed regulation amendments for your consideration which you approved to go out to informal comments. So we have received some comments from MGM. Attorney Nosal is here from MGM.

Our plan is to see if there's any additional comments and put this on the agenda for the 22nd and expect the Commission at that point can deliberate and vote at that time to put the package out for a formal comment period. So that's sort of the process that we're looking at

right now.

CHAIRMAN CROSBY: And we discussed a variety of other questions that we might talk about at that point as well when you guys are ready. Did you send that -- maybe you have. You sent the MGM letter around? I don't think I've seen it.

MS. WELLS: I'm not sure what the process is. That will go in the packet for the meeting on the 22nd.

COMMISSIONER ZUNIGA: I'd love to read them before.

CHAIRMAN CROSBY: Just send it around to us.

MS. WELLS: I think it went directly to MGC comments as well, so we'll look up the process to make sure it's in the packet.

CHAIRMAN CROSBY: Okay, that's great. I look forward to that. And we have focused or you actually initiated this process and focused pretty much exclusively on the licensing regs., which we will continue to talk about, but there is the

next section and the priority that I've
been thinking about at least and I think
you're on the same track is internal

controls.

MS. WELLS: Correct.

CHAIRMAN CROSBY: And to what extent do we want to rethink, and I think it makes sense to start with you all, as we did on the licensing regs., to have you take a first cut at it and, you know, advise us on whether you think there is room for rethinking any of our internal control regs. and then make whatever recommendations you want to us, and then that will give us a chance to think about it as well and also, again, to throw it open to our licensees to comment as well.

MS. WELLS: Yes, I think that's helpful. I think the same sort of methodology where we open the casino. We have been running the casino for a year, lessons learned, operationally makes sense, what doesn't make sense, the real world impact on regulations and also, you know,

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we would love to talk to Commissioner
Macdonald about what he learned on his
travels and things like that.

But, certainly, that's the next big step, so that enforcement package, what do we do in enforcement, what can we learn, what can we do better, what are the best practices, you know, I think that is sort of the next look for the regulations. In my opinion, that's just my recommendation.

CHAIRMAN CROSBY: That makes a lot of sense.

COMMISSIONER ZUNIGA: Can I mention something in the process which is from my perspective? I think the team do a lot of work and take all of these regulation changes very seriously and it's very appropriately, and I commend you all for doing that.

The changes that are merited or thought through have a way of appearing before us before a red line, which is entirely appropriate for many instances, especially those instances where we know we

need a tweak here and there. But it leaves at least one Commissioner a little bit on a catch-up mode without having had the benefit of perhaps weighing in on big picture items if we're going to do that.

We've talked about in the past about the notion of having, you know, a policy guidance discussion relative to what changes may end up coming down the line in red line mode, and I would really welcome and encourage the opportunity to do that.

I don't know if that's the case for internal controls. I know that internal controls regulations, and the central point of those is that the casino suddenly meets in the internal controls who would review them and so on and so. So the ICs are not going to be -- are not an intrinsic part of regulations. I look forward to what those changes may be needed in those regulations.

But I would really benefit from however we can do a discussion of the principals as to what merits changes, why we might be contemplating a change, where

are the best practices around. New Jersey does this one way. Las Vegas does this the other way.

If we are talking about contemplating let's say, I am just going to pick out something, the exemption that we discussed last week -- I'm sorry, last -- what are we talking about in terms of numbers examples from other jurisdictions. That in my mind provides tremendous context before deciding, let's say, on a regulation change, you know, in the spirit of two days prior to the approval.

And I know there's a lot of -- in the process, there's a lot of turnaround time that we build in with our informal process that brings in, you know, great feedback from licensees, so I look forward to what MGM submitted. And also by its very nature, the formal process brings in important questions for us to consider comments and et cetera.

But we talked about in the past about having a teed up, a policy question

that eventually then translates into a red line and that is something that we would ask for.

CHAIRMAN CROSBY: Well, and I think we need to articulate -- I mean, take the affirmative action here that there are issues where we want to -- you and I both did suggest some other areas that we would like to have the staff prepare to talk about at a pretty high policy level.

as, you know, now on internal controls like they have with licensing, to take a staff view and raise issues but also if you have got things or if we've got things that we want to say we want to have a conversation on X. And it's up to us any X's that we want to talk about, we can talk about. And then that will give them the tools to put together whatever they want to put together and then we can have that policy discussion.

