

THE COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

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SEPTEMBER 19, 2012, 12:10 p.m.

BOSTON CONVENTION AND EXHIBITION CENTER

Room 102

415 Summer Street

Boston, Massachusetts

1  
2 SEPTEMBER 19, 2012

3 PROCEEDINGS

4  
5 CHAIRMAN CROSBY: Okay. I would like to  
6 call to order what I think is the 28th public meeting of  
7 the Massachusetts Gaming Commission on September 19th. We  
8 do this because after we have a forum, we, as a commission,  
9 operate under the open-meeting law, which means that no  
10 more than two of us can get together and talk about  
11 anything unless we are in a formal, public meeting, which  
12 this now is.

13 So, that means we couldn't sit around and  
14 talk about what we had heard as a group unless we convene  
15 to do it, and sometimes it turns out that there are action  
16 steps we want to take right after a forum. So, this may  
17 not last very long or it may last a while. Since we can't  
18 have a meeting spontaneously, we've always planned it in  
19 advance to do this.

20 First of all, Assistant Secretary Ron  
21 Marlow, thank you very much to you and all your troops.  
22 Reggie and Georgianna -- I'm not sure she's still here.  
23 Those were great panels. Lots of times panels are just  
24 sort of random and the speakers haven't coordinated and

1 it's not very useful but these were really targeted, really  
2 smart, really helpful stuff. We really appreciated it very  
3 much. So, thank you, and thank you for coming up all the  
4 from the boondocks of Maryland or wherever it was to visit  
5 us. I'm glad you came to see --

6 MS. CLEGHORN: That's the non-boondocks of  
7 Delaware.

8 CHAIRMAN CROSBY: Those are the boondocks I  
9 was talking about. It was really, really helpful stuff. I  
10 just will reiterate that the primary purpose here is to  
11 help us figure out what we can do, in our licensing  
12 process, to implement the intent of the law and of our  
13 policy.

14 We can answer questions to some extent. We  
15 have got some. We will try to answer a few more, but this  
16 was more about us learning what we can do in the licensing  
17 process.

18 I hope people will follow up. Somebody gave  
19 me a card saying he had -- described distinctions between  
20 the various licensing processes. I hope people will send  
21 us stuff that we can use and consider as we go on in the  
22 licensing process.

23 I think we were given -- let me start out  
24 actually by asking the Commissioners: Were there things

1 that you wanted to follow up on? Things you were  
2 particularly struck by? Anything we either needed to talk  
3 about or you wanted to talk about? Anybody?

4 COMMISSIONER MCHUGH: I was struck by a  
5 number of things, Mr. Chairman, but one of the things that  
6 I was struck by was right at the end. Ms. Cleghorn's  
7 suggestion -- stronger than a suggestion.

8 CHAIRMAN CROSBY: She was sort of a  
9 shrinking violet, wasn't she?

10 COMMISSIONER MCHUGH: Right. The  
11 effectiveness of an institution's commitment to this  
12 process is reflected by how high up in the corporate  
13 hierarchy the person responsible for it is.

14 It seems to me that's a very interesting and  
15 easily identifiable mark of commitment to the process. It  
16 seems to me that that also is something that we can think  
17 about internally as we put together our own organizational  
18 structure with respect to not only perhaps this topic but  
19 to some of the other topics we have heard interesting  
20 presentations about during the different forums we have  
21 attended. So, I thought that was a particularly helpful  
22 mark of institutional commitment to this particular goal.

23 CHAIRMAN CROSBY: Yeah. I agree. Anybody  
24 else?

1                   COMMISSIONER CAMERON: I just wanted to say  
2 that I found the whole morning to be kind of exhilarating.  
3 Spending a lot of time, my whole career, in public safety,  
4 being with an organization that we could never crack the  
5 five percent to have more women. So, I feel like I've been  
6 engaged in these issues for a long, long time.

7                   As a commissioner with law-enforcement  
8 accreditation in an international group, the public safety,  
9 the chiefs and sheriffs that came before us, the ones that  
10 came before my commission knew that I'd be asking about:  
11 How do you represent your communities? Where is your plan?  
12 Some of them don't like me very much actually because they  
13 didn't see the need to look like their communities to be  
14 very good policing agencies.

