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COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #233

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

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January 18, 2018 10:03 a.m.

MASSACHUSETTS GAMING COMMISSION  
101 Federal Street, 12th Floor  
Boston, Massachusetts 02110

## P R O C E E D I N G

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3 CHAIRMAN CROSBY: I'm calling to  
4 order public meeting No. 233 on  
5 January 18th, 10 o'clock in the morning at our  
6 offices in Boston. First item as always,  
7 approval of the minutes.

8 COMMISSIONER MACDONALD: Yes.  
9 Mr. Chairman, subject to the correction of a  
10 typo on page four, the upper third paragraph  
11 that begins, appropriately,  
12 Commissioner Macdonald, that in the last  
13 sentence there's a -- an and that should not  
14 be there, so that the sentence should read,  
15 asserted that this super standard was an  
16 appropriate one that would distinguish the  
17 obligation of the Commissioners, so delete  
18 and.

19 And with that correction, I move  
20 that we approve the minutes of the meeting of  
21 January 10th subject to further correction for  
22 typographical -- subject to correction for  
23 further typographical errors and other  
24 nonmaterial matters.

1 CHAIRMAN CROSBY: Second?

2 COMMISSIONER STEBBINS: Second.

3 CHAIRMAN CROSBY: Any other  
4 discussion. All in favor? Aye.

5 MR. MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 COMMISSIONER CAMERON: Abstain.

9 CHAIRMAN CROSBY: Opposed? Oh. And  
10 Commissioner Cameron abstains, as she was not  
11 here, so the motion passes four to zero.  
12 Okay. We're going to move the schedule around  
13 a little bit, I think.

14 MR. BEDROSIAN: Yes. Good morning,  
15 Commissioners.

16 CHAIRMAN CROSBY: Good morning.

17 COMMISSIONER CAMERON: Good morning.

18 MR. BEDROSIAN: I have a suggestion,  
19 just on reworking the schedule slightly, that  
20 we start with Director Griffin on Item 5, then  
21 we'll go to Director Vander Linden on Item 4.  
22 And then, depending upon the time where we are  
23 at that point, we may go to my update or some  
24 other thing. I just -- I have a brief local

1           commitment at one o'clock for about  
2           half-an-hour, so we'll work around that. But  
3           for now, I'd say, if we go to number five then  
4           four, that would get us started for the day.

5                         CHAIRMAN CROSBY: Okay. Great.  
6           Director Griffin.

7                         MS. GRIFFIN: Chairman Crosby,  
8           Commissioners, I'm here to update you on all  
9           the activity related to workforce supplier and  
10          diversity development, to optimize employment  
11          opportunities for the host and surrounding  
12          community, and all the diverse residents of  
13          Massachusetts, as well as opportunities for  
14          small businesses to supply goods and services  
15          to a casino. And given the timeline for MGM  
16          Springfield, I'm going to focus most of my  
17          comments and updates on the western Mass  
18          ramp-up. And I'll ask Commissioner Stebbins  
19          to jump in as appropriate, as he's up to date  
20          on all of these issues as well.

21                         So first in your packet, you'll  
22          notice the vendor advisory team. I convene a  
23          monthly phone call with MGM national  
24          procurement team and the MGC vendor advisory

1 team. The vendor advisory team is composed of  
2 representatives of organizations that provide  
3 technical assistance, financing, or just  
4 outreach to small and diverse businesses in  
5 Massachusetts. And this is a great call with  
6 MGM's national procurement team.

7 As you know, they prioritize about  
8 50 million for local procurement, so there's  
9 real opportunities. In order to ensure that  
10 our local Massachusetts businesses don't miss  
11 out on these opportunities to supply goods and  
12 services to a casino, MGM provides the vendor  
13 advisory team with an updated list of upcoming  
14 vendor opportunities.

15 And you'll see that there's a  
16 wide-ranging list of opportunities thus far,  
17 and it's still early, from arcade game  
18 maintenance, to grease filter and recycling,  
19 snow removal, laundry. You get the idea.

20 MGM also provides the group with  
21 challenges they may be facing. For example,  
22 in the last call they asked for the group's  
23 assistance in identifying local WBE companies  
24 that could respond to these opportunities.

1                   MGM also urged chambers and other  
2                   business assistance groups to encourage local  
3                   and Massachusetts businesses to sign up on  
4                   MGM's own vendor portal. All of the  
5                   information is uploaded and sent on a weekly  
6                   basis to all their procurement staff.  
7                   Companies can easily sign up by going on the  
8                   vendor page on the MGM website, which is  
9                   www.mgmspringfield.com/supplier. And so, that  
10                  is really important.

11                  We've also, recently, been  
12                  conducting meetings with MGM's workforce team  
13                  on a regular basis. We have work force  
14                  opportunity team meetings, we're calling them,  
15                  where we cohost these meetings with the  
16                  Hampden County Regional Employment Board,  
17                  Director Dave Cruise. Marikate Murren was in  
18                  attendance just the other day, when we went  
19                  out to MGM's new career center.

20                  The center has been opened for about  
21                  2-1/2 months. Beautiful new career center.  
22                  And it was great to see it in action. There  
23                  were interviews being conducted, people  
24                  interview, and they actually leave with a job

1 offer already, so that was exciting. And they  
2 can also get the background check started and  
3 get the drug test right at the center.

4 We were also updated by Jeff Hayden  
5 of MCCTI, the Mass Casino Careers Training  
6 Institute. Happy to say that the HCC MGM  
7 Culinary Arts Institute in Holyoke just  
8 received their certificate of occupancy, and  
9 classes start, I believe, next week. So  
10 that's exciting news.

11 The MCCTI gaming school is holding  
12 information sessions every other Wednesday and  
13 Saturday. In fact, I think there was one  
14 going on in the career center as we were  
15 meeting. The first cohort of individuals, who  
16 have signed up for gaming training, will begin  
17 on February 26th, and another session will run  
18 prior to the MGM opening. So the message is  
19 loud and clear, if folks are interested, they  
20 should sign up now.

21 MGM and MCCTI are currently  
22 recruiting with the first 10-week cohort  
23 classes in blackjack, roulette and craps. And  
24 you can see in your material, I've provided

1 additional information regarding the gaming  
2 school.

3 So I also wanted to update you on a  
4 new initiative. We've all heard about the  
5 devastating impact of Hurricane Maria in the  
6 commonwealth of Puerto Rico. The Baker  
7 administration is working collaboratively to  
8 provide critical resources and opportunities  
9 for those evacuees from Puerto Rico, who have  
10 relocated to Massachusetts. And many students  
11 and families have relocated here. As of last  
12 Friday, over a thousand individuals from  
13 Puerto Rico have relocated to the state, as  
14 there are many family connections in  
15 Massachusetts.

16 Close to 700 adults are working with  
17 the Mass Department of Career Services to find  
18 employment. 71 percent of the Puerto Rican  
19 individuals have settled in Hampden County,  
20 with most in Holyoke and Springfield.  
21 80 percent -- I'm sorry I'm going to skip  
22 that.

23 Alice Sweeney, director of the  
24 Department of Career Services, who oversees



1 the Commonwealth's career centers, updated the  
2 group on a \$2.3 million federal grant  
3 application that they have submitted in  
4 December for workforce transition for  
5 Puerto Rican hurricane victims, who have  
6 resettled in Massachusetts.

7 What's interesting about this group,  
8 several have just needed resumé tweaks to land  
9 a job. Many are professionals, teachers,  
10 managers. As you know, Puerto Rico has more  
11 than 15 casinos, and has had a thriving  
12 hospitality and tourism economy.

13 Career services is working to check  
14 and see if any of those individuals have  
15 experience in gaming and hospitality. But MGM  
16 was very interested, and is working with  
17 career services to plan an information  
18 session, as soon they'll have management  
19 positions posted and ready to interview for.  
20 MGM will work with career center and the  
21 United Way to host an information session.

22 CHAIRMAN CROSBY: Do you mean,  
23 specifically, for Puerto Rican refugees?

24 MS. GRIFFIN: That's right.

1                   CHAIRMAN CROSBY: Yeah. Great.

2                   MS. GRIFFIN: That's right. So  
3                   that's very exciting to see how this new  
4                   industry might actually be beneficial to those  
5                   who have relocated here, who have family here  
6                   and are just trying to get a new start.

7                   CHAIRMAN CROSBY: I talked to the  
8                   secretary of education last week, Jim Peyser,  
9                   about a variety of things, and he mentioned  
10                  that there were all these Puerto Rican  
11                  refugees and suggested that we talk to MGM and  
12                  make sure they were reaching out to them. So  
13                  I talked to Jill about it, and it turned out  
14                  they already were, which is great. So  
15                  that's -- I'm glad your seizing on that.

16                  MS. GRIFFIN: Right. The state has  
17                  actually announced in-state tuition rates for  
18                  students who have relocated, because there are  
19                  quite a few.

20                  CHAIRMAN CROSBY: Great.

21                  MS. GRIFFIN: So that's great.

22                  CHAIRMAN CROSBY: I had a question.  
23                  It says, the Department of Agricultural put  
24                  out a call for e-mail marketing and

1           communications regarding needs for proteins.  
2           Is that cows or pigs or...

3                       MS. GRIFFIN: All of the above, but  
4           locally produced. I mean, they're really  
5           looking for folks in western Mass, companies  
6           and farms and -- you know, so -- Department of  
7           Agriculture said, we can help. So that was  
8           really exciting.

9                       COMMISSIONER ZUNIGA: Can I go back  
10          to the Puerto Rico, which I find remarkable.  
11          71 percent of people are relocating into  
12          Hampden County, you said?

13                      MS. GRIFFIN: That's right. It  
14          stands to reason, if you think about it,  
15          80 percent of Holyoke public school students  
16          are of Puerto Rican descent. So people are  
17          moving in with family members.

18                      COMMISSIONER ZUNIGA: Are you aware  
19          of any efforts to find housing in a  
20          coordinated way, specifically in Springfield?  
21          I mean, it could be a great way to further the  
22          economic development.

23                      MS. GRIFFIN: So I haven't focused  
24          on the housing piece, but from what I

1 understand, all of the Baker administration's  
2 many departments and leadership is focusing on  
3 this effort in a strategic way. And I think  
4 folks, from what I understand, went to Holyoke  
5 first, and then they're spreading out to  
6 Springfield, you know, because housing is a  
7 little bit more available, as I understand.  
8 So I think it's happening.

9 COMMISSIONER ZUNIGA: Great.

10 MS. GRIFFIN: Yeah. We had  
11 Springfield Public Schools in the room, and  
12 they mentioned lots of new children enrolling  
13 in schools. Same with Holyoke so...yeah.

14 So as you may have heard,  
15 Cambridge College announced their  
16 preapprentice hospitality program. And that's  
17 very exciting. These are noncredit  
18 preapprentice programs that they worked with  
19 the Department of Labor, the Mass Executive  
20 Office of Labor and Workforce Development on.  
21 And they worked to prepare students for  
22 careers as restaurant servers, fountain  
23 workers, casino porters, busers, guest  
24 services representatives and the like. So

1 we'll be meeting with Cambridge College soon  
2 to hear more about that program.

3 And as you know, MGM looks to hire,  
4 approximately, 3,000 employees, and has set  
5 some ambitious diversity goals, as well as the  
6 a goal to hire 35 percent of the residents of  
7 Springfield in their operational workforce.

8 We also were updated with all of  
9 their efforts and -- regarding outreach. And  
10 we heard more about the coordination that's  
11 taking place amongst all the workforce  
12 partners. For example, the FutureWorks Career  
13 Centers talked about how 75 percent of the  
14 people coming in their door are Springfield  
15 residents. They have direct access to  
16 veterans that they can outreach, send e-mails  
17 and -- so we talked a little bit about how  
18 that was going to take place, or has been  
19 taking place.

20 We talked about SkillSmart and how  
21 all of these entities are helping to sign  
22 people up for SkillSmart. So they're not only  
23 notified about the MGM jobs when they happen,  
24 but other employers are actually utilizing

1 this as well. And the career centers and --  
2 are receiving positive feedback about  
3 SkillSmart. They put on workshops and how to  
4 sign up. The Springfield Public Schools are  
5 currently training all their adult basic  
6 education teachers to be able to aid  
7 interested students in using it.

8 COMMISSIONER MACDONALD: Excuse me,  
9 Jill. Could you remind me what SkillSmart --  
10 the essential elements of SkillSmart are?

11 MS. GRIFFIN: Do you want to help me  
12 out here, Commissioner Stebbins.

13 COMMISSIONER STEBBINS: Sure. MGM  
14 brought in a vendor, partner, that is  
15 created -- I think it's a unique kind of job  
16 fulfillment software program. And, basically,  
17 it allows an individual come in, enter all of  
18 their background, resumé and work history.  
19 And it has a great ability to help direct that  
20 person to help them understand what jobs they  
21 would be qualified for. So it kind of takes a  
22 look at the skill set and says you might have  
23 been doing this, but with some training  
24 programs you might be eligible to do this, you

1           might be a suitable candidate for X, Y, Z.

2                         So it's -- I think it's a pretty  
3           innovative tool to align a candidate's work  
4           history with the job opportunities that are  
5           available. And I think to Jill's point,  
6           which, what's been interesting is watching  
7           other employers in the regional workforce  
8           board look at trying to adopt this regionally.

9                         So you could have residents  
10          populating the database and then other  
11          employers being able to go in, put their job  
12          postings in, do this, kind of, career  
13          alignment through whatever proprietary  
14          algorithm they've come up with. But it's --  
15          but it's pretty innovative. And it gives real  
16          quick feedback to an individual as to what am  
17          I qualified to do, what are the opportunities,  
18          and what are the training programs that are  
19          available when they start. So it's a -- it's  
20          a pretty extensive tool.

21                         COMMISSIONER MACDONALD: And can  
22          they access it remotely?

23                         COMMISSIONER STEBBINS: Yep.

24                         MS. GRIFFIN: They can actually

1           access it on their phone. I mean, it's pretty  
2           remarkable.

3                   CHAIRMAN CROSBY: Are you guys using  
4           that too?

5                   MR. DESALVIO: We are going to be.

6                   CHAIRMAN CROSBY: Good.

7                   MS. GRIFFIN: So we learned that  
8           housings developments and community colleges  
9           are all helping residents and students to sign  
10          up on this program. And we've learned about  
11          the mass hiring events that are coming soon,  
12          and all of that activity. But -- and much of  
13          the information I think I've already provided  
14          in your packet.

15                   But I actually wanted to ask Mike  
16          Mathis to come up. He is going to be giving a  
17          formal announcement of their executive team on  
18          Monday, and really wanted to give the  
19          Commission a sneak preview of that.

20                   MR. MATHIS: Good morning,  
21          Commissioners.

22                   CHAIRMAN CROSBY: Good morning.

23                   COMMISSIONER MACDONALD: Good  
24          morning, Mike.



1 COMMISSIONER CAMERON: Good morning.

2 COMMISSIONER ZUNIGA: Good morning.

3 COMMISSIONER STEBBINS: Good  
4 morning, Mike.

5 MR. MATHIS: I'm going to ask  
6 Jill Griffin to give our workforce development  
7 updates going forward. That was really  
8 comprehensive. I learned a few things of what  
9 we were doing out in western Mass.

10 MS. GRIFFIN: You have a good team.

11 MR. MATHIS: Yeah, fantastic.

12 MS. GRIFFIN: You have a really good  
13 team.

14 MR. MATHIS: But no, thank you.  
15 It's great to be in front of you. Before I  
16 forget, maybe just a segue of  
17 Commissioner Macdonald's question about  
18 SkillSmart. Before the holidays, our team was  
19 at an event. We're doing some targeted  
20 workforce development recruitment, we went out  
21 into Mason Square, which is one of the  
22 neighborhoods, Commissioner Stebbins will know  
23 it, to talk about opportunities. Dealer  
24 school is coming up. And one of the things we

1           talked about was SkillSmart and the importance  
2           of signing up on SkillSmart, because, for us,  
3           SkillSmart is more than just signing up for  
4           one job. It's signing up for every  
5           opportunity that comes through the pipeline,  
6           because the software, in turn, speaks to you  
7           and gives you notifications, unless you know  
8           about jobs that you expressed an interest in  
9           that have a tangential connection to another  
10          job you didn't know about but that you may be  
11          interested in.

12                        So I had a few confused faces in the  
13          audience, when I was trying to explain the  
14          software because it is innovative, gentleman  
15          raised his hand, came up to the podium and  
16          said, if I can, I just want to tell some of  
17          the folks in the room what just happened to  
18          me, literally during your speech, he got a  
19          notification on his phone about a security  
20          posting that we had just posted and was  
21          already in the process of signing up for an  
22          interview. And he originally came in for a  
23          facilities job. So it's sort of --

24                        CHAIRMAN CROSBY: So do you mean, if

1           you sign up -- if you fill out the skill form  
2           application, it will then ping you --

3                       MR. MATHIS: That's right.

4                       CHAIRMAN CROSBY: -- if a job comes  
5           up that fits your skills?

6                       MR. MATHIS: Exactly right.

7                       CHAIRMAN CROSBY: Wow. That's  
8           pretty cool. Can I get signed up?

9                       MR. MATHIS: Yep. So it was nice to  
10          see it in action. It was very effective.

11                      CHAIRMAN CROSBY: Got any room for  
12          left over gaming commissioners?

13                      COMMISSIONER STEBBINS: We have  
14          restrictions.

15                      MS. GRIFFIN: Yes.

16                      CHAIRMAN CROSBY: Don't let just  
17          anybody in that program.

18                      MR. MATHIS: So it's a -- it's a  
19          great tool. And you heard from  
20          Director Griffin, we're doing -- we'd like to  
21          think we're doing a lot of innovative things  
22          out there because we treat the goals very  
23          seriously.