We have been enlargedly in reactive mode so far. I think as long as the

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process keeps moving that makes sense. I appreciate the fact that the IEB and general counsel took the initiative to say, okay, it's been a year. It's time to take a look. I think that makes a lot of sense. But that doesn't preclude us from them saying, okay, great, you took that look but we want to talk about some other things as well. So if there are things verbally weighing in your mind that you want to articulate as broad policy questions that we should have on the agenda, just say so.

COMMISSIONER CAMERON: I also think what is helpful because some of these issues are surrounding around investigations, and some of that may not be appropriate in an open public meeting, some, certainly not all. I know what I find very helpful is a briefing ahead of time in which, you know, many questions are asked about these issues, give me your experience, what are you finding, what do other jurisdictions do, what are the lessons learned. So I know personally that

helps me understand the issues better.

So I know that the IEB, in particular, and state police as well as Director Wells, they are very good at sitting down and really going through how they got there. And, so, I would encourage that as well if you have specific questions to have that pre-meeting before a public meeting which one commissioner can do about any topic, and that's helpful as well.

CHAIRMAN CROSBY: Karen, we've done those and I've, you know, I've encouraged Director Wells and Brian if they believe that there are issues that are inappropriate for public discussion because they have to do with significant, you know, law enforcement or what other issues to say something and I think we'll be totally respectful of that.

But there is a benefit, and I talked about this with Director Wells yesterday too. Clearly there's a place we do a lot of in depth conversation, and it's very important. I totally agree with that. But

there's also a benefit from the five of us kicking it around ourselves.

It's interesting to me you often see an issue differently from me. And if I get briefed in a window and you get briefed in a window and I have my thoughts, I don't get to interact with you on it. And Lloyd is recently bringing his experience to these discussions.

So there's a place for both as long as we are careful about not, you know, overstepping any line and I think, you know, the IEB is quick to mention if they think there are issues of privacy or law enforcement or whatever.

COMMISSIONER ZUNIGA: Yes. All investigations aside and internal controls is a big topic that I mentioned where we are not going to be discussing the details of Penn's internal controls. They're a submission. They're part of a non-disclosure agreement and so on and so forth.

But on matters of policies, which is

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my point, which is fundamentally the job of the Commission. Again, from a process standpoint, I think at least I will benefit from here's a policy question before we put it down to pen and paper as to where we're going to strike up this kind of language and where we're going to insert this other kind of language, I would really benefit from how we go about thinking about it and that's all I'm asking for.

If that means more than a couple of times in a public meeting, so be it. Of course I will continue to, you know, reach out and get an understanding of, you know, what the staff is thinking and that's an important tool. I am now repeating myself.

COMMISSIONER STEBBINS: Just a comment, Karen, and I want to be clear as to what I heard you make in your comments is we obviously had a lot of lessons learned from the opening of Plainridge, but I think you and I agree on this point that there's going to be a huge difference between Plainridge.

So keeping in mind, hey, these are great, we learned from this, we should make these changes, I think in the back of our mind we need to weigh the size of the facilities, the community's facilities.

There's a big difference.

CHAIRMAN CROSBY: We're not in this alone either. All across the country people are rethinking for a lot of reasons. New Jersey is rethinking because of budget reasons but budget makes people think about priorities, and so it's entirely appropriate for us to be taking this look.

And, so, to our licensees, there is no rush here but to the internal control side is going to be a time over the course of the it will be weeks, probably a couple of months, you know, we'll be interested in your feedback if you have thoughts on issues, particularly at the policy level as Commissioner Zuniga is saying you think we ought to consider. Anybody else? Great. We look forward to the next meeting. Thank you very much.