15                   So, I think we will be paying attention to  
16 this. Coming to take this position, we talk about a  
17 welcoming environment. You know, I had to make a decision.  
18 Did I want to move back to Massachusetts full time and take  
19 a position like this, but I was, frankly, very impressed  
20 interviewing with the attorney general and her commitment  
21 to gaming and going through this process fairly.

22                   I didn't feel like a token woman. I didn't  
23 feel like -- I felt like the Commonwealth took these issues  
24 seriously and were really looking for a commission to take

1 these issues seriously.

2                   So, as a commission, I think we have -- our  
3 commission has to be representative and the folks that we  
4 send out there to be our representatives have to understand  
5 what the values are. So, just a lot of good information  
6 today. So, I just want to thank everybody for providing  
7 that information.

8                   COMMISSIONER ZUNIGA: I'd like to echo a lot  
9 of that. In between the sessions, I had a couple of people  
10 come in and ask a couple of questions and they were along  
11 the topics of communication and connection.

12                   How do I find out about opportunities?  
13 Where do I go to find these out? You know, I kept thinking  
14 about our web site and our transcripts and our minutes. I  
15 wanted to also dovetail that to the notion of a very  
16 high-level person that is a point person. A chief  
17 diversity officer.

18                   I want to pick up on the insightful comment  
19 about that person needs to be -- at the table, at the  
20 strategy table. I would propose that this is the strategy  
21 table. While we are looking at an organization and a table  
22 of organization, I think it's incumbent upon us to ask  
23 ourselves, you know, how we can structure -- how we can  
24 begin to structure and formalize that and make that

1 commitment that I think is paramount.

2 CHAIRMAN CROSBY: I had the same feeling.  
3 I came away, among other things, with two thoughts. One is  
4 it's probably getting pretty close to time for us to hire  
5 somebody who is really going to focus on the workforce  
6 development stuff.

7 Commissioner Stebbins has been taking the  
8 lead on that, but the commissioner has got other things to  
9 do. That might be the same person that, you know, takes  
10 the diversity hat and -- A, and B, several people also  
11 talked to me about -- I think the idea we might want to  
12 think about is either having the operators contribute to  
13 one or we start one where there's a web site that has all  
14 the supplier opportunities, all the hiring opportunities,  
15 some central place because the whole thing about building  
16 access to these opportunities is really central and trying  
17 to figure out how to do that is important.

18 COMMISSIONER STEBBINS: I just wanted -- I  
19 echo the comments of my colleagues. Coming to this meeting  
20 today, I think reminds me once again why -- Commissioner  
21 Cameron pointed out her interest in serving on the  
22 commission.

23 My interest in serving on the commission is  
24 that the introduction of expanded gaming in Massachusetts

1 -- we need to continue to focus on this as an economic  
2 development opportunity for the Commonwealth, job  
3 opportunities for the Commonwealth, as well as revenue that  
4 we hope comes through the door.

5           This meeting, again, crystallized several  
6 perspectives for me, but as we go through the licensing and  
7 the application process, I think we are being introduced,  
8 through these education forums that we have done, to a  
9 number of stake holders already present here in  
10 Massachusetts, who can help us meet the objectives of the  
11 gaming law.

12           You know, the statute language of, you know,  
13 what has an applicant got to do to expand opportunities for  
14 small business and the other statute language, I'm now  
15 looking past somebody just checking a box. I think any  
16 potential operator out there -- I know several were in  
17 attendance here this morning.

18           I think any of you who are watching this  
19 streaming or going to read it in the minutes -- you missed  
20 out on an opportunity to facilitate and begin to build some  
21 relationships that will bolster your application.

22           I think there's enough evidence for us now  
23 to look at the stake holders in the room and realize that  
24 an applicant who comes before us and says, Yes. I commit



1 myself to small business development, without more teeth  
2 than that, I think they fail to recognize that, and it's to  
3 their own detriment.

4           There are some things with making  
5 opportunities available for Massachusetts residents who are  
6 looking for jobs, looking for new career opportunities, as  
7 well as the small business component that this meeting  
8 crystallized for me that there are a lot of stake holders  
9 out there who could be strong potential partners for  
10 potential applicants, and they missed an opportunity if  
11 they weren't here today.

12           CHAIRMAN CROSBY: I agree. There were a few  
13 questions. I had one. I don't know, Janice, were there  
14 others -- okay.

