



Massachusetts Gaming Commission Meeting Minutes

Date/Time: August 21, 2023, 9:00 a.m.
Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 817 2384

The Commission conducted this public meeting remotely utilizing collaboration technology. Use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

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 473rd Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. [Legal Framework relative to the award of a sports wagering license](#) (00:59)

Todd Grossman, Interim Executive Director & General Counsel, explained that at the prior meeting regarding this matter, the Investigations and Enforcement Bureau ("IEB") had submitted supplemental materials regarding the category two sports wagering application submitted by Massasoit Greyhound Association, Inc. d/b/a Raynham Park ("MGA"). He stated that MGA had requested time to review the supplemental materials.

Loretta Lillios, Director of the IEB, explained that due to information included in MGA's Business Entity Disclosure form ("BED"), the IEB removed a document that was publicly filed

with the Secretary of the Commonwealth's Office. She stated that the 2020 filing listed Christopher Carney as a Vice President of MGA.

a. [General Update from Massasoit Greyhound Association, Inc.](#) (06:38)

Attorney Jed Nosal, Outside Counsel representing MGA, stated that the 2020 statement of change represented a proposed management structure that was never implemented. He stated that the statement of change filed with the Secretary of the Commonwealth was superseded by MGA's 2020 annual report. He noted that while Christopher Carney was listed as an officer of MGA on the 2020 filing, Mr. Carney did not get paid in that position or carry out duties in that position. Attorney Nosal stated that MGA would update its BED. He explained that MGA only gathered annual reports and inadvertently overlooked the 2020 statement of change.

Commissioner O'Brien sought clarification regarding handwritten notes on the document outlining former officers. Attorney Nosal stated that the handwritten notes outlined how the documents would be updated, and that MGA would provide the Commission with the updated forms.

Attorney Nosal explained that Christopher Carney was identified as a qualifier by the IEB's scoping survey. He stated that MGA updated a proposed organizational chart on March 7, 2023 to list Christopher Carney as a proposed Chief Operating Officer ("COO") because he had already been designated as a qualifier.

Attorney Nosal stated that other incidents cited in the IEB's supplemental materials regarding Patriot Recycling and Earthsource, Inc. were outside of MGA's control as MGA did not own those companies. He noted that Earthsource was owned by former MGA staff member Robert Kelly and that Patriot Recycling was owned by Christopher Carney. He stated that actions against these companies were not related to MGA's application.

Attorney Nosal explained that MGA made the decision to request to remove Christopher Carney and the Christopher J. Carney Subchapter S Trust ("the trust") as qualifiers. He explained that MGA had removed Christopher Carney from any proposed management role, divested the trust, and eliminated all loans between MGA and Mr. Carney. He stated that Christopher Carney had no control of MGA going forward.

Attorney Nosal stated that Christopher Carney was not listed on George Carney's Multi-Jurisdictional Personal History Disclosure form ("MJPHD") because he was not an officer at the time the application was submitted. Attorney Nosal stated that MGA did not interpret Christopher Carney's vendor work and beneficial interest in the trust to be responsive on that form. He stated that Robert Kelly and Maura Carney should also be listed as they work for the Taunton Dog Track.

Attorney Nosal reiterated that Christopher Carney's proposed position was eliminated, that there were no longer any loans between Mr. Carney and MGA, and that MGA would not enter agreements to make Christopher Carney an affiliate without first receiving the Commission's approval. He stated that MGA had a new governance committee with an independent member and an independent audit committee.

Attorney Nosal stated MGA would meet the Commission's requirements for preliminary suitability should Christopher Carney and the trust be removed as qualifiers. Commissioner O'Brien asked who the new COO would be. Attorney Nosal stated that the COO position was eliminated, which was reflected in an updated organizational chart provided to the IEB.

Commissioner Skinner inquired about the relationship between MGA and the Taunton Dog Track. Attorney Michael Morizio, counsel representing Christopher Carney and the trust, explained that MGA shared its simulcast business with the Taunton Dog Track. He noted that both entities were under the control of George Carney as CEO and president.

Commissioner Skinner noted that George Carney was listed as the president, secretary, and treasurer for MGA, and asked if MGA had plans to change the board. Attorney Nosal stated that the Commission would be notified of any changes.

Commissioner Skinner inquired about the reporting structure for the governance committee and audit committee. Attorney Nosal stated that the reporting structure was included as part of MGA's internal controls. Commissioner Skinner asked whether there were assurances that Christopher Carney would not be involved with these committees. Attorney Nosal stated that the Commission's regulations were prescriptive regarding the how the committees functioned, and that MGA did not have a lot of discretion. He stated that MGA was developing processes to provide the Commission with documents regarding internal controls and the audit process.