	Page 99
1	COMMISSIONER CAMERON: Thank you.
2	COMMISSIONER ZUNIGA: Thank you.
3	COMMISSIONER STEBBINS: Thank you.
4	CHAIRMAN CROSBY: Director Griffin.
5	MS. GRIFFIN: Good morning, I think.
6	CHAIRMAN CROSBY: Yes, still.
7	COMMISSIONER CAMERON: Yes.
8	CHAIRMAN CROSBY: Actually, you know
9	what, let's take a quick break before you
10	start, if you don't mind.
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12	(A recess was taken)
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14	CHAIRMAN CROSBY: Okay. We are
15	ready to reconvene public meeting number
16	199. Yes, ma'am.
17	MS. GRIFFIN: Good morning,
18	Commissioners.
19	COMMISSIONER MACDONALD: Good
20	morning.
21	COMMISSIONER CAMERON: Good morning.
22	CHAIRMAN CROSBY: Good morning.
23	COMMISSIONER ZUNIGA: Good morning.
24	COMMISSIONER STEBBINS: Good

morning.

MS. GRIFFIN: I'm here to give you a workforce development update, and I thought I shouldn't wait until the next commission meeting because there is just so much going on.

So, in your packet, I've included information about Wynn Boston Harbor. They have announced a series of seven construction career fairs in Everett and in their designated surrounding communities.

I know Jackie Crumb from Wynn is here. We are so pleased to see this outreach.

The career fairs are hosted and sponsored by Wynn and Suffolk construction, and they have been coordinated with each of the representatives from Wynn's host and surrounding communities in addition to the building trades training directors, pre-apprentice programs and local community groups will also be in attendance.

So pleased once construction began at the Wynn Boston Harbor Resort, they immediately began and put these career

sessions on the calendar, and I know we'll hear more about them.

But this is an opportunity specifically for members of the local community for women, minority and Veterans to learn more about the different trades and also to get more information about the application process, the timing and how to potentially get their foot into the door to a really great career and also work on this project.

You'll notice in your packet that
the fliers have been translated into
Spanish, Portuguese, Chinese and Haitian
Creole. Additionally, they put the ads for
the job fairs in the local papers, the
Everett Independent, El Planeta, El Mundo
and the Baystate Planner will all run ads
this week. And, I think, you may also see
information on the local news outlets.

I know at a meeting yesterday Jenny
Peterson handed out hundreds of fliers to
each of the community groups that we were
meeting with, so I think the word is really

out.

So I just wanted to update you on the series, and the dates are on the fliers. We will additionally send out a blog post to our extensive network letting folks know about these sessions.

CHAIRMAN CROSBY: The trades will be there presumedly, right?

MS. GRIFFIN: Each of the trades are represented.

"each," is it literally will all be there?
We had some problems with the pipe fitters
and the steam fitters or somebody.

MS. GRIFFIN: No, it wasn't the pipe fitter. You know what, I think many of the trades will be there. I don't have an extensive list, but I will check on that for you.

THE FLOOR: Not every trade will make it at least.

CHAIRMAN CROSBY: Are people participating aggressively and in good faith, the trades?

THE FLOOR: Absolutely.

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CHAIRMAN CROSBY: Great.

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So we're COMMISSIONER ZUNIGA: solely targeted to non-trade members to get themselves familiar with trades and the location of this project, et cetera. You've also talked about in the past about people that leave the trades and, you know, were once trade members perhaps and go on to other things. This is also an opportunity to target those people.

MS. GRIFFIN: Individuals who were members of the union and want to reenter actually can contact the union directly and they don't need to necessarily go to a career fair. But, I think, that this information put out there broadly may get the word out to them and maybe it will decide to go back in. But there is a far less extensive process for those folks.

COMMISSIONER ZUNIGA: And that will be the case as well for current trademarks, union members.

> MS. GRIFFIN: Yes. Current trade

members contact their business agents to express interest in the project. So we're really encouraged and really pleased about this outreach and this series of events.

And I think at the end of this, there will be no doubt that people will know about how to get into the trades and they will know more about the benefits of starting a career in construction.

CHAIRMAN CROSBY: You know, it's an Elaina column type story almost and certain kinds of columnists that might be interested in this kind of thing. I think it will be great. You're working on that.

THE FLOOR: We are and also radio at Bob is actually going to be on Dan Waves as well.

CHAIRMAN CROSBY: Great.