24                      Want to thank the commission on how

1           supportive you all have been in acknowledging  
2           our efforts and setting the goals. As you  
3           know, my colleague, Brian Packer, has set an  
4           incredibly high standard on the construction  
5           side. So as we go into operations, we're  
6           really working hard to adopt a lot of his  
7           best -- you know, best efforts and methods to  
8           make sure we achieve the same, in terms of  
9           reporting and being proactive.

10                         We will be announcing our executive  
11           team next week. One of our goals in 2017 was  
12           to finish the year with our full complement of  
13           our executive department heads. We just snuck  
14           it in under the wire. We got a offer  
15           acceptance, I think, the last week of  
16           December. So if it gives you any confidence,  
17           we are serious about our deadlines, even the  
18           interim deadlines.

19                         So what you will see next week --  
20           and I'm sorry we weren't able to do it for  
21           this hearing, we were collecting bios over the  
22           holidays and getting head shots, et cetera,  
23           but proud to say, of our 16 department heads,  
24           which we loosely call the executive team, over

1 50 percent of them will be diverse and/or  
2 female. We don't have a way to test it, but  
3 we believe it's one of the most diverse  
4 executive teams, not only in our company but  
5 in our industry. And in no short order,  
6 because of some of the priorities that this  
7 Commission has set and the legislation, and  
8 what we've done collaboratively with our  
9 community.

10 So that theme of diversity, is  
11 something that we're going to continue to  
12 build on. We're working on our monthly  
13 reporting so that we can track similar to how  
14 we report out for our construction. We'll be  
15 working with Director Griffin on what that  
16 report looks like, almost like a dashboard.

17 But just to give you a sense of the  
18 preliminary numbers, we were at about 210  
19 employees. A lion share of that is the  
20 MassMutual Center, which we took over  
21 management of and brought those people into  
22 the MGM family. So we've got about -- call it  
23 75 on the resort side, my team. And then, the  
24 remainder are folks that we brought on from

1 MassMutual center.

2 That combined group, 38 percent of  
3 those are Springfield residents, roughly.

4 That stat's helped by the MassMutual center  
5 folks. So, you know, we've got some work on  
6 the resort side, but we're small and we're  
7 going to get there.

8 We've got 10 percent veterans in  
9 that group. We are, approximately, 40 percent  
10 diverse, 40 percent female. So we've got a  
11 little bit of work to do to get to our  
12 50 percent goal in our host community  
13 agreement. But we feel like we're well on our  
14 way. And I think, like anything else, if you  
15 don't measure it, it's hard to achieve it. So  
16 right now, we're really focused on our  
17 measurement tools and processes.

18 But it's a really great start. I  
19 think if the executive team is any sense of  
20 how we'll be able to achieve our goals, when  
21 we're able to really focus on development and  
22 be proactive about it, we feel really  
23 confident about getting to -- to some great  
24 numbers that -- and the diversity of folks.

1           There are people from outside the industry,  
2           inside the industry, live in the community,  
3           outside the community, young and not as young,  
4           to describe our workforce.

5                         So it's an exciting time for our  
6           company. We just moved into our executive  
7           offices in 95 State Street to begin the year,  
8           which is a great way to start the year. Can't  
9           wait to show them off to you. It's some of  
10          the best dynamic -- I don't know if you've  
11          seen them, Jill. Really great space. So very  
12          exciting beginning to 2018, and now starts the  
13          spring to opening.

14                        CHAIRMAN CROSBY: Great. Comments?

15                        COMMISSIONER ZUNIGA: Great update.

16                        COMMISSIONER CAMERON: All good  
17          news.

18                        CHAIRMAN CROSBY: You only have to  
19          walk around your building, when we're in  
20          Springfield, to see the diversity of your  
21          leadership team, which is really striking.  
22          And you know, I sort of mentioned this before,  
23          but I get the sense that you don't pay  
24          attention to this just because somebody's

1 looking over your shoulder, but you actually  
2 believe it's in your company's interest  
3 because diversity's richer and it shows. So  
4 appreciate it, it's good. Great stuff. It's  
5 a model for all of us.

6 COMMISSIONER STEBBINS: I would just  
7 add, and I don't think Jill was in our meeting  
8 last time, but we talked about our last AOC  
9 meeting, where not only the MGM team but a  
10 number of local stakeholders were  
11 acknowledging the success you've had in  
12 meeting your diversity numbers on the  
13 construction workforce, but also a little bit  
14 of lamenting the fact of what happens now in  
15 the western Mass region. There's, obviously,  
16 not as many construction opportunities or  
17 projects going on, but how does the success  
18 they've had in diversity kind of carry forward  
19 and keep going.

20 And I know, Mr. Chairman, you talked  
21 about maybe coming up with some type of case  
22 study of how that worked and why it was  
23 successful, and hopefully sharing with -- with  
24 other stakeholders up and down the valley.



1                   Just to go back and touch on one  
2 point, talking about Jill's work with the  
3 vendor advisory team and just recognizing a  
4 point, I think Commissioner Macdonald makes --  
5 Commissioner Macdonald makes as to how do we  
6 extend the impact of the presence of these  
7 gaming casinos.

8                   To your point, Mr. Chairman,  
9 proteins does include seafood. I would  
10 acknowledge, as a western Mass boy, not a lot  
11 of places to get seafood in western Mass, so,  
12 you know, you look to opportunities like  
13 New Bedford and businesses in Fall River and  
14 the southeastern Mass to be able to provide  
15 local protein and seafood all the way out west  
16 to MGM. So great opportunities to extend the  
17 vendor reach.

18                   And Secretary Ash, who we met  
19 with -- Jill and I met with the other day,  
20 talked about more engaging his Mass office of  
21 business development team, he'll look for a  
22 lot more of those local connections, if, for  
23 some reason, we can't find them closer to MGM.

24                   CHAIRMAN CROSBY: The Access and

1 Opportunity Committee is, I think, a really  
2 interesting story. This is not just MGM,  
3 because it applies to Wynn, as well, this body  
4 started out -- we remember when it started,  
5 when the idea was first suggested, and those  
6 meetings were very tense meetings at the  
7 beginning. And they were populated by a lot  
8 of folks who were pretty skeptical that this  
9 was going to be for real. And it's now ended  
10 up the, sort of, a Kumbaya that kind of --  
11 people are, what are we going to do, we're  
12 going to miss our meetings. You know, so it's  
13 on both parts.

14 Jenny has been terrific, and you  
15 guys have been terrific, and MGM has been, in  
16 this process. But I think, with your  
17 interest, continuing interest,  
18 Commissioner Stebbins, on workforce  
19 development and so forth, that seeing whether  
20 we can leverage it, as we talked about, in a  
21 case study somewhere. Not just western Mass,  
22 but back to state government, maybe even  
23 private sector. I think it's a really  
24 powerful story. But the dynamic of going from

1           those very tense meetings at the beginning to  
2           confidence and belief that this is for real  
3           has been quite powerful.

4                    MS. GRIFFIN: I do remember those  
5           meetings.

6                    CHAIRMAN CROSBY: I didn't want to  
7           go to them.

8                    COMMISSIONER ZUNIGA: I attended a  
9           couple.

10                   CHAIRMAN CROSBY: Okay. Great. Is  
11           that it for your side?

12                   MS. GRIFFIN: Yep.

13                   CHAIRMAN CROSBY: Terrific. Thanks  
14           very much.

15                   COMMISSIONER ZUNIGA: Thank you.

16                   COMMISSIONER CAMERON: Thank you.

17                   COMMISSIONER STEBBINS: Thank you --

18                   COMMISSIONER CAMERON: Great news.

19                   COMMISSIONER STEBBINS: -- Mike,  
20           well done.

21                   MR. MATHIS: Thanks.

22                   MS. GRIFFIN: Thanks, Mike.

23                   CHAIRMAN CROSBY: Okay. Item No. 4.

24                   MR. VANDER LINDEN: Good morning.

1 CHAIRMAN CROSBY: Good morning.

2 COMMISSIONER MACDONALD: Good  
3 morning.

4 COMMISSIONER CAMERON: Good morning.

5 COMMISSIONER ZUNIGA: Good morning.

6 COMMISSIONER STEBBINS: Good  
7 morning.

8 MR. VANDER LINDEN: I'm joined here  
9 today with Floyd Barroga. And from MGM, we  
10 have Mike Mathis. From Wynn, we have  
11 Bob DeSalvio and Jacqui Krum. Our agenda item  
12 today is to talk about the advancement of the  
13 the play management system in Massachusetts.

14 On December 7th, I came before the  
15 Commission with a recommendation on play  
16 management system in Massachusetts. I  
17 presented to you a memo. And in that memo, I  
18 provided some background, both on the basis of  
19 how the Gaming Commission came to pursue a  
20 play management system, a description of the  
21 development and implementation process of  
22 bringing a play management system to  
23 Plainridge Park Casino. I also provided some  
24 information about enrollment numbers for the

1 first, roughly, year-and-a-half of PlayMyWay  
2 at Plainridge Park casino.

3 Some very interesting and, I think,  
4 informative findings from the initial  
5 evaluation. And then, at the end of this  
6 memo, I provided a number of options of how I  
7 -- I'd felt the Commission could proceed.  
8 Granted, those were my perceptions of those  
9 options. And recognizing that there's  
10 probably some gray in between there, or  
11 additional options that I had not considered,  
12 as I was writing that memo. Those options, I  
13 want to just quickly review again and remind  
14 you of what my recommendation was.

15 So the options were, one, advance  
16 play management tools by promulgating play  
17 management regulation and/or rules. The  
18 second option was to advance play management  
19 cooperative with licensees through a  
20 nonregulatory pact. Third, maintain the  
21 support of PlayMyWay at Plainridge Park  
22 Casino, but delay the decision about advancing  
23 play management tool to Category 1 casinos at  
24 this time. And then, finally, was to abandon

1 support of PlayMyWay at Plainridge Park Casino  
2 and further discussions about implementation  
3 of play management tools at Category 1  
4 casinos.

5 So based upon what we know to date,  
6 the information that I presented to you during  
7 this December 7th meeting, my recommendation  
8 was that the Commission create draft  
9 regulations that would require licensees to  
10 develop play management tools for their  
11 patrons. The regulations that -- that would  
12 be developed should remain flexible to respond  
13 to the ongoing evaluation that we have of this  
14 tool. I also recommended that the Commission  
15 work closely with our Category 1 licensees to  
16 develop a realistic timeline and plan for the  
17 implementation and Category 1 casinos.

18 The Commission had a great  
19 discussion following this and began to weigh  
20 in on it, but I think made the wise decision  
21 to invite public comment, and invite our  
22 licensees to come in and weigh in on this --  
23 on this issue now. We did invite them to come  
24 in, roughly, a year ago, and then before that,

1 as we were contemplating them. But I think  
2 that enough -- we have enough new information.  
3 We are at this point in time where I think  
4 their additional feedback to the Commission  
5 will certainly be helpful as you -- as you  
6 move forward with a decision about which  
7 option, if any, to pursue.

8 So with that, I would like to turn  
9 it over, first to Mike Mathis, to allow him to  
10 weigh in on this plan. I'm sorry, Mike. Real  
11 quickly, before I turn it over to you, we did  
12 open it for public comment. The American  
13 Gaming Association, MGM, Wynn and the National  
14 Council on Problem Gambling all submitted  
15 comments on -- on these recommendations.  
16 Those documents are in your packet, and are in  
17 the packet for the public to view. So again,  
18 I'm sorry, now, I will turn it over to you,  
19 Mike.

20 MR. MATHIS: Thank you, Mark.  
21 Commissioners, really happy to be here to talk  
22 about yet another first. And I think the  
23 Commonwealth should be proud to continue their  
24 effort to bring, you know, state-of-the-art

1 innovation to this industry. And as you know,  
2 you've got here at the table two very willing  
3 partners in that effort, because we believe  
4 we're first in -- first in class, in terms of  
5 a lot of these measures.

6 I want to thank Mark and the team  
7 for the work they did. I poured over the data  
8 just yesterday and continue to find new  
9 insights. I think data is power. And I think  
10 the work that they've done and that we'll  
11 continue to do together, collectively,  
12 regardless of how this decision goes, will  
13 help inform future operators about the best  
14 way to manage some of these initiatives.

15 We've submitted -- MGM submitted a  
16 letter on this issue and we very -- as the  
17 next property to open, I think it's  
18 appropriate, maybe, for us to lead this  
19 discussion about what we intend to do, again,  
20 regardless of where this discussion goes.

21 Our intent, is to launch a version  
22 of PlayMyWay postopening. Right now, we're  
23 thinking somewhere within the first year would  
24 be our target. And part of our rationale is



1           that, one, despite some of the great results  
2           you see in the report, I think the jury's a  
3           little bit out, and the report reflects this,  
4           on some of the nuances of the data. For  
5           example, you know, is the group that signed up  
6           a distinct group that has shared  
7           commonalities, regardless of the play  
8           management system, or are they more  
9           conservative by nature?

10                         One of the benefits of opening  
11           without the play management launch, is we'll  
12           get data on specific players pre-PlayMyWay and  
13           they're spending habits, and then, for those  
14           that sign up, how they react under a play  
15           management budgeting system.

16                         CHAIRMAN CROSBY: We actually have  
17           that for Plainridge, too. We just haven't  
18           opened it. We just haven't got to it yet. We  
19           do have that, though.

20                         MR. MATHIS: Oh, great.

21                         CHAIRMAN CROSBY: Yeah. Because it  
22           launched after this is -- the casino had  
23           opened.

24                         MR. MATHIS: Okay. Great. So,

1 perhaps, we'll have even more robust data.  
2 You know, the other thing that we, MGM, would  
3 like to test is, for us, we don't believe --  
4 and some of it is more the tactics, but I  
5 speak to them because I think, for us, it  
6 supports the argument for -- to let the  
7 operators, sort of, work with your staff in a  
8 nonregulatory environment because I think  
9 there's going to be some tweaking.

10 For example, one of the things that  
11 we'd like to look at is, we don't believe it's  
12 an all or nothing. Potentially, we would  
13 launch it to certain segments. We have  
14 different tiers. We might open it up to  
15 certain banks of machines. But I think what  
16 was also missing from -- potentially missing  
17 from the data is, are there certain types of  
18 players that play certain types of games that  
19 result in some of this budgeting data, which  
20 is -- which, the different games, and Bob will  
21 tell you, as well, some of the different games  
22 lend themselves to more conservative players,  
23 or different types of win ratios and play  
24 ratios. So we'd like to do some of that

1 selective testing.

2           And then, also, the promotional  
3 environment. How do promotions result in  
4 sign-ups? And I think there's different ways  
5 to test that and how they best react, and what  
6 kind of customers -- some customers may react  
7 to a promotion sign-up and not use the  
8 product. Other promotions may lead to a more  
9 sustainable -- you know, longer use of the  
10 product, and what is that educational  
11 campaign. The customer's going to be  
12 bombarded with a lot of promotions from the  
13 operator. And we think there's a -- there's a  
14 time to be stabilized and then to potentially  
15 launch this product.

16           Ultimately, we'd like it to be  
17 successful. For us, it creates a sustainable  
18 customer -- we care about sustainable  
19 buildings and we care about -- for a good  
20 business, we want sustainable customers.  
21 Enjoy the product, and you continue to come  
22 back and enjoy the product.

23           So those are some of the elements  
24 that lead us to ask for recommendation number

1 two, which is a nonregulatory, voluntary  
2 environment. In our letter, we talk about,  
3 sort of, our record in this area. We launched  
4 GameSense corporatewide. It started here in  
5 Massachusetts. Without any mandate, we  
6 launched it corporatewide. And we think, as a  
7 result, it's got -- it's got more of ability  
8 to transform the industry, because it'll feel  
9 less like a Massachusetts-specific regulatory  
10 regime, and it'll feel, sort of, like best  
11 practices. And we think PlayMyWay could fall  
12 in the same category.

13 So regardless, clearly, our two  
14 organizations are going to have to work  
15 closely together. And I think it's just a  
16 little bit -- it will be a little bit less,  
17 call it, awkward to do it in a regulatory  
18 environment, where you're trying to guess at  
19 the right thing to do. We plan on doing that  
20 collaboratively with your staff, tweaking it,  
21 and then figuring out at the end of the day  
22 what does the data show, and we can make a  
23 more informed decision. Unless you have any  
24 questions, that's our basic position on the

1 matter.

2 COMMISSIONER ZUNIGA: Mike, I thank  
3 you for those -- that summary. I think, some  
4 of what you say speaks to the business case of  
5 something that we already had in mind, at  
6 least I did, and I'm sure others, that we  
7 would allow phase in. We would not try to  
8 target the opening date, because there's just  
9 simply not enough time to develop what we have  
10 in a different platform, because PPC's in a  
11 different platform from the one you're going  
12 to use.

