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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** October 24, 2023, 11:00 a.m.

**Place:** Plainridge Park Casino, 301 Washington Street Plainville, MA 02762

**Commissioners Present:**

Chair Cathy Judd-Stein  
Commissioner Eileen O'Brien  
Commissioner Bradford Hill  
Commissioner Nakisha Skinner  
Commissioner Jordan Maynard

1. [Call to Order](#) (00:00)

Chair Judd-Stein called to order the 483<sup>rd</sup> Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Cashless Wagering Demonstration \(3C's: cashless, contactless, cardless\)](#) (00:27)

Casino Regulatory Manager & Interim Sports Wagering Operations Manager Andrew Steffen stated that in 2019, the Commission was approached by Plainridge Park Casino on the topic of becoming a cashless casino. He stated that several meetings were held over the next several years. He noted that this system on display was cashless, cardless, and contactless ("CCC"). He stated that PPC representatives had offered demonstrations and expressed an interest in implementing the CCC system.

Vice President and General Manager of Plainridge Park Casino, North Grounsell, stated that gaming had evolved since he entered the industry in 2001. He stated that there used to be hurdles for patrons attempting to use their cash, and that the implementation of ticketing technology in 2003 was seen as a win for customers. He stated that when ticketing technology was implemented in 2003, approximately thirty to forty percent of all transactions were conducted in cash, but now less than five percent of transactions at the property were conducted in cash.

Mr. Grounsell stated that while CCC technology was available it was not previously pursued due to regulatory concerns and consumer concerns. He stated that those concerns could now be addressed and that implementing the CCC system would make it easier for guests to access and

use their money. He stated that it would be an option available to guests, but it was not required if patrons wanted to use cash.

Richard Primus, PENN Entertainment's Senior Vice President and Chief Information Officer, stated that the casinos did not want customers to have to wait in line. He stated that the CCC system gave customers flexibility to engage digitally. He reiterated that the CCC system was a supplemental technology, and that patrons could still pay in cash if they wished to. He stated that more industries were moving to be cashless.

Mr. Primus stated that the Covid-19 pandemic accelerated the decision to move towards less physical interactions with cash and screen. He reported that the CCC system went live in Pennsylvania in June of 2021. He added that CCC was active in ten jurisdictions, with twenty-one of twenty-seven of Penn's casinos having CCC. He stated that three more jurisdictions and four properties were planning on implementing CCC in the next few months. He stated that there was a good demographic spread adopting CCC, and that 44 to 55 year-olds were almost as likely to adopt CCC as younger customers. Primus stated that CCC was designed collaboratively with regulators, property teams, gaming operations teams, and surveillance teams.

Brian Wasilefski, Penn Entertainment's Vice President of Product, stated that CCC allowed customers to get rid of the plastic card. He explained that while customers could still use the plastic card, the slot machines now had Bluetooth functionality that allows the machines to connect to the customers' mobile devices.

Mr. Wasilefski stated that the mobile application did not provide any personal information, just the player's card number. He stated that if the patron walked away from the slot machine, the phone would be disconnected, based upon failing signal strength. Commissioner Skinner asked how far a user would have to walk away from the machine before their phone disconnected. Mr. Wasilefski replied that it was dependent upon the phones' receivers but added that the machine was programmed to disconnect between five and seven feet away from the slot machine.

Chair Judd-Stein asked if it was possible for a patron to play on another patron's card at the time before the disconnect occurs. Mr. Wasilefski stated that inputting a new card would break the connection with another patron's phone. He stated that the scenario envisioned by Chair Judd-Stein occurs very rarely and was easily remedied, as all transactions were captured. Mr. Primus stated that procedures and analytics were captured, so that surveillance could see game level details.

Samantha Haggerty, Penn Entertainment's Deputy Chief Compliance Officer and Regulatory Affairs Counsel, noted that when adopting the CCC technology, customers were trained to hit the button that severed connection. She noted that disconnecting when walking away was a backup method.

Commissioner Skinner asked if a patron could theoretically cash out winnings associated with the previous player. Mr. Primus stated that the number of incidents where patrons play on the

account of a player who had walked away was smaller than the number of players who forgot to cash out from the ticket-in ticket-out (“TITO”) system.