15           One of the problems with getting up and  
16 shooting your mouth off about diversity and inclusion are  
17 people are invited to hold you accountable for whether you  
18 are diverse and inclusive or not, and one of the people in  
19 the audience wrote, "Given the commission is charged with  
20 ensuring the diversity of its casino licensees, however so  
21 far the commission itself is not fully reflective of  
22 diversity, how can the commission properly make demands of  
23 others when it's non-compliant itself."

24           We can't do much about ourselves because we

1 were appointed by the governor, the attorney general, and  
2 the treasurer, but we have a clear responsibility and  
3 commitment to doing, within our own workforce and our own  
4 suppliers, what we are talking to the vendors about doing.

5           You know, we talked about it constantly.  
6 It's very much a part of our employee search priorities.  
7 We haven't had much in the way of vendor relationships but  
8 we are starting to, and we expect to be held accountable,  
9 and we expect to, you know, vote with our feet. We expect  
10 to demonstrate to people that we are practicing what we  
11 will be preaching.

12           The second question. This person says,  
13 "What provisions have been made for diversity in casino  
14 equity ownership?"

15           It's an interesting question. We also  
16 talked about this at our public meetings, and I don't think  
17 we have really figured out very much other than we have  
18 made a change in the background checks that does detailed  
19 background on all of the senior people associated with any  
20 proposal. That means their financing sources, their  
21 development partners, and so forth, and we are asking for  
22 race, gender, and ethnicity of those people. You know,  
23 your board of directors, your senior management, your  
24 equity partners.

1                   How that exactly figures in to our  
2 hierarchy -- our decision-making process, I don't think we  
3 have figured out yet. If people are listening, I think  
4 they are understanding, you know, we think this is an  
5 important value and it's not just in hiring, you know,  
6 African American people to change the bedrooms. It's the  
7 whole organization, top to bottom.

8                   As other people said, the commitment starts  
9 at the top. If the commitment isn't reflective at the top,  
10 then you are pretty sure it's not going to be very  
11 effective throughout the organization.

12                   It's something that we are talking about.  
13 We are thinking about. Again, we are looking for advice on  
14 how we can implement this law. If people out there have  
15 ideas on how we can address these kinds of issues within  
16 the law and policy, please tell us. That's what we are  
17 looking for.

18                   COMMISSIONER ZUNIGA: I would only point  
19 out, perhaps the obvious, that we have some diversity in  
20 the commission. If my accent is not a give away at times  
21 or Commissioner Cameron's -- like a comment that was made  
22 before, there's always room to grow and always opportunity  
23 to make it better. I think, Mr. Chairman, you addressed a  
24 lot of that.

1                   CHAIRMAN CROSBY: Anything else, anybody? A  
2 couple comments that were really interesting, useful. One  
3 certainly the whole idea of thinking very self-consciously  
4 about the preparation of what I think Fred called the  
5 wrap-around services. Whatever it was.

6                   It's not just a matter of taking people that  
7 are equipped to get in to a community college but, you  
8 know, training, retraining, retention rates. You know,  
9 there's a whole world of opportunity there for us to focus  
10 on. If we are not reminded of it, it's the kind of thing  
11 we can miss.

12                   I loved somebody -- what did it say? This is an  
13 inoculation from stupidity and self-destruction. I don't  
14 know if we can -- that's a pretty high standard to hold  
15 ourselves to. Getting rid of all stupidity and  
16 self-destruction is pretty tough, but we will do our best.  
17 Anybody else? Any other comments?

18                   COMMISSIONER STEBBINS: I just have one or  
19 two other comments. It's nice to go to a meeting where  
20 people don't say, Wow. We really don't envy your job.

21                   It was nice to hear Ron say, This is a great  
22 opportunity, and we wish you the best of luck.

23                   So, that's my speech. I'm sure if you read  
24 through the communications, we'd be angry if we didn't

1 remind people that you can follow us -- like us on  
2 Facebook. Follow us on Twitter.

3 That's not the message. To stay on top of  
4 our activities. We do focus on being transparent, and all  
5 of our weekly public meetings, you can sit at your desk and  
6 watch it streamed live, but stay on top of our activities  
7 and use our comments line when you want to weigh in.