13 So can you speak a little bit more  
14 about why the -- how do you make that  
15 difference, between a regulatory versus a  
16 collaborative? Just so you know, at least  
17 some of the thinking here in the regulatory  
18 option, is that such regulation would be  
19 flexible enough to, first and foremost, allow  
20 for a phased-in timeline, not try to target  
21 anything specific. And, also, allow for some  
22 of the flexibility that Mark already talked  
23 about, because we know we start with some  
24 assumptions. For example, how this periodic

1 messages, when they would be, we're only  
2 beginning to evaluate them, and we might  
3 decide that, you know, there's -- some of them  
4 are -- are not as effective, if we start  
5 giving the messages up front.

6 So is there any other reason,  
7 besides the phase timeline, why do you prefer  
8 this collaborative versus a regulatory, even  
9 with the notion that we're assuming there  
10 would be a broad enough regulation.

11 MR. MATHIS: I think, in some ways,  
12 this feels a little bit like semantics. And I  
13 don't want to -- I think, either way, we're  
14 going to be working together. I think it  
15 needs to be a broad -- a broad exercise,  
16 because we're not sure how the results are  
17 going to go.

18 For us, the broader it is the less  
19 of a concern we're going to have, clearly.  
20 But I think, for the industry, and for the  
21 long-term benefit of this initiative,  
22 generally, I would say, you know, we don't --  
23 we as an operator, it feels awkward to be  
24 compelled to do something you're volunteering

1 to do. Maybe that's what it comes down to.  
2 And I think the GameSense, for us, is an  
3 example of that. That would have been a much  
4 different announcement and a much different  
5 initiative. And it probably would have been  
6 received differently from the industry, if our  
7 GameSense announcement was consistent with the  
8 act, or consistent with the regulation, we are  
9 launching this in all of our properties.

10 That's a different message to the customer and  
11 to the public, than we believe this is best --  
12 this is best for the operator and best for the  
13 customer, and this is the initiative we're  
14 rolling out, and we're doing in concert with  
15 all these partners.

16 So it's slightly semantic, because I  
17 think, to your point, I know this  
18 Commission's -- is -- based on prior  
19 practices, will give us enough breathing room  
20 to get it right. And the regulation may  
21 simply be, go do this and work  
22 collaboratively, and not have the detail we're  
23 talking about. But then, I question why we  
24 even need a regulation.

1                   This is our plan. Hold us to the  
2                   plan. You don't need to hold us to the plan,  
3                   because we plan on doing it anyway, as  
4                   operators. But if that's helpful, that's a  
5                   little bit of -- for me, the psychology, at  
6                   least, of regulation versus nonregulation.

7                   COMMISSIONER ZUNIGA: Well, one of  
8                   the things, just following up on that --

9                   CHAIRMAN CROSBY: Do you want to let  
10                  Bob speak, or do you want to --

11                  COMMISSIONER ZUNIGA: Sure.

12                  CHAIRMAN CROSBY: You can go ahead,  
13                  if you want.

14                  COMMISSIONER ZUNIGA: Sure. No, no,  
15                  no. It's a good idea.

16                  MR. DESALVIO: Good morning,  
17                  Commissioners.

18                  CHAIRMAN CROSBY: Good morning.

19                  COMMISSIONER MACDONALD: Good  
20                  morning.

21                  COMMISSIONER CAMERON: Good morning.

22                  COMMISSIONER ZUNIGA: Good morning.

23                  COMMISSIONER STEBBINS: Good  
24                  morning.



1                   MR. DESALVIO: I'm joined today by  
2                   Jacqui Krum. And, Mark, thank you for the  
3                   work that you and the team have put n on this  
4                   topic. It's an important topic, and I'm glad  
5                   we're having the discussion.

6                   You know, along the lines about  
7                   regulation versus non, our theory on this is  
8                   that -- and Mike said it quite well, we're  
9                   volunteering to continue to work with you on  
10                  this test. I think, it's a wonderful  
11                  statement to make about our industry, when  
12                  promulgating regulations is not required for a  
13                  regulatory body and operators to work together  
14                  for a common good on a test like this.

15                  And, also, our theory is that at  
16                  anytime you can adopt regs, if, for some  
17                  reason, you thought that there wasn't --  
18                  things weren't moving quick enough, or there  
19                  was some sort of inaction on behalf of the  
20                  operators. So I just think it makes,  
21                  actually, a really good statement. That the  
22                  operators have said, we're here, we understand  
23                  it. We also admit that -- and we worked very  
24                  closely with the American Gaming Association

1 for the response that you got. But there's  
2 something to be said about the learning.

3 You mentioned earlier, I am really  
4 interested in the results that -- Chairman,  
5 that you mentioned, that -- looking at  
6 people's actual play pre and post using a  
7 budgeting tool. I know that Mike will gain  
8 that information as well, because of the  
9 lead-lag difference between his opening and  
10 the implementation of PlayMyWay. I'm assuming  
11 the same thing will happen in our case.

12 And I know you've heard me say this  
13 at other meetings that we had, is that the  
14 last thing any of us would ever want to do is  
15 implement a tool that -- what would happen, if  
16 the possibility that it actually worked the  
17 opposite way. I would be horrified, if  
18 someday we found out that, by using the tool,  
19 somehow or another it increased their level of  
20 play. And we don't know enough about that.  
21 That's been my one fear right along.

22 And so, now that we have this unique  
23 example to actually conduct these kinds of  
24 detailed tests, why not take advantage of it.

1 You have to willing operators that are sitting  
2 her at the table today. Quite honestly, we  
3 don't think we need a regulation. We're  
4 already saying we're going to participate in  
5 the test. And at anytime you want, you know  
6 you can always put a reg in, if needed. I  
7 just think it makes a better statement for the  
8 industry, to just say that we're working with  
9 you cooperatively on this test.

10 COMMISSIONER ZUNIGA: Well, there  
11 was another idea, actually, that Counsel Blue  
12 brought on in a prior -- in an update meeting  
13 relative to -- part of trying to put something  
14 in writing is to get some kind of  
15 clarification as to other parties, who are  
16 also part of it, part of this process, the  
17 CHAR people evaluating -- we had some lessons  
18 learned on the people who are evaluating this  
19 tool. Along the process of developing with  
20 PPC, ended up issuing a number of requirements  
21 that I, for one, had not anticipated.

22 So there's at least a notion of --  
23 and desire to kind of, like, set something in  
24 writing. And I was wondering, if we could --

1 if one of the options not articulated in the  
2 memo from Mark would be to enter into some  
3 kind of MOU, in which we review it, we phase  
4 in timelines, we agree on attributes on how  
5 we're cooperating, we can amend at anytime, if  
6 that was necessary, or leave broad enough to  
7 what we can anticipate and then, sort of, go  
8 from there. One in which not be -- would not  
9 be a regulation, but we would be in a better  
10 position to have a shared understanding.

11 Here's the thing we are seeing, we  
12 had a great experience with PPC because they  
13 were effectively one. Now, we're going to  
14 have two operators using the same platform but  
15 developing it at, perhaps, with different  
16 ideas. So what would you say about that --  
17 that option? I know what he's going to say,  
18 but yeah.

19 MR. BARROGA: So while, in this  
20 forum, it's a great forum for the casino  
21 operators and the Commission to work together  
22 with those system providers to identify any  
23 changes, any research so that we're not  
24 dubbing testing on your casino floors. But we

1 also have to think about it as a regulator.  
2 How does this affect your manufacturers, your  
3 other system providers, where, if we enter  
4 into a MOU, it provides an advantage to IGT  
5 and Scientific Games because they're in -- in  
6 on those meetings working with the Wynn,  
7 working with Penn National, working with MGM  
8 to identify those requirements. If we had  
9 regulations, potential licensees, slot  
10 vendors, our current licensees that don't  
11 provide systems to your operators, do not have  
12 the purview of sitting in on those meetings  
13 identifying those regulations.

14 So it's -- while yes, it provides  
15 great communication and flexibility, we also  
16 go through the process with any regulator, any  
17 technical regulation update, and provide  
18 public comment team. We go out and work with  
19 those technical compliance teams to ensure, do  
20 they have the ability to not only release  
21 product in Massachusetts, but also release  
22 product in other jurisdictions. MGM has 14 or  
23 15 casino properties that we need to allow  
24 them to release product in Massachusetts,

1 where it's the same product in MGM Las Vegas.

2 So we have to think about it  
3 all-encompassing. And I think, with a MOU or  
4 working without regulation, it really  
5 restricts those other licensees from offering  
6 product in Massachusetts.

7 MR. DESALVIO: I would like to  
8 comment, though, on the -- I think that, in  
9 our particular case we happen to both be using  
10 IGT. I've had meetings with IGT on this very  
11 topic. I know Mike has as well, I think. I'm  
12 pretty sure MGM has. I can tell you that we  
13 are two of their biggest customers. They have  
14 a product. The product does not do everything  
15 that is currently in the program here in the  
16 Commonwealth. They suggested to us, it can  
17 be, obviously, easily modified and put new  
18 features on it. They are heavily motivated to  
19 work with us as operators, considering that  
20 we're both buying significant amount of  
21 equipment. And quite honestly, this is a  
22 topic that will probably come up for them in  
23 other jurisdictions.

24 So going back to the earlier

1 comment, I think you have a number of people  
2 that are at the table, that are willing, able  
3 partners in this exercise. And I just don't  
4 see why -- of course, we would invite --  
5 obviously, IGT has to be part of this because  
6 the software would be resident on both of our  
7 floors. In our particular world, we don't  
8 like complication.

9 So, quite honestly, I would want to  
10 sit, and I'm sure Mike would, with our teams  
11 together to work with IGT to, quite honestly,  
12 do this once. There's no reason, at all, to  
13 have, really, an MGM version and a Wynn  
14 version, that I know of. I can't think of a  
15 reason why we couldn't sit in a room, find out  
16 from Mark what the real issues are, as far as  
17 requirements, work together with IGT.

18 Mike could install it, you know,  
19 again within 12 months after his opening. We  
20 would certainly be willing to make that same  
21 commitment within 12 months of our opening.  
22 And quite honestly, if it's already developed  
23 by the time we open, maybe, it would be much  
24 quicker than that.

1                   So there's just so many players, and  
2                   we've already had a nod from them that they're  
3                   at the table. So I just don't see why we  
4                   couldn't move forward on that basis.

5                   CHAIRMAN CROSBY: I understand that,  
6                   and I appreciate that process. Floyd, what  
7                   is -- give me the hypothetical. If that  
8                   scenario that Bob just described was going on,  
9                   what is the problem? Give me a specific  
10                  example of what might go wrong without a reg  
11                  backup.

12                  MR. BARROGA: So as far as testing,  
13                  if we implement regulations, it allows those  
14                  manufacturers --

15                  CHAIRMAN CROSBY: Which  
16                  manufacturers?

17                  COMMISSIONER ZUNIGA: IGT.

18                  CHAIRMAN CROSBY: IGT?

19                  MR. BARROGA: IGT and any other  
20                  manufacturer that would like to provide a  
21                  system in the state of Massachusetts.

22                  CHAIRMAN CROSBY: A system, meaning  
23                  a CMS?

24                  MR. BARROGA: A CMS system. So --



1                   CHAIRMAN CROSBY: Well, there's only  
2 IGT.

3                   COMMISSIONER ZUNIGA: There's only  
4 IGT now, yeah.

5                   MR. BARROGA: Yes. But if another  
6 operator would like to potentially sell a  
7 product in Massachusetts, or if there is a --  
8 if the MGC licenses a fourth casino in the  
9 future, we need to allow the opportunity for  
10 those manufacturers to implement product for  
11 Massachusetts.

12                  CHAIRMAN CROSBY: But if we do this  
13 process, say, for the sake of discussion we do  
14 this absent regs, out of it will come a  
15 written rulebook or something, a spec sheet or  
16 some agreement that everybody will agree to.

17                  So there will be this -- probably,  
18 pretty much the same level of detail that  
19 would be in the most detailed possible reg  
20 that will say this is the specification which  
21 is being voluntarily applied in Massachusetts.  
22 So you wouldn't be able to give a new company  
23 a reg, but you could give 'em a spec sheet,  
24 which would do exactly the same thing, right

1 -- or I mean, not right, would it do exactly  
2 the same thing?

3 MR. BARROGA: It would do exactly  
4 the same thing. But if we enter in a MOU,  
5 those companies are not -- don't have the  
6 purview of those minute details, as far as  
7 what Massachusetts requires for your  
8 Responsible Gaming system.

9 COMMISSIONER ZUNIGA: So you're  
10 worried about the barrier to new entrants, in  
11 other words?

12 MR. BARROGA: Yes.

13 COMMISSIONER ZUNIGA: We could write  
14 that in the MOU. This is not exclusive to any  
15 of the parties here. The MOU could be only,  
16 you know, between the operators and the  
17 Commission.

18 MS. KRUM: Well, even without an  
19 MOU there could be --

20 CHAIRMAN CROSBY: Is your mic on?

21 MS. KRUM: Yes, it's on. There  
22 could be -- you know, everything could be  
23 publicly available and available for comment.  
24 I mean, we did this in terms of the

1 Responsible Gaming framework, for instance.  
2 It was open for public comment, even though it  
3 wasn't a regulation, per se, so there could be  
4 an opportunity for different vendors to get  
5 involved.

6 MR. BARROGA: But even if we go the  
7 regulation route, it allows -- it allows the  
8 vendors to really -- what we do is, we write  
9 our regulations with the understanding that  
10 that product has a potential of being released  
11 in other jurisdictions around the world.

12 We allow the openness, where we have  
13 notifications in our system, if Massachusetts  
14 identifies a 25-percent increment  
15 notification, we would not inherently allow  
16 that in -- write that into regulations, but we  
17 would have a workbook to provide the vendors  
18 the details, as far as what Massachusetts  
19 would like in that system, and also allow them  
20 to develop a product that's flexible for other  
21 jurisdictions around the world. And that's  
22 the same premise that we follow for all of our  
23 technical regulations.

24 And as of today, there is no

1 restriction, there is no manufactured product  
2 that is restricted to Massachusetts only.

3 MR. DESALVIO: But by -- you know,  
4 from the years that we have worked together  
5 with all these manufacturers on different  
6 products, I can see a scenario where IGT would  
7 work with MGM and us for this particular  
8 product.

9 If, in fact, another jurisdiction  
10 either puts in a reg or asks other operators  
11 to do this, what IGT typically would do is,  
12 they would present, like they presented to us,  
13 their current product. We all looked at it  
14 and I think we all -- there were some  
15 deficiencies in it. They're either going to  
16 try to sell that product in a new  
17 jurisdiction, or because of either a reg or an  
18 ask by another group of regulators or  
19 operators, they would then, in fact, modify  
20 the software, if needed, for Missouri or some  
21 other state that happened to be interested in  
22 it.

23 They do this all the time. This is  
24 fairly typical for the manufacturers. I know,

1           because we've done various upgrades throughout  
2           the years, whether it was with Sci Games, or  
3           whether it was IGT, even with our current  
4           installation that we just -- we just upgraded  
5           to the IGT advantage system out in Las Vegas  
6           so we could jump on a multiproperty platform.

7                         So they do this on a fairly regular  
8           basis. And they look at new jurisdictions,  
9           and either they sell the current product or  
10          they modify it. I don't think it's outside  
11          the norm of what they normally do.

12                        COMMISSIONER CAMERON: I have a  
13          question, I guess it is. I'm very much in  
14          favor of the collaboration. I think it works  
15          so well in this and, you know, just about  
16          anywhere in business, or as regulators,  
17          enforcers. Works really well. And I'm  
18          thrilled that you're all this willing to  
19          collaborate on this project.

20                        You know, the one concern I did have  
21          is, and Mark you pointed it out, is -- and  
22          Mike, you mentioned this in your opening  
23          remarks, you were talking about a diverse work  
24          pool, but you mentioned the ability to

1       measure. And if you're not measuring, you  
2       really -- you know, there's -- you could slip  
3       or you don't know what you have. And so, that  
4       really resonated with me. And I've seen many,  
5       many programs that there wasn't an ability to  
6       measure so we just didn't know how successful  
7       it was.

8                        But to ensure consistent  
9       implementation and reporting across all MGC  
10      licensees, I mean, that really speaks to our  
11      ability to measure. Right? And that was one  
12      of the advantages of -- and I think, when we  
13      speak of a regulation we're talking about  
14      something very broad with, maybe, some  
15      procedures that could be changed easily,  
16      frequently according to how this roll out  
17      goes.

18                      So that was my concern, was the  
19      ability to -- apples to apples. Is this  
20      really working? And if it's different in  
21      different -- you know, the consistent player  
22      experience is another piece of that, that I  
23      think does get addressed in a broad  
24      regulation.

1                   So those were my -- the ability to  
2                   measure accurately, because I agree with you,  
3                   Bob, if this is not something working well,  
4                   why would any of us want to use it? So the  
5                   ability to measure accurately was one of my  
6                   concerns and one of the reasons I thought a  
7                   broad regulation made sense.

8                   MR. DESALVIO: But when you look at  
9                   the Plainville program, you set it up with  
10                  certain increments, where there's a  
11                  notification at a certain point and then, if  
12                  they cross a threshold, there's another. You  
13                  know, those basic parameters could easily be  
14                  consistent.