Commissioner Maynard asked if the CCC system could be exploited by nefarious actors. Penn Entertainment’s Chief Compliance Officer, Chris Soriano, stated that new technology always creates new information to monitor. He stated that PPC had top of the line authentication protocols, security protocols, and back of house auditing. Mr. Primus added that Penn invested a lot of time and resources on cybersecurity. He recommended that issues related to cybersecurity be addressed in an executive session, however.

Mr. Wasilefski stated that there was a digital wallet where customers could load funds. He stated that the patron goes through the know-your-customer process both when setting up their application account and setting up their digital wallet. He stated that credit card funds were prevented from entering the account in Massachusetts. He stated that once the wallet was funded, the customer could connect to the slot machine via the mobile app and transfer funds to the slot machine.

Commissioner Hill asked if new slot machines were required for CCC. Mr. Wasilefski explained that the three key components were the digital wallet, the loyalty application, and the slot machines. He replied that the phone application was simply a user interface and that a company called Acres was used to pass messages between the wallet and slot machine. Mr. Wasilefski explained that the phone application reaches out to the wallet and uses acres to transfer funds to the slot machine. He noted that the meters required for this transfer were used in all modern slot machines.

Commissioner Hill then inquired what technology was new. Mr. Wasilefski stated that the Bluetooth reader, which controls communications, and a part that connects to the slot machines’ SAS ports were new.

Commissioner Hill asked if the Commission’s staff would be presenting on the CCC system. Chair Judd-Stein stated that the team was not prepared and that they may present at a later time. General Counsel Todd Grossman noted that the presentation was meant to be an overview of the technology. Commissioner Maynard expressed an interest in learning whether it was possible to prevent a patron from logging into another patron’s account on their phone.

Ms. Haggerty stated that Penn had developed a solution to wallets funded by credit-cards in other states. She stated that patrons would be unable to use funds from credit cards in Massachusetts, including secondary sources such as Apple Pay and PayPal. She stated that this solution was in the final stages of development and would be ready within a month.

Commissioner Skinner sought clarification regarding the prohibition on credit card funding. Mr. Primus stated that geofencing prohibited the use of credit cards in Massachusetts, and that new technology would track the source of deposits in other states. He stated that any funding identified as credit card deposits will be unavailable in Massachusetts.

Ms. Haggerty stated that PlayMyWay would be available on the slot machines and that additional responsible gaming tools would be available. She noted that no self-excluded patrons would be permitted to create a digital wallet. She stated that patrons could set daily, weekly, or monthly deposit limits. She noted that PPC already had universal limits that no player could exceed.

Commissioner O'Brien asked if the predetermined limits would apply to the card system as well as the CCC system. Mr. Grounsell stated the plastic cards did not have a funding mechanism and were funded through cash.

Mr. Primus explained that a player who chose to voluntarily exclude themselves would lose access to their wallet and phone application. Mr. Grounsell stated that regulations detailed the process for refunding a patron on the voluntary self-exclusion list.

Chair Judd-Stein asked what the universal limit on velocity controls was. Mr. Wasilefski stated that customers could not deposit more than \$3,000 a day. Ms. Haggerty stated that customers could not change a limit they had set to be less restrictive until the period of time submitted was concluded.

Commissioner Maynard expressed concern about underage patrons and money-laundering through using another patron's phone or account. He asked if there were any protections that would prevent passwords being shared. Mr. Grounsell stated that the security checkpoint at the door would provide age verification before a patron entered the casino. Commissioner Maynard stated that there were also money laundering concerns that funded accounts could be passed off. Mr. Grounsell stated that all of the property's existing processes to detect money laundering would be conducted on the CCC system.

Returning to Commissioner Skinner's prior question regarding winnings going to the wrong patron, Mr. Grounsell explained that policies were in place to confirm who pressed the play button when jackpots were triggered. He stated that PPC confirmed the identity of the person the funds were supposed to go to. He stated that PPC would continue to follow the existing jackpot and anti-money laundering procedures.

Ms. Haggerty stated that the CCC system was designed so that surveillance teams could clearly see what was going on. She noted that patrons could set up email and text alerts with wagering summaries or review pending or past transactions in the application. Commissioner O'Brien asked if the email and text alerts could be set up for the Penn Sports Interactive ("PSI") sports wagering platform. Ms. Haggerty stated that she thought those notifications could be set up, and that she would follow up with the PSI team.