Commissioner Hill expressed concerns about the financial stability of MGA now that its operating partner had withdrawn. Attorney Nosal stated that the financial information would be appropriate to discuss in executive session. He noted that MGA was only requesting a conditional finding that MGA be found preliminarily suitable. He stated that an operating agreement with a third party was a necessity. Commissioner Hill stated that he wanted to ensure that MGA was financially stable following the withdrawal of Christopher Carney and the trust as qualifiers. Attorney Nosal stated that the withdrawal of the qualifiers did not affect MGA's business plan.

Commissioner Maynard stated that under the Commission's authority, Christopher Carney would not be permitted to be involved with gaming related business. Commissioner Maynard asked how broadly MGA would define "gaming related business." Attorney Nosal stated that Christopher Carney would not be involved in any activity that MGA would have to seek Commission approval to engage in.

Commissioner Skinner asked if the new disclosure on George Carney's MJPHD regarding Bob Kelly and Maura Carney would affect suitability. Director Lillios stated that the omission of two family members may be helpful in evaluating the fulsomeness of MGA's disclosures and was relevant to the evaluation of MGA's overall business practices.

General Counsel Grossman stated that the financial projections relevant to the operator's financial status and the status of the loans between Christopher Carney and MGA were both appropriate for executive session in accordance with G.L. c. 23N, § 6(i) and G. L. c. 4, § 7(26)(c).

Chair Judd-Stein stated that the Commission anticipated that it would meet in executive session in conjunction with its review of the application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicant in the course of its application for an operator license that is a trade secret, competitively-sensitive or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage and/or G. L. c. 4, § 7(26)(c) (the privacy exemption) to consider information submitted in the application materials related to named individuals, the disclosure of which may constitute an unwarranted invasion of personal privacy.

Commissioner O'Brien moved that the Commission go into executive session on the matter and for the reasons just specified by the Chair. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Chair Judd-Stein stated that the Commission expected to return to the public meeting session once the executive session concluded.

Transcriber's Note: The Commission entered executive session at [1:21:30](#) and returned to the public meeting at [2:27:05](#).

5. [Discussion and Decision regarding requests to withdraw and preliminary suitability](#) (2:30:06)

a. [Request for Withdrawal of Individual Qualifier and Entity Qualifier](#) (2:30:06)

Commissioner O'Brien expressed that it was her opinion that the decisions regarding the two motions to withdraw were separate from the decision on the preliminary suitability of MGA.

General Counsel Grossman explained that withdrawal of qualifiers was governed by 205 CMR 213. He stated that for a qualifier to withdraw, they would have to show good cause. Deputy General Counsel Caitlin Monahan explained that G.L. c. 23N, § 5(b) and 205 CMR 215.02(1)(a)(4) outlined the factors that determine mandatory qualifiers.

Chair Judd-Stein stated that she did not see anything in the IEB's report that would raise concerns regarding Mr. Carney's ability to influence MGA. Commissioner O'Brien stated that she disagreed.

Attorney Morizio stated that the Massachusetts Supreme Judicial Court had issued decisions that the only persons in control of a corporation are its directors, officers, and shareholders. He stated that Christopher Carney had been removed from all positions of control with MGA.

Commissioner O'Brien noted that Christopher Carney represented himself as being integrally involved with MGA, represented MGA at hearings, and was knowledgeable about activity at the MGA facility. She stated that these representations were made on multiple occasions, including in a March 17, 2022 public hearing; on a November 2, 2022 podcast appearance; and in statements made to the IEB on May 23, 2023. She stated that Mr. Carney was removed in the four corners of the paperwork, but that the Commission had to consider the reality of the available information. She stated that there was no good cause for Mr. Carney to withdraw as a qualifier for MGA.

Attorney Morizio stated that while he appreciated Commissioner O'Brien's concerns, Christopher Carney was only involved with construction work at MGA's site. He stated that as a matter of law, Christopher Carney was not an owner or controller of MGA. Commissioner O'Brien noted that 205 CMR 215.02(1)(a)(4) was not about control, but the ability to exercise influence on significant decisions. She noted that Christopher Carney made representations that he negotiated with Bet365 for an operating agreement on MGA's behalf. Attorney Morizio stated that MGA took subsequent measures to remove Christopher Carney as a qualifier since then.

Commissioner Skinner expressed that she shared Commissioner O'Brien's opinion. She stated that while Christopher Carney might not have legal authority at MGA, he had apparent authority. She stated that the Commission needed more details about MGA's structure moving forward, including who has been appointed to handle negotiations now that Mr. Carney was removed. She stated that she believed that Mr. Carney was a mandatory qualifier, and that she would rely on the IEB's determination.