15                  So in other words, going back to, if  
16                  you wanted to look at us as operators, I don't  
17                  see why, if we sat with IGT and said this is  
18                  kind of the program we want -- I know that was  
19                  one of Mark's concerns, it didn't do, kind of,  
20                  what they were doing down in Plainville.  
21                  Well, IGT said, fine, just tell us what  
22                  they're doing down there and we can come up  
23                  and modify ours. It may not look exactly the  
24                  same. You know, there's certain intellectual

1 property issues that these guys get very  
2 concerned about, so I'm sure they're going to  
3 put their own little spin. But quite  
4 honestly, there's no reason they couldn't set  
5 up what I would call a very similar program,  
6 something that would be easily measurable  
7 amongst any of these operators. That's my  
8 quote on that, Commissioner.

9 COMMISSIONER ZUNIGA: You know, in  
10 the -- I want to make a distinction -- or  
11 maybe the flip side of this looking the same  
12 for measuring purposes. We have another  
13 objective here, and we've already talked  
14 about, which is this flexibility.

15 We came up with the notion that  
16 there'd be, you know, incremental  
17 notifications prior. Actually, we came up  
18 with these numbers, as part of the Responsible  
19 Gaming framework. I remember the discussion  
20 was 50, 80, 90, something like that, the  
21 division of addiction came in and said, no, I  
22 think we should -- you should do it  
23 differently.

24 Now there's, at least the question



1 in my mind, what might be -- now that we have  
2 identified, you know, these atypical players,  
3 the heavy players that have different ways in  
4 which they're using the tool, I'm really  
5 looking forward to the next evaluation  
6 iteration, and we're only beginning to have  
7 those discussions as to whether some of these  
8 things could be configurable, which is  
9 something we could do with IGT. In other  
10 words, ask the player whether you want to be  
11 notified before or until, or whether you want  
12 periodic notifications, or whether you want  
13 some kind of time notification.

14 All of those things, you know, are  
15 really great to think about, but would require  
16 a lot of flexibility into kind of what we  
17 implement, which was the way I was first  
18 thinking about this, when I read -- you know,  
19 when I read all of the letters.

20 So I'm persuaded to the need to go  
21 non -- in a collaborative way, nonregulatory,  
22 because there's a big flexibility piece of  
23 this. But the second one that Bob mentioned I  
24 think is also compelling, which is the

1 statement that we make, because I believe and  
2 I have no real scientific proof for this,  
3 other than anecdotal evidence from the  
4 GameSense advisers, that marketing the tool as  
5 a benefit, as a benefit from the operator, as  
6 another one of the -- of the distinction that  
7 the operator can bring to differentiate  
8 themselves is a good attribute.

9 And that -- to the statement that  
10 Bob mentions, in my opinion, go a long way to  
11 towards that principle of this is being  
12 offered as a benefit. It's not the state  
13 telling you that you should do this, but,  
14 rather, something that might be of help if you  
15 want this, because it's voluntary, because  
16 it's in the suite of products that you have  
17 within your benefits.

18 However, I think we still need to  
19 write something down and -- which is why I was  
20 asking the notion of an MOU, a spec sheet, or  
21 whatever that may be.

22 CHAIRMAN CROSBY: Well, there's --  
23 there will be, no doubt, a series of written  
24 documents. You know, whether they're required

1 or in the law or not. Necessarily, this will  
2 be an organized, formal, iterative development  
3 process of software development, which we know  
4 has to be highly documented and so forth, so  
5 that will exist.

6 I think we've -- we all agree, and I  
7 didn't know this is where we were to begin  
8 with, nobody's talking about having a reg now  
9 that has great specificity about anything.

10 The only reg that I was thinking about, and I  
11 wasn't sure whether you were objecting to this  
12 or preferring not to do this or not, was a  
13 very broad-based reg. Something that  
14 basically says this will be done. We delegate  
15 to the director of Responsible Gaming &  
16 Research, and to the executive director, the  
17 oversight of research programming and  
18 schedule, period, or words to that effect.  
19 Report back to us from time to time, period.

20 Thinking that that would achieve  
21 maximum flexibility, would delegate to  
22 somebody, who the authority is here to oversee  
23 this, and would make sure that research,  
24 program development and schedule were under

1           their control.

2                         I hear you say you don't even want  
3           that, you prefer not even to have that. To a  
4           certain extent it's academic, Mike, because  
5           your sentence -- your letter to us says,  
6           "First and foremost, the Commission has been  
7           clear that the Category 1 licenses will be  
8           required to implement a play management  
9           system. And the Category 1, the gaming  
10          establishments should assure that their  
11          information technology will adapt to." So  
12          this is, sort of, academic. You've already  
13          acknowledged that we required this.

14                        However, if you were okay with it,  
15          Mark, I sort of like the idea of progressing  
16          down a road where we try out working with  
17          licensees to not use the ultimate hammer that  
18          this industry has so been, you know,  
19          accustomed to, and try to work it out on a  
20          handshake.

21                        There is a model to this. When we  
22          first were talking about play management, Mark  
23          was walking us through the discussion. As you  
24          recall, the reaction to the industry was

1 anathema to the idea. We could have just  
2 passed a reg right then and said, sorry,  
3 folks, you're going to do a play management  
4 system. We didn't.

5           Instead, what we did was write your  
6 three CEOs and said, we would like you to  
7 consider why this might be a good idea. And  
8 it might be in all of our interest. Let's see  
9 if we can get at the problem of problem  
10 gambling by rolling up our sleeves and working  
11 together to try to address it.

12           And I guess, you guys all --  
13 somebody talked and I got a call from  
14 Tim Wilmont saying you're going to get a  
15 letter. We've agreed to work with you on  
16 this, and Plainridge is willing to be the test  
17 site.

18           So we did it that way the first  
19 time. And it's worked, I think, to a --  
20 fairly well. In fact, Mark and I are working  
21 on a chapter for a book about the status of  
22 responsible gambling in the world, and ours is  
23 from a regulator's standpoint. And we use  
24 that as an example of how the industry can

1 collaborate, and how MGM seems even to have  
2 taken the idea, presumptively, for its  
3 entire -- for it's entire corporation.

4 So if you -- it puts a little more  
5 burden on you, Mark, to do careful tracking.  
6 Not much. It doesn't change it much. But I,  
7 for one, would be willing to give it a shot.  
8 And I like the idea of, you know, if it's no  
9 bullshit. You know, we're always looking  
10 around corners and who's smoking us? Who's  
11 trying to smoke us here? And we're nice guys  
12 and, you know, we'll watch. And we have  
13 somebody down here who's -- won't get smoked.  
14 I might get smoked, but she won't get smoked.

15 But I would think it's worth a shot  
16 to see whether we could do it this way. And  
17 as you said, you can come to us at any moment  
18 and say I'm sorry this isn't working. I need  
19 the backup. I need some more specification.  
20 I need a hammer. We can do that anytime we  
21 want to on two day's notice.

22 COMMISSIONER ZUNIGA: That's right.

23 MR. VANDER LINDEN: Can I just  
24 respond?

1                   CHAIRMAN CROSBY: Excuse me. Can I  
2 just -- one other thing. I'm mindful --  
3 Floyd, I have tremendous respect for you. I'm  
4 mindful of your concerns. I don't understand  
5 them exactly. I can't figure out the  
6 hypothetical.

7                   If we were to go down this road, we  
8 would be working with two of the heavyweights  
9 in the industry, who can probably tell, pretty  
10 much, any -- any provider or vendor to do  
11 whatever they want. But we should watch -- if  
12 we were to go down this road, we would watch  
13 very carefully.

14                   And I'm highly respectful of your  
15 good faith on this. I know you're saying what  
16 you believe. And so, we would keep watching.  
17 And as soon as you see this issue, raise it,  
18 if it comes up. And either we'll backtrack  
19 and do it differently, or we'll talk to them  
20 and see if we can solve it. Go ahead. Excuse  
21 me for interrupting.

22                   MR. VANDER LINDEN: Great. Thank  
23 you. I will do whatever the Commission votes  
24 on, so it's -- I appreciate that. I have

1 great respect for the three individuals --  
2 well, four, including Floyd here. But from  
3 the industry perspective and what -- what is  
4 being put on the table for a discussion and  
5 their willingness to do this, is really -- I  
6 feel great about it. I think, Chairman, you  
7 and I have talked a lot about this, but it's  
8 an amazing step forward for Responsible Gaming  
9 in the United States, that we have two of the  
10 largest operators that are willing to step  
11 forward into it, and a third operator that's  
12 already done it. That's awesome.

13 And regardless of what direction the  
14 Commission decides, it certainly is a  
15 collaborative approach. And I would lean  
16 heavily on their expertise from the industry  
17 side, as well as many other -- many others to  
18 develop what I think will continue to be a  
19 model responsible gaming program in  
20 Massachusetts.

21 I am compelled by, as well, by  
22 Floyd's discussion of what a regulation offers  
23 versus a nonregulatory approach. And so, that  
24 is part of the reason why I continue to



1 stand -- stand behind a regulatory  
2 recommendation.

3 The other piece is, this Commission,  
4 from day one, has had a incredible commitment  
5 to assuring that Responsible Gaming is central  
6 to how we operate. I appreciate that to -- I  
7 can't even describe to you how much I  
8 appreciate that.

9 I see PlayMyWay as kind of one of  
10 the cornerstones of the Responsible Gaming  
11 program. More broadly, I see using technology  
12 on the gaming floor as a -- as an incredibly  
13 important tool for us to leverage. And we're  
14 monitoring this on many fronts. We're not  
15 just looking at what's happening at Plainridge  
16 Park Casino. We're looking at what's  
17 happening in other jurisdictions around the  
18 world. And I have to say, I don't see this  
19 going backwards in any sort of way. I don't  
20 see us moving towards option number four,  
21 which is backing away from PlayMyWay, backing  
22 away from the use of technology to advance  
23 effective responsible gaming tools in the  
24 United States. And that's really important.

1                   And I think, for that reason, as a  
2 regulatory agency working with our licensees,  
3 why not use the benefit of a regulation. If  
4 it makes -- it makes certain aspects of this  
5 easier, whether it's developing the reports  
6 that we need to efficiently and effectively  
7 evaluate this program, or the testing by which  
8 this program goes through to make sure that it  
9 meets the rigor that we expect as regulators,  
10 and our patrons would expect the consistency  
11 in the games, then let's do a regulatory  
12 approach. But absolutely collaboratively with  
13 our licensees.

14                   So with that said, I will go with  
15 whatever -- whatever the will of the  
16 Commission is. And I am -- remain thrilled  
17 that both of these options are on the table  
18 for discussion.

19                   COMMISSIONER MACDONALD: Mark, you  
20 ask, you know, why not proceed on a regulatory  
21 -- a regulatory basis.

22                   CHAIRMAN CROSBY: Could I just make  
23 sure, when you say you want to pursue it on a  
24 regulatory basis, are you meaning the broad

1 regulation that I described, something like  
2 that?

3 MR. VANDER LINDEN: Yes. Correct.

4 COMMISSIONER MACDONALD: I think you  
5 may have just provided an answer to the  
6 question I was going to ask. But in any  
7 event, you say why not, what Mike says the  
8 AGAs say and Bob has articulated is this  
9 concern for rigidity. The concern that, if we  
10 promulgate a regulation here, that there is  
11 going to be a chilling effect on the capacity  
12 of the licensees and their vendors to  
13 innovate, and to develop the most effective --  
14 the most effective type of play management  
15 tool.

16 How do you respond to that concern,  
17 because it's a concern that, as you know from  
18 our private conversations that I've had as  
19 well?

20 MR. VANDER LINDEN: Right. You  
21 know, I think the regulation would need to be  
22 flexible enough that key features -- so there  
23 are certain things that I believe that we know  
24 that would not change. What is the

1 information we need in order to evaluate the  
2 program? What are some of the other features  
3 that we know need to go into the back end of a  
4 play management tool in Massachusetts, as  
5 Floyd has described.

6 There are other pieces. What's the  
7 frequency of the notifications? What does the  
8 notification say? What are the options for  
9 enrollment? I think that those need to be  
10 more generally defined and allow for the  
11 flexibility.

12 There was an article put out in  
13 Gambling Compliance a couple days ago by --  
14 and it was an interview of Jeff Freeman,  
15 president of the American Gaming Association,  
16 and he wanted -- I think -- I may be getting  
17 this wrong, but it was moving away from the  
18 check-the-box, sort of, response to  
19 Responsible Gaming.

20 And I hear -- I hear our licensees  
21 from Wynn and MGM say they want to move beyond  
22 that check-the-box and really think creatively  
23 and effectively about what types of  
24 Responsible Gaming tools are there. But I

1 want to say that I'm hopeful that the  
2 Massachusetts Gaming Commission, and that our  
3 history, albeit short history with our  
4 licensees, is one in which we are thinking  
5 about these types of tools and initiatives and  
6 far beyond a check-the-box, sort of, approach.

7 There's a time and a space and a  
8 need for check-the-box approaches. This is  
9 not one of them. And regardless of regulatory  
10 or nonregulatory, it's cooperative and should  
11 retain the flexibility to improve it and not  
12 stifle innovation.

13 MR. MATHIS: Can I make a comment?  
14 I'm not going to get in the way of  
15 Commissioner Macdonald. You go first.

16 COMMISSIONER MACDONALD: I'll go  
17 first because I'm -- be quoting you. In  
18 Mike's earlier comments, he said he felt this  
19 might be just a question of semantics. And in  
20 our conversation -- and for the record, I met  
21 with Commissioner Stebbins and Floyd and Mark  
22 yesterday, and we talked through a number of  
23 these -- a number of these issues.

24 And that, on the question of

1 semantics, if I recall right, Mark, what you  
2 said yesterday, is that your concept of the--  
3 of the content of a regulation would be that  
4 you would be formalizing the essence of an  
5 effective play management system. You would  
6 not be prescribing the specifics of it. And  
7 that -- I took from that that this would be  
8 broadly articulated requirements. Going to  
9 use your word, the essence of the  
10 functionality of an effective play  
11 management -- play management system.

12 What would a regulation here kind of  
13 look like, in the broadest form, that would  
14 address the concerns that -- that Wynn and MGM  
15 have articulated?

16 MR. VANDER LINDEN: Right. So I  
17 think that we would -- the regulation would  
18 remain general. But there would be -- I'm --  
19 may be working outside of my area and our  
20 general counsel may want to weigh in. But I  
21 think that there is a way through MOU or  
22 through rules, or through specs, that we would  
23 be specific up front in a current version.  
24 But those versions would end up changing over

1 time as we continue to improve the program  
2 through evaluation and experience.

3 The regulation should be specific in  
4 some ways regarding reporting, regarding other  
5 technical elements, but flexible enough that  
6 the features of it can be defined through  
7 another format. But that other format will  
8 provide very specific direction so that the  
9 developers can move forward with it. We need  
10 to provide specific direction on how it's  
11 moved forward, but I think that we can provide  
12 that in a different format than that  
13 regulation.

14 CHAIRMAN CROSBY: What would be --  
15 say again, specifically, what would be in the  
16 reg? You said --

17 MR. VANDER LINDEN: I think there  
18 should be specifics on the fact it's -- the  
19 stuff that we know. That this is voluntary  
20 that -- for patrons to use. That we know the  
21 type of data that we need to have, in order to  
22 effectively evaluate this.

23 I think Floyd articulated some of  
24 the -- or Floyd has talked about some of the

1 technical requirements that are, kind of, on  
2 the back end of this that, I think, are  
3 relatively set in stone, and probably are set  
4 in stone for -- regardless of what the product  
5 is, that there are certain technical  
6 requirements that need to be in place for it  
7 to be on the gaming floor.

8 The nontechnical are probably the  
9 stuff that everybody thinks about, where we  
10 become more general, is the stuff that  
11 everybody thinks about. Notifications,  
12 frequency of notifications, how a player  
13 enrolls, or intervals at which a player's  
14 invited to enroll. All of these things, I  
15 think, are much more -- remain fluid through  
16 our 18 months of experience in this and that  
17 we would look to --

18 CHAIRMAN CROSBY: So set aside the  
19 technical ones, because you can't -- or I  
20 don't -- you and I can't talk about the  
21 technical ones that would be in this reg. But  
22 the reg would say that it would be voluntary  
23 and there would be certain kind of data  
24 reported, apropos of your piece of this, what



1 does that gain you? Why -- how are your  
2 interests served by having that in a reg, by  
3 saying it'll be voluntary and there'll be  
4 certain kind of data available?

5 MR. BARROGA: So we can ensure that,  
6 if we have the high-level requirements of the  
7 play management system in your regulation, we  
8 can ensure that the manufacturers implement  
9 those requirements. They speak with their  
10 development teams, and they'll have  
11 conversations between those developers, the  
12 operators and the MGC to ensure that they're  
13 implementing a product, first and foremost.

14 CHAIRMAN CROSBY: But Floyd, if  
15 Mark, under the no-stick reg scenario, Mark  
16 write a memorandum that says, this will be  
17 voluntary and we need to have this data, that  
18 gets submitted to everybody, how is -- how is  
19 that different? I just understand how that --

20 MR. BARROGA: By implementing the  
21 regulations, it allows the test labs, whether  
22 it's BMM or GLI in the test lab here to  
23 conduct testing, not only on play management  
24 system, but across all your products that are

1 offered at each casino property.