MS. GRIFFIN: So meanwhile in western Massachusetts, people in need of a job in Holyoke, a city with I think the highest unemployment rates in the state was reported when I checked 13.1 percent, one of the poorest cities. They now have new

opportunities to enroll in workforce training programs, and I know a couple of the Commissioners attended the announcement earlier this summer of the new training center in the renovated former factory building in downtown Holyoke.

The center now called the MGM
Resorts Holyoke Community College Center
for Hospitality and Culinary Arts at
Holyoke doubles the capacity of Holyoke
Community College in the hospitality and
culinary training programs.

You may remember that MGM put up \$500,000 to complete the construction. This is in addition to the 3 million in state and federal funding just for the construction of the building.

turn over a large portion of almost

1.3 million the city is receiving from MGM
directly to the Holyoke Community College.

But I wanted to give you an update today --

Additionally, the City of Holyoke agreed to

CHAIRMAN CROSBY: Excuse me, Jill.

This free hospitality training, isn't that

only for Holyoke residents?

MS. GRIFFIN: So, annually, there is funding for 50 Holyoke residents, unemployed Holyoke residents to receive free training, but the program is open to others.

COMMISSIONER STEBBINS: But they have to pay.

MS. GRIFFIN: They would have to pay.

CHAIRMAN CROSBY: Just this flier doesn't say -- it has the criteria requirements must be currently unemployed, for example, but it doesn't say you need to be --

MS. GRIFFIN: I should add that was the flier that was on the City of Holyoke's website that I think mostly city residents view, and they would call and get information about the programs. So the free spots are specifically targeted to unemployed Holyoke residents, which I think is fabulous.

CHAIRMAN CROSBY: This also -- this

flier also makes -- really emphasizes a

point that we've all talked about but

Commissioner Stebbins in particular has

raised here, it specifically says a clean

CORI record. So there is some, at least in

my mind, there is some question about

whether or not we need to require a clean

MR. BEDROSIAN: Also, I think there is some question about what CORI is versus what the statute is and whether clean CORI record is actually accurate or not.

CORI record for somebody who cooks in a

hotel, and never mind there's different

definitions of clean and so forth.

CHAIRMAN CROSBY: Right, but this is what's out there. And just yesterday

Commissioner Stebbins worried that we might be discouraging the very people we are trying to apply by either or both the misapplication of the statute or by a discretionary interpretation of the statute, which we might interpret it a different way.

So this is one of the items that

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will be on the topic in two weeks. And we talked about this with Director Wells and she is cool with that and understands the issues. But this really raises it in spades. This really makes it clear that maybe this is what we mean, maybe it isn't. But Commissioner Stebbins' concern that this might have a chilling effect is not unrealistic at all.

MS. GRIFFIN: Agreed, and I look forward to that conversation.

CHAIRMAN CROSBY: And I mentioned this to Commissioner Stebbins, but there are other people out there who want to weigh in on the CORI issue. There's no point in weighing in with us on an issue which is a legislative issue. But if there are interpretation issues, there may be other opinions just like we're asking people, you know, where there's ambiguity in the law or where there might be ambiguity in the law, we ask people to weigh in, and there are a lot of CORI folks who might want to weigh in on the

interpretation of the statute as well.

MS. GRIFFIN: Great. I look forward to that conversation very soon. So, again, the training starts in October. This collaborative effort involving the City of Holyoke, Holyoke Community College and MGM is also going to go a long way to meeting the needs of the region.

As you may know, hospitality and culinary is one of the top three employers in that region. MGM will be looking to fill up to 900 jobs just in hospitality and culinary fields. So I'm really excited about this development and look to see continued progress regrading workforce training.

CHAIRMAN CROSBY: Great.

COMMISSIONER STEBBINS: Jill, the flier from HCC also references support from the Commonwealth Corporation. As you and I both know, they've had a number of conversations with us. They are aware of the whole casino workforce development issue. But I think this is, correct me if

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I am wrong, I think this is the second time they have stepped to the plate and offering this type of hospitality training that meet the existing needs in western Mass. even prior to the introduction of all the jobs that MGM is providing.

MS. GRIFFIN: That's right. The
Commonwealth Corporation, I think, has
supported this effort even before this new
building announcement, so we should
recognize that.

CHAIRMAN CROSBY: Great.

MS. GRIFFIN: Thank you.

COMMISSIONER CAMERON: Thank you.