Commissioner Maynard stated that the IEB was correct in its determination, but that he had to consider the willingness between MGA and Christopher Carney to sever the relationship. He stated that he no longer believed Mr. Carney was a mandatory qualifier. Commissioner Hill agreed and recommended that conditions be placed on the withdrawal of these qualifiers.

The Commission had a robust discussion regarding whether Christopher Carney had the power to exercise significant influence over decisions concerning the applicant's operations, as outlined in 205 CMR 215.02(1)(a)(4). Chair Judd-Stein, Commissioner Maynard, and Commissioner Hill formed a consensus that Christopher Carney was not a mandatory qualifier. Commissioner O'Brien and Commissioner Skinner expressed their opinion that Christopher Carney should be a mandatory qualifier.

Deputy General Counsel Monahan explained that discretionary qualifiers were governed by 205 CMR 215.02(2). Commissioner O'Brien stated that to the extent that Christopher Carney was not a mandatory qualifier, he should be considered a discretionary qualifier under 205 CMR 215.02(2). Director Lillios stated that a factor of consideration for discretionary qualifiers was whether financial entanglements rose to a business interest. She noted that Mr. Carney had construction contracts with MGA and other residual interests through estate planning.

Commissioner Maynard expressed concern that having an officer of MGA as a trustee for the trust could create potential financial entanglements. Attorney Morizio stated that a single trustee could not take action without the approval of the independent trustee. Commissioner Maynard stated that he would want trustees with no relationship to MGA. Commissioner O'Brien expressed that she shared Commissioner Maynard's concerns.

Attorney Nosal and Attorney Morizio stated that MGA would agree to a condition that its officers not serve in a trustee capacity, and that a new trustee could be appointed.

Commissioner Hill stated that there was currently a business relationship between MGA and the trust. Attorney Nosal stated that the trustee could resign now, or that it could be a condition on the withdrawal of the trust as a qualifier.

Commissioner Skinner reiterated her belief that Christopher Carney was a mandatory qualifier of MGA. She stated that she would not backdoor him in as a discretionary qualifier. Chair Judd-Stein noted that there was not a consensus to deem Mr. Carney a business associate of MGA.

Commissioner Maynard requested that the Commission enter executive session to discuss Christopher Carney's business associations relative to MGA. Director Lillios stated that the IEB's financial investigators would be available to discuss the Taunton Dog Track and holdings that would lead to a significant land sale.

Chair Judd-Stein stated that the Commission anticipated that it would meet in executive session in conjunction with its review of the application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicant in the course of its application for an operator license that is a trade secret, competitively-sensitive or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage and/or G. L. c. 4, § 7(26)(c) (the privacy exemption) to consider information submitted in the

application materials related to named individuals, the disclosure of which may constitute an unwarranted invasion of personal privacy.

Commissioner O'Brien moved that the Commission go into executive session for the reasons delineated by the Chair, and for the matters clarified by Director Lillios. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

Chair Judd-Stein stated that the Commission expected to return to the public meeting session once the executive session concluded.

Transcriber's Note: The Commission entered executive session at [4:31:39](#) and returned to the public meeting at [5:16:36](#).

Deputy General Counsel Monahan explained the withdrawal process pursuant to 205 CMR 213. Commissioner Hill stated that he could support the withdrawal of Christopher Carney as a qualifier, but he wanted to impose three conditions on the withdrawal. He explained that the first condition was that Mr. Carney could not influence operations and must limit communications with MGA staff and family members involved in MGA. He stated that the second condition would be that Mr. Carney could not be an officer or director of MGA in the future. He stated that the third condition was that Mr. Carney could not hold financial ties with MGA, such as loans or a trust interest. Commissioner Maynard proposed an additional condition that Mr. Carney does not represent himself to be a decisionmaker or controller of MGA.

Chair Judd-Stein noted that the Commission could not impose conditions on an individual who is no longer a qualifier. Commissioner Skinner questioned why conditions could not be placed on Mr. Carney when granting his request for withdrawal. Commissioner O'Brien asked if Mr. Carney's status as a qualifier could be reinstated should the conditions on withdrawal not be met. General Counsel Grossman noted that once withdrawn, Mr. Carney was not under the purview of the Commission. Commissioner O'Brien stated that he would fall under the Commission's authority should his status as a qualifier be reinstated.

Commissioner Skinner stated that she wanted Christopher Carney to be bound by the proposed conditions, not just the applicant. General Counsel Grossman stated that if any of the conditions were broken, MGA's license would be placed in jeopardy. Commissioner O'Brien stated her interpretation that any order granting withdrawal was conditional, and if the terms are violated,

the order would revert, making Mr. Carney a qualifier again. Commissioner Skinner stated that she shared Commissioner O'Brien's interpretation.