2 So we were just discussing the MOU  
3 specifically for a play management system.  
4 But with regulation, you'll go through the  
5 process. And we can assure that a play  
6 management product on a IGT machine, or a  
7 Konami machine, it'll be evaluated, innovation  
8 testing across each product type to ensure, if  
9 a customer walks into the casino they can  
10 trust a machine in Massachusetts and ensure  
11 that every product on the floor will have a  
12 copasetic functionality across the board.

13 COMMISSIONER ZUNIGA: But, Floyd,  
14 we've done that already without a regulation.

15 MR. BARROGA: How so?

16 COMMISSIONER ZUNIGA: It's been  
17 tested at PPC.

18 MR. BARROGA: Yes, it has been  
19 tested at PPC, but we're testing on the floor.  
20 Once we release that product, the MGC did not  
21 see the product until, literally, hours before  
22 the release. So that product did not go  
23 through that process, did not go through  
24 testing, as any other electronic gaming device

1 would.

2 MR. VANDER LINDEN: It was days.  
3 But their point is still taken, that we had a  
4 initial planned release. We were testing it  
5 at PPC on the floor, and we pulled it back  
6 because there were problems with it. And it  
7 didn't go with the planned release date. Went  
8 back -- Scientific Games went back, fixed  
9 those problems, and then we came back for the  
10 release date that we had. But I think, that  
11 if there's a way to avoid that type of  
12 scenario, I'm all for it.

13 MR. DESALVIO: But by the way,  
14 just -- if we were working -- either one of us  
15 were working with IGT - bless you - on a new  
16 product, there is -- you don't need a  
17 regulation to do GLI testing.

18 And if you wanted to take -- for  
19 example, let's say IGT develops the new play  
20 management version and it goes down to a GLI  
21 and they want to make sure, across all the  
22 games, that when you get to whatever  
23 thresholds are set that the product actually  
24 performs, I don't think you need a regulation

1 to hand a product over for either the MGC's  
2 internal testing, or to flip that out to GLI.  
3 I really don't see the benefit of that being a  
4 reg. They're required to test whatever  
5 they're given, and make sure that it operates  
6 appropriately.

7 CHAIRMAN CROSBY: I agree with that.  
8 There's no reason why we can't give it to them  
9 to test them. We don't need a reg, A. And B,  
10 when they do the testing they will be testing  
11 against the detailed spec. They're not going  
12 to be testing against a reg that says it has  
13 to be voluntary. They're going to be testing  
14 against that detailed spec --

15 MR. DESALVIO: Whatever the program  
16 was.

17 CHAIRMAN CROSBY: Right. Whatever  
18 the detailed software development is, which we  
19 all agree isn't going to be in the reg.

20 COMMISSIONER ZUNIGA: That's right.

21 CHAIRMAN CROSBY: So I just --

22 MR. MATHIS: If I can, I think, you  
23 know, one of the other -- one of the other  
24 dangers of regulation and rigidity -- and I

1 would respectfully challenge quote, unquote  
2 the things we know from the data.

3 For example, one of the -- to the  
4 extent there was troubling aspect of the  
5 report, one of the troubling things for me  
6 was, I think the data showed that most  
7 customers did not reach their budget, their  
8 maximum budgets set. But for the ones that  
9 did reach and exceed it, the majority of those  
10 increased their budget.

11 And I think that's a little bit of,  
12 once we gave the customer the information,  
13 what did they do with the information. And  
14 the data shows they ratcheted up their spend,  
15 or their potential spend. There may be a  
16 conversation about what happens when someone  
17 reaches their maximum budget, for example.

18 And this is some of the granularity  
19 that we can get into in a nonregulatory  
20 environment and a regulatory environment.  
21 That might lead to a two-week comment period  
22 and a bunch of third parties chiming in, when  
23 Bob and I on the floor, potentially, could  
24 start experimenting, you know, selectively,

1           opportunistically.

2                         You know, the other comment I make  
3           is in terms of consistency being a danger is,  
4           I think we could potentially convince the  
5           staff and the Commission that you've got three  
6           different opportunities to test different  
7           scenarios, because, candidly, the Plainridge  
8           customer is a very different customer than the  
9           Springfield customer, is a very different  
10          customer than the Boston customer, both from a  
11          demographic standpoint and from a product  
12          standpoint. Plainridge is, obviously,  
13          slots-driven. We're going to be a little bit  
14          of a hybrid. And I suspect, Bob's going to be  
15          a little bit higher end table game business.

16                         But the point is, I think it's a  
17          mistake to potentially try to impose the same  
18          standard in the same intervals in the same  
19          limits to all of our products, and do it in a  
20          regulatory environment that would cause us to  
21          come back and raise these points. We just  
22          lose some of the nimbleness to go back and  
23          tweak it.

24                         So all this can be done in either a

1 regulatory or nonregulatory environment, I  
2 would just suggest to you, in a nonregulatory  
3 environment it would be much more real time,  
4 dynamic and nimble.

5 And, lastly, everything that a  
6 regulation can do for a vendor, I guarantee  
7 you MGM and Wynn can do even more effectively,  
8 is, sort of, the CEO phone call. A CEO phone  
9 call is much more effective than a regulation.  
10 And that's similar to a phone call to a  
11 vendor.

12 MR. BEDROSIAN: Mr. Chairman, may I  
13 make one or two comments.

14 CHAIRMAN CROSBY: Sure.

15 MR. BEDROSIAN: So I generally,  
16 99 percent of the time, support my staff's  
17 recommendations. In this particular case, I  
18 am supporting their comments. I do, however,  
19 think about our experience at Penn. That sort  
20 of informs my thoughts on this, which was a  
21 voluntary experience. And I remember early  
22 on, the amount of effort that Penn staff and  
23 their technology folks put into this on our  
24 behalf, I thought was extraordinary. And they

1 were, you know, a true partner. There was  
2 some grumbling and I totally get that, but  
3 they were a true partner.

4 I suggest we afford our Category 1  
5 licensees the same opportunity at this case  
6 with a few caveats. While this would be a  
7 collaborative effort, and we are  
8 collaborative, and we would listen, in the end  
9 if Mark suggests a particular path forward, or  
10 Floyd suggests a particular path forward,  
11 that's the path forward.

12 Not to say that we would not listen  
13 and take into account their considerations,  
14 but we'd have to be -- we'd have to be  
15 certain, in the end we would not be met with  
16 too much resistance.

17 Secondly, I do -- Floyd's technical  
18 concerns, I agree, Mr. Chairman, I don't  
19 completely understand, but I defer to Floyd in  
20 all things gaming technology, because he's  
21 much more experienced than I am. I do  
22 however, have my -- I'd like -- I think,  
23 organically, I think there are ways around  
24 some of those things. I think they're very



1 legitimate concerns.

2 But there may come a point where we  
3 would come back to the Commission under this  
4 voluntary regime and just say, hey, you know  
5 what, there are some technical benefits to  
6 have a regulation, or even a broad regulation  
7 in place, because we are finding -- you know,  
8 different slot manufacturers are coming in are  
9 paying no attention and it's slowing things  
10 down. However, I hear our licensees who say,  
11 look we're pretty major players in this phase,  
12 and if they need it this way, guess what, it's  
13 going to be this way.

14 So to conclude my comments, I would  
15 support, at this point, a voluntary regime  
16 with the understanding that, at any point, as  
17 I think conversations I've had with our  
18 licensees, they understand we can come back to  
19 the Commission and say hey, you know what, we  
20 tried it and there's still goodwill, and I  
21 expect always will be goodwill. But there are  
22 some complications that really require a  
23 regulatory environment.

24 And I hope, if we at least start it

1 that way, we could get our licensees, IGT in a  
2 room, talk about what our minimum requirements  
3 are, talk about time frames. And, also, tell  
4 us from their point of view, IGT, are there  
5 any downsides to us not doing this in a reg,  
6 when you deal with other manufacturers or  
7 testing facilities? And if there are, we're  
8 going to revisit with the Commission. And  
9 we're going to do it pretty darn quick,  
10 because we are going to be working towards  
11 timelines of having these things on the floor  
12 in, at this point, a cooperative manner. You  
13 know, whether it's a year. We'll come back  
14 and update the Commission but get guidance  
15 from the Commission on, you know, what the  
16 time frame would be.

17 So having said that, I understand my  
18 staff. I respect them. And I think  
19 99 percent of the way, I agree with them.  
20 Just maybe, as we start out, the environment  
21 might be slightly different. And they might  
22 come back to me in two or three months, or six  
23 months or a year and say, see, we told you so.  
24 If that's the case, we'll be right back here.

1 Thank you.

2 COMMISSIONER STEBBINS: I just want  
3 to -- I want to chime in, because I think in  
4 all this kind of granular discussion, we don't  
5 want to gloss over some key points. The key  
6 points are Massachusetts and our partners are  
7 being a trendsetter, in terms of what we're  
8 talking about today. I think, thankfully,  
9 Mark, you've realized now, that three and four  
10 are off the table and we're only debating one  
11 and two.

12 I do like the collaborative  
13 approach. I do not want -- I think we also  
14 have an opportunity here through -- following  
15 on Commissioner Zuniga's suggestion of some  
16 type of, you know, let's take the advantage to  
17 kind of beat our chest and blow our own horn,  
18 as our Class 1 licensees are about to open,  
19 and have some type of exciting MOU-signing  
20 process that again shows our partnership and  
21 our collaboration, and our willingness to  
22 be -- to be unique trendsetters.

23 I, for one, kind of -- you know, I'm  
24 willing to try the collaborative approach, but

1 also highlight Commissioner's Cameron's  
2 suggestion, which is something we talked about  
3 yesterday, of, you know, keep in the back of  
4 our mind, an opportunity to structure a reg  
5 similar to how we have instituted rules of the  
6 game. There's a simple reg that says, rules  
7 of the game. See the information in the  
8 lobby.

9 That allows flexibility. That  
10 allows that document to be upgraded, without  
11 having to go through some rigid regulation  
12 form -- formula and process. It allows the  
13 conversations to go back and forth.

14 But I think, Mark, you just -- and  
15 your last comments kind of touched on a  
16 interesting topic that might have got lost in  
17 all of this, is what does the patron need to  
18 be aware of? What does the patron need to  
19 understand, his or her rights under the  
20 program, it is voluntary data collection, as  
21 part of that?

22 I mean, there is -- just as we  
23 employ rules of the game to help the patron  
24 understand -- I mean, help our licensees be

1 flexible, in terms of what they want to -- the  
2 products they want to offer their patrons,  
3 rules of the game are also set up so the  
4 patron understands what their rights are and  
5 how something is being conducted.

6 So that said, I also -- I'm willing  
7 to go with the collaborative process, as  
8 opposed to, you know, a real rigid regulatory  
9 process to make this collaboration not so  
10 friendly. But I'd love to keep a conversation  
11 ongoing, of how we might be able to structure,  
12 I think as Commissioner pointed out, a broad  
13 reg that simply refers to a document, rules,  
14 ideas, concepts, research components,  
15 technical components that we can constantly,  
16 kind of, keep current, keep available.

17 CHAIRMAN CROSBY: Just to make sure,  
18 are you saying, Commissioner, you're  
19 suggesting that we go forward now, in a  
20 collaborative approach without a reg, but in  
21 due time maybe adopt a wide-ranging reg, which  
22 points to something like rules of the road?

23 COMMISSIONER STEBBINS: Yeah.

24 COMMISSIONER CAMERON: Yeah. And I

1 think I started this morning, thinking I was  
2 more in favor of the regulatory approach, only  
3 because of the consistency. Consistent  
4 expectations, we all know what to expect of  
5 one another. But I'll be honest with you,  
6 having not had the licensees in here, I think  
7 I would have been in favor of that. But  
8 having listened to the licensees explain their  
9 perspective, and also, this was key for me, be  
10 willing to say, hey, we understand you need  
11 certain reporting requirements and we're -- we  
12 understand that and we're going to be willing  
13 to do that. We have a record with the  
14 licensees. We do not have a record of  
15 noncompliance or in any way trying to shirk --

16 CHAIRMAN CROSBY: Smoke us?

17 COMMISSIONER CAMERON: Well, that's  
18 your word. But I am persuaded that this is --  
19 and plus, it's so new. Do you know, writing a  
20 regulation that we know we have to change at  
21 some point, I'm persuaded that we can -- and  
22 I'll tell you, I don't know that we would have  
23 had the success, 10 percent of consistent  
24 users of the Marquee rewards without that

1 collaboration.

2 Other jurisdictions that mandated,  
3 frankly, have not had that kind of success so  
4 I'm -- for a few different reasons, I'm  
5 persuaded to -- to go ahead and move ahead  
6 collaboratively. But of course, we'll have  
7 clear understanding of what we need in order  
8 to, A, evaluate, B, have consistent reporting.

9 COMMISSIONER STEBBINS: And, again,  
10 I'd love to see us, again, find an  
11 opportunity. You know, Mike, in his letter,  
12 talks about all these areas in this, you know,  
13 effort to institute PlayMyWay that we agree  
14 upon. Let's beat our chest, let's blow our  
15 trumpet and, you know, sign a perfunctory MOU  
16 that keeps everybody moving in the same  
17 direction.

18 CHAIRMAN CROSBY: Well, you know,  
19 Elaine this is -- this is something to think  
20 about. You know, this is an unusual step that  
21 we're taking, and it's an important one. And,  
22 you know, we'll try it. And it sounds like  
23 there's at least three or four of us in favor  
24 of it so it looks like we're going to try

1           this. And it might be worth tuning that out a  
2           little bit, because it is. I mean, you're  
3           trying to -- you're urging us to do something  
4           a little different. Let us prove that we can  
5           be good citizens without a hammer and -- so it  
6           might be something we think about, talking  
7           about making a point of, because it is -- it  
8           is an important point. Any more comment, or  
9           do we want to have -- somebody want to have a  
10          motion?

11                        COMMISSIONER MACDONALD: Well, I'll  
12          make one final comment. And that is, I, too,  
13          could support a collaborative approach. But  
14          that, along with a document that sets out  
15          whether we call them specifications or minimum  
16          requirements, or presumptive standards,  
17          which -- it's a phrase that I used, you know,  
18          in December, that that ought to be -- that out  
19          to attend and be part of this -- be part of  
20          this decision.

21                        CHAIRMAN CROSBY: Yeah. I think  
22          that's -- we've already gotten one of those  
23          that we're going to continue to work on,  
24          right?



1 MR. VANDER LINDEN: Right.

2 CHAIRMAN CROSBY: And I think that's  
3 absolutely clear, if I'm not mistaken, right?  
4 Okay. Somebody want to...

5 COMMISSIONER ZUNIGA: Sure. I'll be  
6 happy to move that the Commission advance play  
7 management system, in cooperation with our  
8 licensees through a nonregulatory path, as  
9 described in the memo here in our packet and  
10 as discussed here today.

11 COMMISSIONER CAMERON: Second.

12 CHAIRMAN CROSBY: Any further  
13 discussion?

14 COMMISSIONER MACDONALD: Could I  
15 just -- would that be option two?

16 COMMISSIONER ZUNIGA: Yes.

17 CHAIRMAN CROSBY: Is that clear,  
18 just to be sure if we're -- is that clear?  
19 Okay. You're clear on that. Okay. Was there  
20 a second?

21 COMMISSIONER CAMERON: Yes.

22 CHAIRMAN CROSBY: There was a  
23 second? Any further discussion? All in  
24 favor? Aye.

1 MR. MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes  
6 have it unanimously. Good for us. That was a  
7 good one. Thank you.

8 MR. DESALVIO: Thank you,  
9 Commissioners. Thank you, Mark.

10 MR. BEDROSIAN: Mr. Chairman, can we  
11 take, maybe, a three-minute break and then go  
12 to Item 3C?

13 CHAIRMAN CROSBY: How about four?

14 MR. BEDROSIAN: Good enough.

15

16 (A recess was taken)

17

18 CHAIRMAN CROSBY: We are reconvening  
19 public meeting No. 233, and we are going to be  
20 Item 3C, is that what you said, Director?

21 MR. BEDROSIAN: It is, yes. Thank  
22 you.

23 CHAIRMAN CROSBY: Okay.

24 MR. BEDROSIAN: So good morning,

1 Commissioners.

2

3 CHAIRMAN CROSBY: Good morning.

4 COMMISSIONER MACDONALD: Good

5 morning.

6 COMMISSIONER CAMERON: Good morning.

7 COMMISSIONER ZUNIGA: Good morning.

8 COMMISSIONER STEBBINS: Good

9 morning.

10 MR. BEDROSIAN: On behalf of staff,  
11 who have been working very hard to prepare for  
12 the opening at MGM Springfield, I'm here to  
13 give you some insight in how we are tracking  
14 our opening presentations. And I always start  
15 this with the analogy of a duck.

16 CHAIRMAN CROSBY: Sorry, Shara.

17 COMMISSIONER CAMERON: A duck?

18 MR. BEDROSIAN: I said, a duck. If  
19 you've ever seen a duck swim on a pond, above  
20 the pond the duck seems very graceful, but  
21 below the water, obviously, the duck is  
22 paddling like heck. And I think, if you've  
23 maybe seen staff, we seem calm, cool and  
24 collective, but below the surface we're

1 actually paddling pretty darn hard to get  
2 ready.