8 CHAIRMAN CROSBY: Thanks, Commissioner.  
9 There were a few other questions that we just got.

10 COMMISSIONER CAMERON: Yeah. I have one  
11 here that says, "Will the developer be required to  
12 contribute a small percentage of the project  
13 cost/opportunity for training programs for the  
14 under-served, under-skilled, and disenfranchised?"

15 If I can speak to that. We will be looking,  
16 you know -- in comparing potential companies for a license,  
17 we will be looking at all of the things they say they will  
18 do and what they have done in the past. That was a good  
19 point mentioned earlier.

20 So, I don't think they'll be required, but  
21 coming forth with ideas -- how are you going to train? How  
22 are you going to be diverse? What projects -- will you get  
23 involved with the community?

24 That is -- we had an operator or actually

1 someone who was involved in tourism from Indiana, I  
2 believe, who was excellent in talking to us about make sure  
3 they get involved in the community. You almost have to  
4 force that to happen. They won't necessarily do so much on  
5 their own.

6 He gave us some examples of how to do that.  
7 How to identify those who are doing better than others in  
8 using the small businesses in the area. We are getting  
9 some ideas on those kinds of things, what we should be  
10 looking for.

11 So, if anyone else has anything else to add  
12 to that.

13 COMMISSIONER MCHUGH: I have a question that  
14 says, "Will there be a policy with respect to casino owners  
15 and supplier diversity in their supplier base?"

16 The answer is: Yes. The law requires us to  
17 take into -- the application, I should say, first of all,  
18 to show the plans and commitment of the casino owner and  
19 operator to minority business enterprises, women in  
20 business enterprises, and veterans in business enterprises  
21 in a variety of circumstances and then requires us, in  
22 awarding a license, to require that those plans be  
23 fulfilled and also prohibits us from issuing a license if  
24 we are not satisfied with how intensive those plans are.

1                   So, there's a great opportunity for these  
2 policies to be put into practice and, in addition to the  
3 statute, no doubt we will be issuing regulations that  
4 detail with more particularity the criteria we are looking  
5 for.

6                   COMMISSIONER ZUNIGA: I have a question  
7 that's similar. It's about requiring of operators,  
8 minority equity partners or also requiring that they  
9 contract with minority-owned firms at every single level.  
10 They say here, "Starting at the project manager."

11                   In addition to what Commissioner McHugh was  
12 talking about, I believe that, as we let out the RFAs, the  
13 request for responses, especially for Phase 2, that we  
14 consider making very clear that the effective -- the  
15 supplier diversity programs and the commitment to these  
16 kinds of issues, like we were talking about, are going to  
17 be evaluated and scored on to the benefit of getting,  
18 ultimately, a license or not.

19                   I think we have -- we only are starting to  
20 undertake this Phase 2 process, but there are ways in which  
21 we could require a certain threshold but there are also  
22 ways we could reward, if you will, by recognizing  
23 somebody's commitment to these kinds of issues by way of  
24 the competition that will exist.

1                   CHAIRMAN CROSBY: I'm not exactly sure I  
2 understand this question. It's concerned about being a  
3 young business versus the requirements that, for bid  
4 presentations, normally require public project records.

5                   "How can we best present ourselves with over  
6 25 years of experience, with little to no public record at  
7 MBE?"

8                   I think this question is referring to public  
9 procurements. I want to reinforce what Ron and Reggie  
10 said. The vast majority of the procurements and hiring  
11 that will be done will be done by the private companies.  
12 What we do is license people to build up to three casinos  
13 and up to one slots parlor in various locations in  
14 Massachusetts.

15                   Once they get the license, they will do the  
16 procurement of the vendors and they will do the  
17 construction and they will do the hiring. You will not be  
18 part of the public-bidding process except for the small  
19 amount of work we, ourselves, will do for our own  
20 commission. That's an important distinction. There will  
21 not be a public bidding process. We may do something. As  
22 you've heard, we may bring some of the public-bidding  
23 requirements into our own processes, and we certainly may  
24 do things like making sure that advertisements are wide and



1 sufficiently broad, et cetera, but you will not be having  
2 to prove to a public agency that you've had public sector  
3 experience to do this kind of work -- the vast majority of  
4 it. I think we are done. Anything else?

5 AUDIENCE MEMBER: Can I ask a question?

6 CHAIRMAN CROSBY: Sure.

7 AUDIENCE MEMBER: My question has to do with  
8 right now. Where the commission is at right now. Whether,  
9 in fact, there are any opportunities for minority women  
10 businesses to get involved with the development of your  
11 regulations, development with any policies that you are  
12 currently thinking about in preparation for the selection  
13 of vendors, whatever they are called, that are going to be  
14 running the casinos.