Ms. Haggerty explained that a patron's funds would not auto-replenish when funds run out. She stated that re-funding a wallet required a deliberate decision by a patron. Commissioner Hill asked when the customers would see the responsible gaming screen. Ms. Haggerty stated that it would be shown after the customer signs up and goes through the know-your-customer process.

Chair Judd-Stein expressed an interest in learning whether the responsible gaming text was helpful upon login. Ms. Haggerty stated that the responsible gaming messaging had been implemented for the past two years at other locations but stated that Penn would not want to share this data in a public meeting. Mr. Soriano stated that while a study had not been performed, other regulators had supported the use of limits and alerts. He stated that Penn would have a continued dialogue with the Commission's Responsible Gaming Division.

Commissioner Maynard stated that there had been studies regarding how the distance from an ATM affected a patron's psychology. He asked if that could be recreated in the application. Commissioner O'Brien stated that waiting in line might have tempered a patron's spending. Mr. Soriano noted that it took seven or eight screens to fund a digital wallet, which built in a time period for patrons. Commissioner O'Brien asked if there were wait times built in to loading money into the digital wallet. Mr. Soriano stated that there were no distinct waiting times, but that the process included a significant number of steps.

*Transcriber's Note: The Commissioners then viewed a demonstration of the CCC system by PPC representatives.*

Chair Judd-Stein asked when customers were trained in the CCC system. Ms. Haggerty stated that customers are trained in using the CCC system at launch. She stated that PPC staff and Commission staff would receive training prior to the launch.

Commissioner O'Brien asked if the minimum bet amount should be the default option. Mr. Wasilefski stated that the option could be looked into. Commissioner O'Brien asked if there was a minimum dollar amount that could be loaded on the slot machine. Mr. Wasilefski stated that the minimum amount was one dollar. Commissioner O'Brien asked if the patron had to cash out on the slot machine or if cashing out could occur on the patron's phone. Mr. Wasilefski confirmed that cashing out could also be done through the phone application.

Mr. Soriano stated that there was an added safety component of the CCC system because patrons would not be walking around with significant sums of cash. Chair Judd-Stein asked whether a patron who had won a large amount, but under the taxable threshold, would be able to have all funds in their digital wallet. Mr. Wasilefski stated that the funds would be transferred to the digital wallet upon cashing out. He noted that a big jackpot would still have to be processed for tax purposes.

Chief Executive Officer of the Massachusetts Counsel on Gaming and Health, Marlene Warner, asked what would happen to a patron's account if they joined the voluntary self-exclusion list. Mr. Wasilefski stated that once a patron was excluded, they would not be able to use the wallet on any of Penn's platforms. Commissioner O'Brien asked if the exclusion would apply to both gaming and the sportsbook. Ms. Haggerty confirmed that was correct.

Mr. Soriano stated that once the exclusion was entered into Penn's system, the wallet would be shut down. Director of Research and Responsible Gaming, Mark Vander Linden, noted that there

were different types of self-exclusion lists. Mr. Wasilefski stated that accounts would be locked out based upon the information sent to Penn.

Ms. Warner asked if Penn had data as to whether transactions occurred faster when using a phone rather than cash. Ms. Haggerty stated that while the data was available it would need to be processed.

a. [Executive Session](#) (1:08:20)

Chair Judd-Stein asked what questions the Commission would like answers to that might be suitable for an executive session. Commissioner Maynard raised concern about password sharing on CCC accounts. He stated that he wanted to know more about security features to prevent account and password sharing. He stated that he also wanted to know what protections were in place for the purpose of anti-money-laundering. Commissioner O'Brien stated that she would like to discuss cybersecurity due to the data breaches that have occurred in the gaming industry.

Chair Judd-Stein stated that she would like to see research regarding the responsible gaming issue centered around the ease of use for cashless systems in comparison to a cash-based system. Commissioner O'Brien expressed an interest in reviewing data to see whether the average bet changed with the switch to the CCC system. Commissioner Skinner requested information related to the instances where a patron played on another patron's account after the initial player walked away. She requested to know the number of instances where this occurred, and how it was resolved.

3. [Other Business](#) (1:13:14)

Hearing no other business, Chair Judd-Stein requested a motion to adjourn.

Commissioner O'Brien moved to adjourn. The motion was seconded by Commissioner Maynard.

*Vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

### **List of Documents and Other Items Used**

1. [Notice of Meeting and Agenda](#) dated October 20, 2023