3           So let me -- although I and  
4 Commissioner Macdonald were not here, let me  
5 remind you of how MGC tracked opening  
6 activities at Plainridge Park Casino. We  
7 hired a construction management company, which  
8 used a sophisticated construction tracking  
9 tool, would enter tracking information, and I  
10 think they had Gantt charts. And this  
11 required a lot of meetings and a lot of  
12 after-the-fact data entry. And we thought  
13 about, what's the best way for tracking a big  
14 project management and complex activities.  
15 And there's a bunch of different ways.

16           As you know, there are checklists  
17 and Gantt charts. And, indeed, we are  
18 actually using some components of those, as we  
19 get ready for all the responsibilities of  
20 opening MGM Springfield. The challenge is,  
21 the potential drawbacks to some of the  
22 traditional methods, when you have a huge,  
23 complex project to manage is, they take a lot  
24 of time, a lot of meetings, and you're meeting

1 to enter data. And we didn't -- we were  
2 hoping this wasn't the most efficient way to  
3 do things.

4 We were introduced to this product,  
5 Jura. Our folks became familiar with Jura.  
6 It was a development tool that we used in  
7 developing our license management system.  
8 It's a proprietary issue tracking product that  
9 provides sophisticated project management  
10 functions.

11 Before deciding to use it as our  
12 primary management tool for the MGM and Wynn  
13 casino openings, our personnel in both IT and  
14 finance departments are currently using it  
15 just to track their day-to-day workflow.  
16 Indeed, I understand Commissioner Zuniga has  
17 seen the tool in use during his meetings in  
18 the finance department.

19 CHAIRMAN CROSBY: I have.

20 MR. BEDROSIAN: So it would go  
21 beyond our time here, for me to give you a  
22 in-depth explanation of Jura. But the  
23 advantages of Jura are that it gives you  
24 ability to manage what I call large chunks of

1 work, by understanding all the subchunks. And  
2 chunks is my term, and I think the Jura  
3 development people would be horrified for that  
4 term. It allows you to understand all the  
5 tasks that go into the chunks.

6 In addition to tracking activity,  
7 Jura, because it is a platform in which you  
8 can enter information, allows you to update  
9 people by just entering the information, as  
10 opposed to having sent a separate e-mail or  
11 updating the work. I'll try to explain this  
12 in a rational term as we go on.

13 Let me put this in context. I've  
14 already put some boxes up there. Last fall,  
15 senior staff had a meeting with a Jura expert,  
16 who helped us -- who helped us put our MGM  
17 opening into chunks - I call them buckets - of  
18 what we needed to do to be ready for the MGM  
19 Springfield opening. Under these buckets,  
20 we're able to track all the work we need to  
21 get done.

22 CHAIRMAN CROSBY: These are all the  
23 buckets?

24 MR. BEDROSIAN: These are the four

1 main buckets, yeah. So if you look at the  
2 buckets, I'll describe them. The  
3 postoperation certificate, in order for a  
4 casino to operate in Massachusetts, they must  
5 comply with 205 CMR 151. 151 cross references  
6 other regulatory and statutory provisions, but  
7 that is the gaming operating certificate.  
8 That says you are ready to operate a gaming  
9 facility. So that would be great, if they  
10 were only operating a gaming facility.  
11 They've done a lot of other things we have to  
12 track.

13 Our licensees also made commitments  
14 in their licenses, Section 61's findings and  
15 Host and Community Surrounding Agreements. So  
16 that's that second bucket, licensed agreements  
17 and conditions. Mr. Ziembra is here. And he  
18 and Mr. Delaney are mainly responsible for  
19 that particular bucket. But that's an  
20 enormous, enormous bucket.

21 So even if we were good at tracking  
22 items one and two, and the licensees were good  
23 with their operations -- gaming operations  
24 certificate and they comply with all the

1 license conditions and agreements, we, as an  
2 agency, actually have to be ready to regulate  
3 them. So that's bucket number three. We have  
4 to have trained personnel. We have to have  
5 office space. We have to have revenue  
6 accountants. Our GameSense folks have to be  
7 ready. All those things have to be ready. So  
8 those are the items in bucket three.

9 And, finally, our last item is  
10 communications, which is a catchall, and just  
11 covers a ton of areas. For example, how do we  
12 let people know what our requirements or not  
13 are going to be on service employees, on  
14 licensing service employees. How do we let  
15 people know what our responsibilities will be,  
16 or options are for Responsible Gaming, so  
17 that's communications.

18 So then, I talked about Jura being  
19 able to -- as I said, I sort of gave you an  
20 overview. And then there are subchunks. For  
21 example, posting certificate of gaming  
22 readiness. They have to certify the floor,  
23 that the -- all the slot machines are tied  
24 into our CMS, they're working, safety and



1 security plans, approval of internal controls.  
2 All those things are discrete chunks of work  
3 that we need to get done.

4 Under the license conditions, as I  
5 said, construction commitments, Section 61  
6 commitments, host community agreements under  
7 regulatory readiness, trained personnel office  
8 space, revenue process, GameSense  
9 responsibilities, and as I gave you, examples  
10 of communications. And then, these chunks are  
11 broken down into smaller -- I'll use the term  
12 tasks and subtasks. And you can see that it  
13 gets -- it gets very complicated. But by  
14 monitoring these things, and we'll show you an  
15 example of how they actually get monitored,  
16 people's works.

17 We've created an environment, and  
18 folks have put all their, sort of, tasks in.  
19 We're able to update these. We've created an  
20 environment in which people have workflows.  
21 And we measure workflows by commitments and  
22 time frame durations. What you can get done  
23 this month and what needs to get done. We  
24 have an overall time frame that we've agreed

1       upon with MGM Springfield, when these tasks  
2       will get done. Do tasks always get done on  
3       time? They don't. Sometimes they slip. But  
4       we're able to, through workflows and my  
5       ability to look into other people's workflows  
6       and have them report at our Monday morning  
7       weekly senior staff meeting, we can recognize  
8       when there are roadblocks.

9                You know, for example, we need to  
10       have our technology available at our new  
11       office space in Springfield. And if the  
12       correct vendors don't install the correct  
13       switches, we don't have technology. Our IT  
14       folks, because they're so sophisticated using  
15       this tool, are able to track all that  
16       interaction with our vendors supplying the  
17       technology. And if Dan McDonald is out one  
18       day, well, guess what, all the information,  
19       all the communications he's had with that  
20       vendor is in one particular place and able to  
21       be tracked. So anyone can pick up that --  
22       that item and go with it.

23               And as a manager, our new CIO or  
24       myself can go. We don't have to call Dan and

1 say, Dan, what's going on with this? We can  
2 go and work, and actually see exactly what's  
3 been going on. So this would be an example of  
4 the workflow. You'd have things to do, things  
5 in progress, and things you would get done.

6 The other advantage is, this has  
7 strong reporting tools. And Floyd -- I'd be  
8 remiss if I didn't say Floyd and Joan have  
9 been the leaders of this for us, and stay on  
10 top of helping us get comfortable with the  
11 tool. And when people ask what are the  
12 capabilities of the tool, if they don't know  
13 we have the ability to go and find out exactly  
14 what the capabilities of the tool are.

15 You know, this would be a standard  
16 Gantt chart, which is great, and it would give  
17 you a --

18 COMMISSIONER MACDONALD: Excuse me,  
19 Ed. Can I ask you to take a step back, just  
20 from the workflow slide?

21 MR. BEDROSIAN: Sure.

22 COMMISSIONER MACDONALD: What is a  
23 Kanban board?

24 MR. BEDROSIAN: You know, so you're

1 going to ask me. So a Kan -- I think the --  
2 do we pronounce it Kanban? Yeah, we pronounce  
3 it Kanban.

4 COMMISSIONER MACDONALD: Kanban.

5 MR. BEDROSIAN: That is the -- I  
6 think that is just a generic title for a  
7 workspace. So I have a Kanban board, which  
8 shows all my work, my particular work. And  
9 that is distinct from the Jura product. The  
10 Jura product is, in fact, the tool, the  
11 overall management tool.

12 And if you're going to -- if your  
13 next question is what does Jura stand for, I  
14 can only tell you that I looked on the  
15 Internet how accurate it is or not. It's not  
16 an acronym. It sounds like it would be an  
17 acronym. But it's actually -- and I'm going  
18 to say this, and Joan's shaking her head so it  
19 sounds like I'm right, it's actually the  
20 designation.

21 The particular company that built  
22 this, their product -- the competitor's  
23 product was called Bugzilla, and Jura stands  
24 for Godzilla. So, presumably, Godzilla

1           crushes Bugzilla. This is a little piece of  
2           information I'm sure you didn't necessarily  
3           need to know, but now you do know.

4                    COMMISSIONER MACDONALD: And they  
5           work off of Kanban boards.

6                    MR. BEDROSIAN: Exactly.

7                    COMMISSIONER CAMERON: They wanted  
8           to crush the competition?

9                    MR. BEDROSIAN: Apparently, they  
10          wanted to crush the competition. So the  
11          Kanban board is the workspace. And I will  
12          tell you, at the end of this, I would  
13          suggest -- obviously, this is a 30,000-foot  
14          view, we'd love to spend time individually  
15          with commissioners, as we have with  
16          Commissioner Zuniga, and sit down and show you  
17          a demonstration, get a little more in depth.  
18          It would be hard to do it in this environment.

19                   So I'm sorry. To get back to the  
20          reporting options of this, which I think are  
21          really important is, you know, you see here  
22          this can report into a traditional Gantt  
23          chart. But the advantage is, within the Gantt  
24          chart, you could look and say, okay, not only

1 does it tell you what has to -- what's  
2 happening in a particular time frame, it could  
3 show you the particular tasks that are  
4 associated in that particular time frame. So  
5 that's something in -- I'd say we're on the  
6 front end of trying to use that type of  
7 reporting tool.

8 So the value of using this tool  
9 are -- is beneficial. It is -- it's  
10 transparent to all staff members, and I'd say  
11 most of senior staff. And we have gaming  
12 agents. It's not just senior staff. It's all  
13 staff we're trying to get involved in this  
14 tool. So you can let staff know what's  
15 happening in projects that they might have  
16 some effect on. So, you know, if budget can't  
17 pay for our computers, IT can't put 'em in.  
18 So ITs always want to know budget. Where are  
19 you in paying for our computers so that we can  
20 actually go out to Springfield and put those  
21 computers in.

22 Timeliness, you know, use the  
23 Dan McDonald example. If Dan has a  
24 conversation with an outside vendor, they send

1 him an e-mail, that goes right into the tool.  
2 Dan doesn't have to forward it to people.  
3 Doesn't have to recreate it. That will always  
4 exist in the tool. We love Dan. We hope he's  
5 never out. But if Dan was out for a period  
6 time, his workflow is there. It's  
7 understandable. In fact, I think our CIO has  
8 already benefited from being able to go in to  
9 some of the projects IT has been working on  
10 and see what the workflows have been.

11 Again, efficiency, I think  
12 Commissioner Cameron would understand, you  
13 know these types of tools have been, sort of,  
14 now required in law enforcement, the ability  
15 to measure data and understand it. And  
16 responsiveness -- you know, on these Kanban  
17 boards, if something's not moving over to the  
18 right and it's in a particular time frame,  
19 it's available for us to, you know, understand  
20 and we can go to the workflow and understand  
21 what's the quote, unquote block there.

22 And again -- and the big thing is  
23 our goal really is that this is the model,  
24 and, you know, it's not quite as easy as a

1 cut-and-paste, but that's -- you know, we are  
2 going to be going from MGM right into Wynn. A  
3 lot of posting certificate will be the same  
4 regulations and same statutes. Our readiness  
5 will be similar. Not exactly the same.  
6 Similar.

7 I think probably for John and Joe,  
8 the licensing conditions will change. I mean,  
9 those things. But those are importable. But  
10 this tool, in this way of thinking about  
11 managing data and projects, I think is very  
12 transferable to the Wynn opening. And we've  
13 had more of a -- I'd say a slow incline  
14 getting up to the opening of MGM. We will not  
15 have that slow -- same slow incline as we will  
16 with Wynn. The benefit is, we will have just  
17 exercised those muscles of opening a casino,  
18 so hopefully there'll be a lot of muscle  
19 memory in that process.

20 So that -- and, again, we've had a  
21 lot of people -- I don't want to sugar coat  
22 this and say there aren't challenges of any  
23 organization, or staff adopting a new -- you  
24 know, whether it's a case management system,



1 new technology, we need to keep reminding  
2 ourselves and using it and getting comfortable  
3 with it. And I try and do that by our Monday  
4 morning staff meetings and saying, okay,  
5 what's in our -- either the Kanban,  
6 Commissioner Macdonald, what's in our workflow  
7 this week, and are we behind on anything. You  
8 know, our -- that's our internal process for  
9 preparations.

10 Our external process for  
11 preparations is that, you know, we are meeting  
12 at senior staff level monthly with the MGM  
13 folks. In fact, we have another meeting  
14 tomorrow morning. There are subgroups,  
15 whether it is Floyd on the technology side,  
16 Jill on the hiring side, or Mark on  
17 Responsible Game -- there are submeetings that  
18 are going on, also, with the MGM folks  
19 responsible for those particular specialties.  
20 And those, we try and get report up to the  
21 main group at our monthly meetings.

22 And the tempo of those meetings will  
23 increase. They'll probably go from monthly to  
24 biweekly, or is it bimonthly? I don't know,

1 in the spring. And then, as we get closer to  
2 summer, you know, we're going to have a lot of  
3 staff out in Springfield. They'll probably be  
4 weekly, if not at some point, I guess, in the  
5 last 30 days, daily.

6 So that's where we are. And I don't  
7 know -- and I -- again, I want to thank Joan  
8 and Floyd. They were really the ones who --  
9 who pushed this tool based on the experience  
10 with LMS. And I think the long-term advantage  
11 is, you know, if we can get people to think  
12 about this as a general workflow tool, and I  
13 would like to do it for myself, that it will  
14 expand beyond just our project management into  
15 our everyday lives.

16 So I can answer questions up about  
17 this high. If there are detailed questions, I  
18 have my folks here. But, again, like  
19 Commissioner Zuniga, I think setting up some  
20 time for you guys to come in. And, if for  
21 some reason you have a workflow you want to  
22 manage and we can teach you to do it, we'd  
23 love that opportunity also.

24 COMMISSIONER ZUNIGA: Let me speak a

1 little bit because I'm familiar with, as you  
2 mentioned, some of the progress here. I  
3 attend -- sometimes attend the meetings that  
4 Derek runs on finance. And the last one that  
5 I attended, it was really a very -- a great  
6 change, in terms of what is now being managed  
7 through Jura.

8 They continue -- he continues to  
9 manage a lot of other things that are not MGM  
10 related the way he has done that in the past,  
11 with an agenda, with an update from the  
12 person, et cetera. But my impression was,  
13 that now he's transitioning into MGM-related  
14 activities. And it was very obvious to me,  
15 that everybody else there is paying attention  
16 to the tool because he's paying attention to  
17 the tool, because you are paying attention to  
18 the tool as well, Ed.

19 So I think a lot of what you alluded  
20 to, it's unnecessary and more efficient. For  
21 example, there will be no need to send each  
22 other e-mails with attachments and who's got  
23 the latest version of the latest spreadsheet  
24 or have to review an issue because -- and be

1 reminded of the progression of that issue,  
2 because anybody can just go see it in real  
3 time, and there's only one version, the one  
4 that's in this shared workspace.

5 So it obviously requires that  
6 everybody be looking at it, at least  
7 periodically. And like anything else, and you  
8 spoke to this, there's different levels of  
9 comfort and adoption. But at least that  
10 little window that I already saw, and some of  
11 the background I had, having just, sort of,  
12 played around with the tool is very  
13 encouraging, because not only this occasion of  
14 MGM opening and then Wynn opening, but,  
15 eventually, this could really stick to just  
16 doing everything that you need to do.

17 The nature of meetings change a  
18 little bit. There's still a need for those  
19 meetings. But at least the hope is that a lot  
20 of inefficiencies go away because there's this  
21 shared environment. So I'm very encouraged by  
22 this. Looking forward, very much, to how much  
23 this advances.

24 COMMISSIONER CAMERON: I agree. I

1 think it's a terrific tool. I'm glad we don't  
2 need a construction management team in here to  
3 bring their --

4 MR. BEDROSIAN: Well, we have a  
5 construction manager.

6 COMMISSIONER CAMERON: Well, I mean  
7 we don't need their charts, their Gantt  
8 charts, their systems. You know, we're able  
9 to populate this on our own. And I love the  
10 fact, and I've seen it used, as you pointed  
11 out, in other settings, similar tools.

12 CHAIRMAN CROSBY: Oh, you've seen  
13 this in a different --

14 COMMISSIONER CAMERON: Yeah. I've  
15 seen this a little bit. Joan did -- I did  
16 have an opportunity to see the system, but  
17 other similar tools. When you have a task  
18 sitting out there and your boss can see that  
19 that task hasn't been completed, it's a  
20 motivator to get that task done.

21 So it's, you know, basic. It helps  
22 you manage and see where there is a block, as  
23 you pointed out, and you can see it clearly,  
24 others can see it. And I just see it helping

1           us tremendously. So thank you for that  
2           high-level presentation.

3                       COMMISSIONER MACDONALD: Just don't  
4           recommend that it be incorporated into the  
5           Commissioner's oversight.