15 CHAIRMAN CROSBY: The answer to that is:  
16 Yes. We are doing some hiring, and we are doing some  
17 procurement of vendor relations. We've talked to several  
18 people here who have kinds of services we might be using.  
19 Placement services, IT, security. We are hiring.

20 All of those are public procurements, and  
21 they are all competitively bid. They are all published on  
22 Comm-PASS and our own web site. You are encouraged to  
23 pitch us as aggressively as you possibly can. It's all  
24 totally out there.

1           We think we are practicing what we are  
2 preaching. So, yes. There are opportunities right now and  
3 watch for the employment opportunities. We are hiring --  
4 right now, I think we have, like, seven positions from  
5 executive assistants to executive directors where we are  
6 aggressively recruiting and soliciting candidates.

7           COMMISSIONER ZUNIGA: There's another  
8 element to that question or another dimension, let me say,  
9 to that question, which we understand -- what Mr. Chairman  
10 was talking about. These are private operators. They are  
11 forming their teams. They are hiring some architects.  
12 They may be hiring -- those architects may be hiring some,  
13 let's say, consultants who may or may not be minority or  
14 women business enterprises.

15           I believe the role of this commission is to  
16 try to connect, eventually engage with these operators.  
17 We've debated a little as to when exactly to do that  
18 because we have a big process in terms of letting out these  
19 licenses. Frankly, some of them -- from what we read in  
20 the media, they have not technically become applicants by  
21 virtue of submitting their non-refundable fee to the  
22 commission.

23           There's only been three entities that have  
24 done that. So, we have a couple of different parallel

1 tracks, if you will, but I believe there's a case to be  
2 made that this commission should be a little more proactive  
3 in at least disseminating the information of the private  
4 operators, whether they volunteer it or whether we just  
5 know about it. To your point.

6 CHAIRMAN CROSBY: That's actually a good  
7 point. We could put up -- on our web site, we could put up  
8 people who are applicants and points of contact for hiring  
9 and vendor relationships. I think that's a great idea.

10 COMMISSIONER STEBBINS: If they put down  
11 400,000, then they are serious. I'm sure the public  
12 documents could be...

13 CHAIRMAN CROSBY: Elaine, did you hear that  
14 idea? I think that's a really good idea.

15 Okay. We'll take one question because you  
16 have your hand up, but we don't really want to get into the  
17 business of an open forum but go ahead.

18 AUDIENCE MEMBER: On that same subject,  
19 would it be okay to get companies-who-have-expressed-  
20 interest-in-opening-a-casino's contact information. For  
21 instance, the ones that haven't plunked their 400,000 bucks  
22 down. It would be nice to know who the players are.

23 CHAIRMAN CROSBY: We don't really have  
24 relationship with those. All you have to do is Google it.

1 You can find it. We don't have relationships with those  
2 folks. We don't have contact names.

3 I don't know that we want to get into the  
4 business of trying to get contact relationships with people  
5 that are just being talked about in the media.

6 Becoming an applicant, which means you file  
7 a certificate of intent to become an applicant and you give  
8 us your 400 grand, that's a pretty powerful breakpoint that  
9 now creates a relationship with us and that company. I  
10 think that's probably the right discriminator for us to  
11 stick with. That's my sense.

12 Okay. I think we are done for the morning.  
13 Once again, thank you all very much. Motion to adjourn?

14 COMMISSIONER STEBBINS: Yes.

15 CHAIRMAN CROSBY: All in favor, say aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MCHUGH: Aye.

20 CHAIRMAN CROSBY: Thank you.

21 (The meeting adjourned at 12:45 p.m.)  
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C E R T I F I C A T E

I, Elizabeth O. Bailey, a Certified Shorthand Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Elizabeth O. Bailey, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

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

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//Elizabeth O. Bailey// Date: September 19, 2012

Elizabeth O. Bailey  
Court Reporter for OfficeSolutionsPlusLLC  
My commission expires: March 11, 2016

//Elizabeth Tice// Date: September 19, 2012

Elizabeth Tice, President, OfficeSolutionsPlusLLC  
My commission expires: August 26, 2016