Attorney Nosal stated that the responsibility to adhere to conditions lies with MGA's license, and that MGA was open to how the Commission wanted to proceed. Attorney Morizio stated that Christopher Carney would agree to whatever it takes to assure the Commission that he is not involved with MGA. Director Lillios stated that the IEB would want to be clear on how these conditions are monitored. Commissioner O'Brien stated that the decisionmakers at MGA would be obligated to report communications with Christopher Carney to the Commission.

Attorney Morizio asked if Christopher Carney's company would be permitted to snow plow the MGA property. Chair Judd-Stein noted that Mr. Carney was a vendor, and that she wanted to discern contractual obligations from informal arrangements. Commissioner Hill stated that he envisioned that there would be no contact between the companies. General Counsel Grossman stated that this arrangement would bring Mr. Carney closer to being a business associate with MGA. Commissioner Skinner agreed that there should be no contact. Commissioner O'Brien stated that there should be language included in the conditions to ensure that Christopher Carney was not a vendor for MGA through another company.

Commissioner Maynard moved pursuant to 205 CMR 213 that Christopher J. Carney's Motion to Withdraw Application as Qualifier be granted subject to the conditions discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Nay.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed, 4-1.

The Commission reached a consensus that the trust was not a mandatory qualifier for MGA based upon the factors set forth in G.L. c. 23N, § 5(b). Commissioner O'Brien noted that she still had questions regarding inconsistencies in MGA's presentation and stated that she did not believe there was good cause to remove the trust as a qualifier.

Chair Judd-Stein asked what the standard for good cause was. Deputy General Counsel Monahan stated that in lieu of an explicit standard, the substantial evidence standard would be used. Commissioner O'Brien stated that she had questions regarding financial interplay regarding the discharge of loans and questions regarding the financing of MGA. She reiterated that she did not believe there was good cause for the withdrawal.

Attorney Morizio stated that the trust would agree to the condition that no trustee is an employee of MGA. Commissioner Skinner asked if Christopher Carney's family members should also be

included in the condition. Attorney Morizio expressed concern that the additional condition would be too broad. Attorney Morizio proposed that MGA could identify all family members who had been MGA employees within the past ten years. Commissioner Skinner stated that the list of identified individuals should include all family members with a financial interest in MGA.

Commissioner Maynard moved pursuant to 205 CMR 213 that the Christopher J. Carney Subchapter S Trust's Motion to Withdraw Application as Qualifier be granted subject to the conditions discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Nay.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed, 4-1.

b. [Discussion of Preliminary Suitability](#) (6:11:02)

Commissioner Skinner stated that she would not grant preliminary suitability at this meeting without MGA identifying an operating partner. Commissioner O'Brien expressed similar concerns regarding the procedural posture of addressing preliminary suitability with no operator in place. She stated that the withdrawal of MGA's operating partner created a material change in the application and requested that MGA return to the Commission when an operating partner is identified. Commissioner Hill agreed that the Commission could not move forward on MGA's application without an operator. Commissioner Maynard stated that absent an operating partner, it was difficult to determine suitability.

Chair Judd-Stein suggested hearing more from MGA before making a determination. Attorney Nosal stated that it was a huge challenge to find a partner without a finding of suitability. He stated that MGA had a potential partner who would not move forward without MGA first having a determination of preliminary suitability.

Commissioner Skinner inquired about how the suitability determinations in 205 CMR 215 and 205 CMR 218 could be bifurcated. Deputy General Counsel Monahan explained that the Commission makes a determination regarding preliminary suitability under 205 CMR 215 which is then included as a factor under 205 CMR 218 in the Commission's decision on whether to approve the application and award a license. She stated that suitability required a holistic review of all qualifiers, and that once the new operator was identified, a second round of suitability determinations would have to occur.

Attorney Nosal stated that the Commission could attach a condition to a finding of preliminary suitability that MGA find an operator and return to the Commission. Deputy General Counsel Monahan reiterated that preliminary suitability took qualifiers into account, and that an operator

could be relevant to multiple suitability factors. Commissioner O'Brien stated that the application had to be complete to go forward, and that it was not complete absent an operating partner. Commissioner Hill agreed.

The Commission reached a consensus that preliminary suitability could not be determined without first identifying MGA's operating partner. Chair Judd-Stein expressed disappointment that the Commission would not further discuss the possibility of a preliminary suitability finding. General Counsel Grossman stated that the Commission's staff would communicate with the applicant and report back. Attorney Nosal stated that MGA was happy to work with Commission staff to resolve this issue.

7. [Other Business](#) (6:48:20)

Hearing no other business, Commissioner O'Brien moved to adjourn. The motion was seconded by Commissioner Skinner.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Nay.

The motion passed, 4-1.

List of Documents and Other Items Used

1. [Notice of Meeting and Agenda dated August 17, 2023](#)