6                       COMMISSIONER ZUNIGA: We'll have  
7           different levels of adoption, as well.

8                       CHAIRMAN CROSBY: Yes. Glad you  
9           said that. Does this -- besides your visual  
10          meetings, where you look at the charts, is  
11          there an electronic critical path function; in  
12          other words, does something go red or yellow,  
13          if there's something that's going to get in  
14          the way or not get done? So Joan is noting so  
15          I guess the answer to that -- nodding, I mean?

16                      MR. BEDROSIAN: Yeah. Go ahead,  
17          Joan, you --

18                      CHAIRMAN CROSBY: You want to sit  
19          here, Joan?

20                      MR. BEDROSIAN: Got to come up  
21          and --

22                      MS. MATSUMOTO: Thank you.  
23          Mr. Chairman, basically, what it does is it  
24          operates very similarly to project management

1 software, but without the data entry need. So  
2 because it's the actual workspace and people  
3 are going in to complete their tasks, they  
4 don't need to then go report out to anybody  
5 else I'm in the midst of this, or I've  
6 completed it, or it's on track or it's off  
7 track.

8 Because you're actually doing the  
9 work within the task, Dan Macdonald adding the  
10 e-mail that the vendor has replied and here's  
11 the latest version of the document, because  
12 he's actually doing the work in that task  
13 space, the system is monitoring and allowing  
14 everybody else to see what the status is in  
15 real time.

16 So things do go yellow, and they do  
17 go red, and they do go green because you've  
18 created these tasks in such a way that says,  
19 in order for that big bucket that the  
20 executive director has, which says post the  
21 operating certificate, consists of, literally,  
22 hundreds, if not, in John Ziemba's case,  
23 thousands of tasks in order to get to complete  
24 there's a measurement that says by these dates

1 we must be at this point. There are some hard  
2 statutory deadlines, and there are some  
3 dependencies. We cannot install the equipment  
4 until it's delivered. And it's not going to  
5 be delivered until it's paid for, et cetera,  
6 et cetera, et cetera.

7 But instead of having to sit there  
8 and call out, this is where I am, because it  
9 is the actual workspace combining the  
10 messaging, the document attachment and the  
11 status in terms of a workflow to do, in  
12 progress done, there's no need to report out.  
13 It just happens automatically. The system is  
14 giving you an appropriate view at your level.

15 So at the executive director level,  
16 he doesn't have the time to go dive down into  
17 the weeds, or sit there and listen to people  
18 report out. He just wants to be able to look  
19 at that one bucket and see, where are we in  
20 progress? Are we on time, or we starting to  
21 slide off track? And the folks who are  
22 actually doing the work do not have to spend  
23 time updating anybody. The lag goes away.

24 CHAIRMAN CROSBY: Great.



1                   COMMISSIONER ZUNIGA: But there is  
2                   that need to at least initially -- but the  
3                   good news is that you can always modify. At  
4                   least, initially, you have to set up some  
5                   dependencies.

6                   MR. BEDROSIAN: Right.

7                   COMMISSIONER ZUNIGA: These have to  
8                   be done by X, Y, Z. And if not, you need to  
9                   modify. But the point about tracking a Gantt  
10                  chart, you first have to lay it out, that's  
11                  understood. But then, as you advance it, it  
12                  gets updated automatically, which is Joan's  
13                  point.

14                 CHAIRMAN CROSBY: Yeah. It may not  
15                 be until after I come back from vacation, but  
16                 I'm going to get a visit, too.

17                 MR. BEDROSIAN: Great.

18                 MS. MATSUMOTO: Thank you.

19                 MR. BEDROSIAN: Excellent. So I  
20                 suggest we can move to Mr. Grossman's item.  
21                 Revisit, once again.

22                 CHAIRMAN CROSBY: What's that, is  
23                 that 3B?

24                 MR. BEDROSIAN: It is 3B, yes.

1 CHAIRMAN CROSBY: Okay.

2 COMMISSIONER ZUNIGA: Is there  
3 anybody with time restrictions here? I'm just  
4 curious.

5 MR. BEDROSIAN: I think most of the  
6 other issues are internal issues, if I'm  
7 correct. We have a qualifier, but I don't  
8 think the qualifier's actually here; is that  
9 correct?

10 MR. STRATTON: Correct.

11 MR. BEDROSIAN: That's correct. So  
12 I think they're just spectators.

13 CHAIRMAN CROSBY: Okay. Great.  
14 Mr. Grossman.

15 MR. GROSSMAN: Good afternoon.

16 CHAIRMAN CROSBY: Good afternoon.

17 COMMISSIONER CAMERON: Good  
18 afternoon.

19 MR. GROSSMAN: As a follow up from  
20 last meeting, we have, before you, an updated  
21 version of the enhanced Code of Ethics. It  
22 incorporates all the changes that were  
23 outlined at the last meeting. And there are a  
24 couple of areas that I will just quickly

1 highlight before we move ahead.

2 The first involves, you'll recall,  
3 the discussion of Commissioner's involvement  
4 with nonprofits, charitable activities and the  
5 like. That's on page -- well it's Section  
6 15B. As discussed, we came up with some new  
7 language to govern that subject area.

8 CHAIRMAN CROSBY: This is,  
9 certainly, a great step in the direction that  
10 I feel comfortable with. We'll see how  
11 everybody else feels. I had a question about  
12 your proposed language. What this says is  
13 that I can't give money to the Red Cross, if  
14 Wynn Resorts gives money to the Red Cross; is  
15 that correct, that that's what that says? I  
16 can't give a significant money to the  
17 Red Cross.

18 MR. GROSSMAN: You're referring to  
19 the significant contributor?

20 CHAIRMAN CROSBY: Right. That  
21 receives any funding from a gaming licensee.

22 MR. GROSSMAN: Well that was not  
23 exactly what I had in mind by a contributor.  
24 But if that's the way you read it, certainly,

1 we should probably modify that language.

2 COMMISSIONER ZUNIGA: No, no. I  
3 don't think it says that, Mr. Chairman. It  
4 says a commissioner may not be involved as an  
5 officer, director or -- oh, significant  
6 contributor. Yeah, that's a -- that's a  
7 glitch.

8 CHAIRMAN CROSBY: Yeah. I  
9 couldn't -- if Wynn Resorts gave money to  
10 Red Cross, I couldn't give a thousand dollars  
11 to Red Cross.

12 MR. GROSSMAN: That wasn't the  
13 intent. But if that's how you took it, then,  
14 certainly, we should modify.

15 COMMISSIONER CAMERON: What was the  
16 intent, Mr. Grossman?

17 MR. GROSSMAN: That you're, you  
18 know, not necessarily a officer or director,  
19 but you do a lot of work or a participant in a  
20 substantial amount of activities.

21 COMMISSIONER CAMERON: So  
22 contributor was a no-named -- you don't have a  
23 title, but you're really very much involved in  
24 that --

1 MR. GROSSMAN: That type.

2 COMMISSIONER CAMERON: Not, I'm  
3 writing a check for charity?

4 MR. GROSSMAN: That was the intent.

5 CHAIRMAN CROSBY: A significant  
6 fundraiser, would that say what you are saying  
7 more?

8 MR. GROSSMAN: I mean, we don't,  
9 necessarily, even need that language. The  
10 point was, just that any organization that you  
11 are involved with, in theory, should not be  
12 one that the gaming licensees are contributing  
13 to financially.

14 COMMISSIONER STEBBINS: It's more of  
15 an appearance issue.

16 MR. GROSSMAN: That's the point.

17 COMMISSIONER MACDONALD: But would  
18 that include, you know, the Chairman's  
19 scenario, of not being able to contribute  
20 significantly to the Red Cross, if Wynn  
21 Resorts --

22 MR. GROSSMAN: No. I don't think  
23 that -- if he's just making a financial  
24 contribution, I don't think that implicates

1 any concerns that we would have. It's if he  
2 serves on the board of the Red Cross, or  
3 something of that nature, then that's where  
4 we're concerned.

5 COMMISSIONER ZUNIGA: So maybe we  
6 can delete significant contributor and include  
7 fundraiser, as somebody suggested, because  
8 it's the fundraising that really opens up --

9 CHAIRMAN CROSBY: I'm just groping  
10 here, but I didn't think you meant the  
11 Red Cross model. So if we could just write  
12 this in a way. I certainly think it makes  
13 sense to be precluded from being heavily  
14 involved in a nonprofit to which a licensee is  
15 a major -- a significant contributor. That's,  
16 clearly, at least an appearance, if not the  
17 potential reality of a problem. So it's just  
18 a question of how to say it.

19 And I would think, if you said, or  
20 significant fundraiser, I don't know why, you  
21 know, if Mr -- if there was an organization  
22 out there, you know, against domestic violence  
23 and Wynn -- I'm not involved in it but Wynn  
24 Resorts contributes a lot to it and I

1           contributed to it, I don't see any issue there  
2           at all. But if I were a fundraiser for a  
3           domestic violence organization, that would  
4           pose a problem.

5                        So if you said or fundraiser and  
6           then added, for sake of discussion, you said  
7           that receives any significant funding from a  
8           gaming licensee, then, I -- from my  
9           standpoint, that would -- that would do the  
10          job.

11                       MR. GROSSMAN: Okay.

12                       CHAIRMAN CROSBY: Does that make  
13          sense to everybody else?

14                       COMMISSIONER MACDONALD: Yeah. I  
15          was against -- as I said the last meeting, I'm  
16          55/45, you know, against opening this up in  
17          support of keeping it in its current -- in its  
18          current form. But I gather I'm a minority on  
19          that.

20                       But I did have a further question,  
21          Todd, with regard to the last sentence.  
22          "Further, a Commissioner may not utilize their  
23          title in any way so as to bestow an  
24          unwarranted privilege on such organization."

1           The use of the word "such" there, you know,  
2           then means that that prohibition of bestowing  
3           unwarranted privileges applies only to  
4           organizations that receive funding from any  
5           gaming licensee.

6                        I would think we would want to --  
7           that we would want to have a provision here  
8           that we shouldn't use our titles in any way so  
9           as to bestow an unwarranted privilege on any  
10          organization.

11                      MR. GROSSMAN: I think that's right.  
12          I mean, the language is somewhat superfluous  
13          because you can't do that anyway. But, you  
14          know, we're just clarifying the point there.

15                      CHAIRMAN CROSBY: What does that  
16          mean, exactly? Give me an example of what I  
17          couldn't do under that clause.

18                      MR. GROSSMAN: An unwarranted  
19          privilege?

20                      CHAIRMAN CROSBY: Yeah.

21                      MR. GROSSMAN: You can't advertise  
22          that Chairman Crosby will be speaking at this  
23          Red Cross function, please -- you know, a  
24          hundred dollars a seat, come see him speak,



1           because now you're using your title of chair  
2           to draw people into the event. Or Steve  
3           Crosby, chairman of the Mass Gaming  
4           Commission, endorses this toothpaste or  
5           something like that, you know, since he has  
6           such a nice smile. You know, you can't do  
7           stuff like that.

8                         You can do it in your personal  
9           capacity. You just can't use your title. The  
10          state owns your title. So you can't do that  
11          anyway, under the state Conflict of Interest  
12          Law. But here, it was just an effort to  
13          really hammer home the point that you can't be  
14          fundraising in your official capacity for a  
15          private organization, which you can't do  
16          anyway.

17                       CHAIRMAN CROSBY: Right. Okay.

18                       COMMISSIONER MACDONALD: I think  
19          it's clear, if it's not there. If it's  
20          already covered by the -- by our, you know,  
21          ordinary, ethical obligations, why clutter up  
22          this enhanced -- enhanced ethics, because it's  
23          not enhancing, it's already there?

24                       MR. GROSSMAN: That's true. We can

1 take it out.

2 CHAIRMAN CROSBY: Yeah. I thought  
3 that. Other comments on this one? So we  
4 modify this slightly, but that seems like  
5 you've hit the sweet spot.

6 COMMISSIONER ZUNIGA: So it's going  
7 to be significant fundraising.

8 CHAIRMAN CROSBY: Director or  
9 fundraiser with any educational, religious, et  
10 cetera organization that receives any  
11 significant funding, or significant funding.  
12 Just drop and, and put significant, for the  
13 sake of discussion.

14 MR. GROSSMAN: Right.

15 CHAIRMAN CROSBY: Scratch the last  
16 words.

17 COMMISSIONER ZUNIGA: So, for  
18 example, we could -- we could still contribute  
19 to the National Council on Problem Gambling,  
20 who received money from licensees, we just  
21 couldn't be officers or directors or fundraise  
22 for them.

23 CHAIRMAN CROSBY: Right.

24 MR. GROSSMAN: I think that's right.

1           Okay. Next one, just real quick, on  
2           paragraph C right below, there's a citation  
3           that needs to be adjusted. In red it says  
4           Section 8C, it should be Section 11C, so I'll  
5           make that adjustment.

6                         And the last issue I thought we  
7           would just hit on real quick, is paragraph 13  
8           on the preceding page -- or two pages. Here,  
9           we struck the words "in Massachusetts" on the  
10          second line of paragraph 13, which would  
11          preclude commissioners or employees from  
12          staying overnight in any guest room at any  
13          hotel anywhere owned or operated by a person  
14          or entity licensed by the Commission.

15                        So that would include, obviously,  
16          hotels in Nevada or other where -- other  
17          locations around the world. So that is a  
18          change in policy. And I just wanted to --  
19          since we didn't talk about it at your last  
20          meeting, bring that to your attention.

21                        CHAIRMAN CROSBY: So it doesn't say  
22          that we can't stay in a Wynn resort; it says  
23          that we can't stay in a Wynn Resort, except in  
24          our official course of duty, if it's approved?

1 MR. GROSSMAN: That's right.

2 CHAIRMAN CROSBY: Okay.

3 MR. GROSSMAN: So you couldn't go  
4 there on vacation.

5 CHAIRMAN CROSBY: Can't go there on  
6 vacation, right.

7 COMMISSIONER ZUNIGA: What if  
8 it's -- would this now -- if the purchase by  
9 MGM Growth Properties of the Caesar's goes  
10 through, would that include, also, all those  
11 properties, under this reading?

12 MR. GROSSMAN: If -- so --

13 COMMISSIONER ZUNIGA: It would be  
14 owned.

15 MS. BLUE: I don' think it would.  
16 They would be owned -- those properties would  
17 be owned under a different corporate entity.  
18 They would be leased back to their individual  
19 licensees. So I would say, no, they're no  
20 longer owned by the licensee. They're owned  
21 by a different entity.

22 COMMISSIONER ZUNIGA: I'm thinking  
23 of the properties that are now going to be  
24 owned by MGM Properties.

1 MS. BLUE: Well, they REIT is a  
2 separate legal entity from MGM, the licensee.  
3 So our licensee in Massachusetts is Blue Tarp.  
4 It will no longer own the real estate that it  
5 sits on if it gets -- let's assume it did get  
6 transferred, we don't know if it will or it  
7 won't, but it would be owned by a legal  
8 entity, which was not, necessarily, a  
9 licensee.

10 Now, again, if at some point we  
11 license some of these entities, that might  
12 make a difference. But I think, at the  
13 moment, I do not believe that REITs are  
14 licensed by us, and they don't hold a gaming  
15 license from us.

16 MR. GROSSMAN: Unless they shifted  
17 MGM Springfield into MGM Growth Properties.  
18 In which case, MGM Growth Properties would be  
19 licensed by us. So if, you know, Caesar's was  
20 then owned by MGM Growth Properties, it would  
21 be owned by MGM Growth Properties and operated  
22 by MGM which -- I'm sorry, and operated by  
23 Caesar's. So in theory -- I mean, we'd have  
24 to work through these things, but you might

1 not be able to go there either, is the answer  
2 to your question.

3 COMMISSIONER ZUNIGA: Not that I'm  
4 rushing to go there. I'm just --

5 MR. GROSSMAN: Yes. Totally  
6 understand it.

7 MR. BEDROSIAN: Again, that would be  
8 in your personal capacity. In an official  
9 capacity, if there was a reason...

10 COMMISSIONER ZUNIGA: Right. Yep.

11 MR. GROSSMAN: So those are --

12 COMMISSIONER MACDONALD: So just --  
13 we spoke about this yesterday in the legal --  
14 in the legal meeting, and I have,  
15 functionally, no experience in the area of  
16 REITs. But since we're -- since it's on the  
17 table, that if the -- if MGM Springfield is  
18 transferred into a REIT, then, the property,  
19 MGM Springfield property would be in the REIT.  
20 The hotel would be in the REIT.

21 COMMISSIONER ZUNIGA: Right.

22 COMMISSIONER MACDONALD: Under these  
23 -- under the way it's phrased now, would we be  
24 free to stay at the MGM hotel in

1 Springfield?

2 MR. GROSSMAN: No.

3 COMMISSIONER MACDONALD: Because  
4 it's not owned by Blue Tarp Development?

5 COMMISSIONER ZUNIGA: It would be  
6 operated.

7 MR. GROSSMAN: It would be operated.  
8 But the REIT -- in Springfield the REIT would  
9 become a qualifier. So they would be a  
10 licensee anyway, so you wouldn't be able to  
11 stay there.

12 COMMISSIONER MACDONALD: Okay.

13 MR. GROSSMAN: And that would  
14 transfer to their other properties, too.

15 COMMISSIONER MACDONALD: Would be a  
16 qualifier.

17 COMMISSIONER ZUNIGA: But we haven't  
18 yet decided that.

19 MR. GROSSMAN: I mean, most likely.  
20 Most likely, they would be a qualifier. It  
21 hasn't been decided yet.

22 COMMISSIONER ZUNIGA: I was  
23 specifically thinking of, you know, the -- all  
24 the properties that get -- because they now

1 would be owned by MGM Growth Properties, are  
2 an additional place where you cannot -- where  
3 we wouldn't be able to go. But that's okay.