COMMISSIONER MACDONALD: Thank you.

I just want to make a point -- to repeat a point that I've made at other commission meetings and that is that since coming on to the Commission, the aspect of our work and our mission that I have been most impressed by has been what Jill and her team have accomplished and also what MGM and Wynn have accomplished in the past and have committed themselves to in the future.

1 And it also speaking personally, it 2 makes that much more acute the sense of 3 Region C where I came from not having or 4 its casino being placed in jeopardy by the decision in the U.S. District Court. 5 6 Holyoke may be the most -- have the most 7 unemployment but if you combine New 8 Bedford, Fall River, Brockton and Taunton 9 into the mix, they come very close to that. 10 CHAIRMAN CROSBY: Yes, that's a good 11 point. We forget, you know, that this was 12 what the law was all about. This was to 13 generate economic development jobs and revenue, and the jobs in particular that 14 15 are hard to employ people that are in the 16 statute. It's hard to get recognition for this, but this is what it's all about. 17 18 This is great. Okay, anything else? 19 MS. GRIFFIN: I'm all set. 20 you. 21 COMMISSIONER CAMERON: Thank you. 22 COMMISSIONER MACDONALD: Thank you. 23 CHAIRMAN CROSBY: General Counsel 24 Blue.

MS. BLUE: You have in your package today the amended small business impact statement and the final regulations for 205 CMR 138. This is the amendment to the ATM section that you reviewed before. We've taken it through the formal process. We had a public hearing. There are additional comments that we received in the packet today for you to review. And we're just asking that you approve the amended small business impact statement and allow us to finish the promulgation process so we can get this on the books.

COMMISSIONER ZUNIGA: The comments that you refer to are the ones that came from the licensees?

MS. BLUE: There is one from the licensee, and there's one from a member of the public.

CHAIRMAN CROSBY: I'm sorry to say I missed that, but the net of that letter is in support of this, yes. Any discussion, questions?

COMMISSIONER STEBBINS: Mr. Chair,

I'd move the Commission approve the amended small business impact statement in final version of the amendment to 205 CMR 138 as included in the packet and authorize that staff to take all steps necessary to file the regulations with the Secretary of the Commonwealth and complete the regulation promulgation process.

CHAIRMAN CROSBY: Second?

COMMISSIONER MACDONALD: Second.

CHAIRMAN CROSBY: Further

discussion? I will note Burt Peretsky, who is a frequent commenter and observer of our meetings, did write actually in opposition to this amendment and we took that into consideration and understanding his point but do believe that this is an appropriate step to take anyway, but we appreciate Mr. Peretsky's continual observations and suggestions. Any further discussion? All in favor?

COMMISSIONER MACDONALD: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER ZUNIGA: Aye.

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Page 114 1 COMMISSIONER CAMERON: Aye. 2 CHAIRMAN CROSBY: Opposed? The ayes 3 have it unanimously. I believe that calls 4 it a day. 5 COMMISSIONER CAMERON: Move to 6 adjourn. 7 COMMISSIONER ZUNIGA: Second. 8 CHAIRMAN CROSBY: All in favor? 9 COMMISSIONER MACDONALD: Aye. 10 COMMISSIONER CAMERON: Aye. 11 COMMISSIONER ZUNIGA: Aye. 12 COMMISSIONER STEBBINS: Aye. 13 CHAIRMAN CROSBY: Vote is unanimous. 14 Thank you. 15 16 (Meeting adjourned at 12:08 p.m.) 17 18 19 20 21 22 23 24

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1	MASSACHUSETTS GAMING COMMISSION STAFF:
2	Catherine Blue, General Counsel
3	Ed Bedrosian, Executive Director
4	Michael Sangalang, Digital Communications
5	Coordinator
6	Alex Lightbown, Director of Racing
7	Doug O'Donnell, Senior Financial Analyst
8	Karen Wells, Investigations and Enforcement
9	Bureau
10	Jill Griffin, Workforce Supplier and Diversity
11	
12	GUEST SPEAKER:
13	George Brown, President of the Massachusetts
14	Thoroughbred Breeders Association
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22	
23	
24	

Page 116 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 13th day of September, 2016. Kristen M. Edwards