4 MR. GROSSMAN: Those are all the  
5 comments I had.

6 CHAIRMAN CROSBY: Any other  
7 questions on any -- I had a quick one. On  
8 page six, under travel expenses, if a -- if  
9 IGT wanted to pay our travel expenses to a  
10 conference and it was deemed that it was a  
11 legitimate public purpose, would that be okay;  
12 it would be okay if one of our -- a licensee  
13 of ours could pay our expenses, as long as it  
14 is deemed by either Ed or me as a legitimate  
15 public purpose?

16 COMMISSIONER ZUNIGA: Mm-hmm.

17 MR. GROSSMAN: That's right.

18 CHAIRMAN CROSBY: Okay. Anybody  
19 else? Do I have a motion? Are we ready for a  
20 vote? Do I have a motion?

21 COMMISSIONER STEBBINS: Mr. Chair, I  
22 move that the Commission adopt the enhanced  
23 Code of Ethics, the most recent version, as  
24 provided in our packet.



1 CHAIRMAN CROSBY: Second?

2 MS. KRUM: Could I just make a  
3 comment?

4 CHAIRMAN CROSBY: Which page you  
5 looking at?

6 MR. MACDONALD: This would be on  
7 15B. I mean, I had suggested that the last  
8 sentence, "further a Commissioner may not  
9 utilize their title," et cetera, that that be  
10 deleted because it's -- it's superfluous --  
11 not superfluous. Whatever the word.

12 CHAIRMAN CROSBY: Which Todd agreed  
13 -- which Todd agreed to, I think?

14 MR. GROSSMAN: I'm sorry?

15 CHAIRMAN CROSBY: Which you agreed  
16 to?

17 MR. GROSSMAN: Oh, sure.

18 COMMISSIONER MACDONALD: As revised.

19 CHAIRMAN CROSBY: As revised.

20 Right. Because there were a couple of  
21 revisions made in 15B, three. Was there a  
22 second, Commissioner Cameron?

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: Any further

1 discussion? All in favor of the motion  
2 signify by saying aye.

3 MR. MACDONALD: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER CAMERON: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 CHAIRMAN CROSBY: Opposed? The ayes  
8 have it unanimously. All right. It's 12:30,  
9 but I think we ought to power through, right;  
10 everybody cool with that?

11 COMMISSIONER CAMERON: Mm-hmm.

12 CHAIRMAN CROSBY: Okay. Next.

13 MR. BEDROSIAN: Item 6, please.

14 CHAIRMAN CROSBY: Did you have  
15 anything on 3A?

16 MR. BEDROSIAN: No. I think I've  
17 taken up enough of the Commission's time  
18 today. Thank you.

19 CHAIRMAN CROSBY: All right. No,  
20 no. We're --

21 MR. BEDROSIAN: Thank you, though.

22 CHAIRMAN CROSBY: Item 6.

23 MS. WELLS: Good afternoon,

24 Mr. Chairman, members of the Commission. So

1 for Item 6A, we have, on the agenda, a vote on  
2 an MGM qualifier suitability determination.  
3 So you've already been provided with the  
4 investigative report, I'll just do a brief  
5 summary.

6 The individual in question here is  
7 Mr. John Kilroy, a qualifier for MGM Resorts  
8 International. He was appointed to the board  
9 of directors in 2017, and then submitted  
10 application materials to the IEB. He is  
11 expected to serve on both the steering and  
12 audit committee, and may have other committee  
13 appointments in his tenure.

14 As for education, he graduated from  
15 Newport Harbor High School, then attended the  
16 University of Southern California. Studied  
17 general academics. Didn't complete that  
18 degree, but that was back between 1967 and  
19 1971.

20 Since then, he's had a very  
21 successful career. He is currently the  
22 chairman, president and CEO of Kilroy Realty  
23 Corporation. That's a real estate investment  
24 trust, REIT company, we were just talking

1 about those, founded by his father, with a  
2 predecessor company in 1947.

3 Since 1981, he was responsible for  
4 the overall all management of all facets of  
5 Kilroy Industries, the predecessor to Kilroy  
6 Realty Corp., and became the president, CEO  
7 and director upon its incorporation in  
8 September of 1996. The company made its  
9 initial public offering the following year, in  
10 1997, is considered one of the largest REITs  
11 in the west coast, specifically, the  
12 Los Angeles, San Diego, Orange County,  
13 San Francisco Bay area and the greater Seattle  
14 areas. The company specializes in acquiring,  
15 developing, owning and operating suburban  
16 office and industrial real estate.

17 As a result of his appointment to  
18 this position, as a member of the board of  
19 directors, he applied for licensure not only  
20 in Massachusetts, but also in three other  
21 jurisdictions. And we confirmed with the  
22 other jurisdictions. Maryland, the  
23 investigation is still pending. Michigan, he  
24 was determined to be suitable. And New

1 Jersey, that investigation is pending.

2 As with the other suitability  
3 investigations that the IEB conducts, he  
4 conducted a verification of his identity,  
5 confirmed his financial stability and  
6 integrity, and we reviewed his directorships  
7 and interests in other businesses, reviewed  
8 litigation history, searched for criminal  
9 records, we checked his references and did an  
10 analysis of media coverage.

11 All in all, Mr. Kilroy demonstrated  
12 by clear and convincing evidence that he's  
13 suitable, and the IEB recommends that the  
14 Commission vote to find him suitable as a  
15 qualifier for MGM Resorts International.

16 CHAIRMAN CROSBY: Discussion?

17 COMMISSIONER STEBBINS: Karen, I'm  
18 assuming that -- we know MGM owns properties  
19 beyond Maryland, Michigan, New Jersey and us.  
20 I'm assuming that there are no suitability  
21 investigations going on because different  
22 states have different requirements for  
23 licensing board members?

24 MS. WELLS: Correct.

1                   COMMISSIONER CAMERON: This is a  
2 very clean investigation. No derogatory  
3 information on Mr. Kilroy, and I recommend we  
4 find Mr. Kilroy suitable as a qualifier for  
5 MGM.

6                   COMMISSIONER MACDONALD: Second.

7                   CHAIRMAN CROSBY: Further  
8 discussion? All in favor? Aye.

9                   MR. MACDONALD: Aye.

10                  COMMISSIONER STEBBINS: Aye.

11                  COMMISSIONER CAMERON: Aye.

12                  COMMISSIONER ZUNIGA: Aye.

13                  CHAIRMAN CROSBY: Opposed? The ayes  
14 have it unanimously.

15                  MS. WELLS: So the next item on the  
16 agenda -- Mr. Connelly's sick today, so we  
17 were going to work in tandem, but I'll just  
18 cover that for the Commission's purposes  
19 today.

20                  We have been working with MGM on  
21 this issue, because they do have an opening  
22 coming up this year. So I've worked with both  
23 Pat Madamba and Seth Stratton, who are here  
24 today, and Loretta Lillios on the enforcement

1 side of the house.

2 So as you've probably seen in the  
3 packet, I submitted a memo for you just  
4 outlining that there has been, as you know, a  
5 statutory change as it pertains to the  
6 registration of service-level employees. So  
7 these are gaming service employees employed by  
8 the casinos in Massachusetts.

9 So in a nutshell, what that change  
10 to the statute encompasses, is the -- it gives  
11 the Commission the ability of that subset of  
12 employees, that service level of employees, it  
13 gives the Commission the authority to exempt  
14 certain job positions in that category of  
15 employee from the requirement of registration.  
16 So -- it also requires that the Commission  
17 report out to the legislature on that -- on  
18 those actions.

19 So it's important to note, if the  
20 Commission makes the decision to exercise that  
21 discretion and exempt certain job positions  
22 from the registration requirement, basically,  
23 the change would be that the casinos would do  
24 their own background investigations, like any

1           employer has the authority to do in  
2           Massachusetts. But the Massachusetts Gaming  
3           Commission and the IEB would not be doing a  
4           different subsequent regulatory background  
5           investigation.

6                         So what the Commission is looking  
7           at, when you exempt an employee, you're  
8           relying on the casino to do the appropriate  
9           background check for the -- for that  
10          particular job position and make a  
11          determination about employment.

12                        So one example I've talked about in  
13          the past, it would be as if the employee that  
14          works at -- you know, with the person that  
15          gives out the shoes in the bowling alley, they  
16          would be in the same position as the person  
17          that gives out the shoes in the bowling alley  
18          at any other bowling alley in Massachusetts.  
19          There's not that enhanced regulatory oversight  
20          by a state agency.

21                        CHAIRMAN CROSBY: And they are not  
22          subject to the automatic disqualification.

23                        MS. WELLS: Correct.

24                        CHAIRMAN CROSBY: So there's two big



1 things. If we exempt a category, it means  
2 that they are not subject to the automatic  
3 disqualification for the various criminal  
4 offenses, A. And B, that we will not be doing  
5 any other background checking.

6 MS. WELLS: Correct. So the  
7 employer would have access to -- through  
8 iCORI, they would have access to background  
9 information regarding criminal offenses that  
10 any other -- that any other employer would  
11 have in Massachusetts. There would, sort of,  
12 be a level playing field.

13 CHAIRMAN CROSBY: Right. So if they  
14 found a bad apple with what they deemed to be  
15 a significant -- a problematic criminal  
16 record, they had every right not to hire the  
17 person, it's just that there's no categorical  
18 bar for that category person.

19 MS. WELLS: It would be under  
20 employment law across the Commonwealth, it  
21 would be the same. So the IEB, you know,  
22 recommends that the -- when the Commission  
23 looks at this issue, that when they look at  
24 what, if any, positions you make a

1           determination should be exempt, that you  
2           remember that -- you know, aside from the no  
3           background check, there's also the lack of an  
4           enforcement mechanism.

5                        So if there is no registration -- if  
6           Karen Wells works at the bowling alley and  
7           does not require to be registered, the  
8           Commission, as an agency, does not have the  
9           authority to revoke that registration. The  
10          employment is up to the employer. So it's  
11          something to bear in mind.

12                       And aside from the fact that an  
13          employer has a different level of access to  
14          information, then, a law enforcement agency,  
15          like the IEB does, you're giving up not only  
16          the enhanced background check, but you're also  
17          giving up the authority to revoke the  
18          registration. So you should be mindful of  
19          that when determining, which, if any positions  
20          it would be appropriate for you to do that  
21          with.

22                       And, you know, some of the  
23          considerations, public safety, the integrity  
24          of the gaming operations, the reputation of

1 the Massachusetts gaming industry and the  
2 casinos, the protection of personal  
3 information and the regulatory  
4 responsibilities of the Gaming Commission, I  
5 would suggest should all be considered, when  
6 you're looking at what you want to do, as far  
7 as these determinations.

8 I also think it's important for us  
9 all, as members of the agency and you as  
10 members of the Commission, to remember we have  
11 not yet opened a resort casino. So we still  
12 have yet to have experience in regulating  
13 table games, in understanding what we're  
14 looking at with these -- with these exempt  
15 positions.

16 So the regulatory change, which will  
17 be coming later in the pack, when we talk  
18 about a regulatory change, we are recommending  
19 some flexibility. So the Commission has the  
20 ability to make determinations, change their  
21 mind, if that determination is -- they find  
22 that the data indicates was probably not such  
23 a good idea, you have that flexibility. And,  
24 also, the determinations you make on day one

1           that you're making these choices, you may want  
2           to expand down the road, based on information  
3           and based on our experience and what we learn  
4           about these positions. Particularly, after  
5           we've had the opportunity to regulate these  
6           large casinos in operation. So I just bring  
7           that to your attention.

8                         So what would be helpful at this  
9                         juncture, is for the Commission to give some  
10                        overall policy guidance on what kind of  
11                        factors the Commission believes would be  
12                        appropriate for determining which positions  
13                        should be exempt, and which positions should  
14                        not be exempt.

15                       So I just indicated in the memo to  
16                        the Commission, we've had some discussions  
17                        internally, and some -- based on what we've  
18                        learned from other jurisdictions, what we see  
19                        in our own experience, and even speaking with  
20                        the casino licensees themselves, what the  
21                        IEB's recommendation at this point for you to  
22                        consider, is that there should be certain  
23                        factors that, if applicable to a job position,  
24                        we should probably still register them at

1           least at this point, until we have some  
2           experience.

3                         And then, I've also indicated some  
4           factors. I'm curious the Commission's  
5           position on some other issues, because that  
6           will inform our recommendation to the  
7           Commission about which position should be  
8           exempt.

9                         So in the list of factors the IEB is  
10          suggesting the Commission should consider for  
11          positions that should not be exempt, those  
12          include information about whether or not the  
13          position involves work on the casino floor.

14                        The casino floor is the heart of  
15          operation. That's where all the money is.  
16          And I think it's important to remember, sort  
17          of that -- the basis for why there is this  
18          strict regulatory scheme for casinos in the  
19          first place. And we remember, you know, even  
20          with talking with MGM, the expectation, the  
21          amount of cash that's involved in a casino  
22          operation is unlike any other industry in the  
23          world. And that's what we're, you know,  
24          looking at, when we're looking at a casino

1 floor. There's a lot of movement. A lot of  
2 cash is being moved around the floor. Not  
3 only the opportunity for theft of -- on the  
4 cash itself, but, also, of greater concern is  
5 any kind of collusion with another individual  
6 or group of individuals regarding, you know,  
7 theft from a casino could also result in  
8 physical harm to an individual.

9 We get reports of armed robberies  
10 and other such things where people might get  
11 hurt. So I'm very concerned about protecting  
12 the floor where all the cash is. At least, at  
13 the beginning of the Commission's  
14 determination on these, that should be  
15 something we take very seriously.

16 There are -- certainly, particularly  
17 with MGM, there are hundreds of jobs that  
18 don't work on the casino floor so there's  
19 plenty of opportunity to give folks, who may  
20 have some kind of difficulty with the  
21 registration process an opportunity to work  
22 and get jobs at the casino.

23 So aside from working on the casino  
24 floor, we're also looking at jobs where the

1 position involves access to secure casino  
2 back-of-the-house areas without a security  
3 escort, that may be the art macabre, where  
4 there's liquor storage. I differentiate that  
5 between -- against the -- you know, for  
6 example, where the office -- I mean, the  
7 casino cafeteria is. Obviously, that's not on  
8 the floor. It's sort of back-of-the-house,  
9 but you don't need a security escort to get  
10 there. It's not what you call a secure area.

11 One of the other factors we're  
12 looking at is departmental managerial  
13 responsibilities. So when we looked at the  
14 list of job positions, particularly with MGM,  
15 when they gave it to is very helpful. They  
16 gave us, sort of, breakdowns by categories of  
17 where people were working.

18 And in other jurisdictions, we've  
19 looked at, you know, what they -- an approach  
20 they have, which I would recommend, is that --  
21 particularly, say, for example in a  
22 restaurant, they may register, sort of, the  
23 top level managers, but not the lower level  
24 employees. And I do think, at this point

1 that's a good idea, because there's somebody  
2 in the chain of command that's responsible to  
3 the Commission. There's someone that we're  
4 putting eyes on. There's someone where we  
5 could take some regulatory action, if  
6 necessary. Someone who has some supervisory  
7 responsibility.

8 So I would recommend that, as far as  
9 being a regulatory agency and having some  
10 control of what's going on at the agency --  
11 pardon me, at the facility, but not  
12 necessarily going all the way down to those  
13 lower-level employees.

14 The other issue I think that the  
15 Commission should consider is being, if the  
16 position involves being responsible for  
17 alcohol sales, distribution service and/or  
18 storage. As you are aware, we give the  
19 casinos the liquor license. So we, you know,  
20 are particularly concerned with things such as  
21 overservice and folks that are -- patrons of  
22 the casino that may pose a danger to others,  
23 if they are getting in a car leaving a casino.  
24 I'm very concerned about that from a public



1 safety standpoint.

2 So having a very tight regulatory  
3 control over who is serving alcohol and having  
4 the opportunity to take some action, if  
5 necessary, on their registration is a -- I  
6 would suggest, a good thing for public safety.  
7 And, also, the reputation of the casinos.  
8 That we're really taking a good look at  
9 anything involving alcohol because we own the  
10 alcohol license, and that's our  
11 responsibility.

12 COMMISSIONER MACDONALD: Excuse me,  
13 Karen. As I read these bullet points, I see  
14 two categories here. The first one, which is  
15 the one you're in the midst of describing, is  
16 introduced by saying that IEB strongly  
17 recommends that the Commission consider the  
18 following factors.

19 The second -- the second group of  
20 bullet points follows that you say the  
21 Commission may consider. As a practical  
22 matter with regard to these first ones, the  
23 casino floor, the back of the house,  
24 managerial, now you're saying alcohol, et

1           cetera, et cetera. For all practical  
2           purposes, are you saying that, at this point,  
3           that you would recommend that these categories  
4           of service employees not be exempted?

5                       MS. WELLS: Correct. So the first  
6           list of bullet points, that would -- I would  
7           suggest is your basic threshold. These job  
8           positions that -- that involve these types of  
9           things, we should keep in the registration  
10          process, and then you may consider exempting  
11          folks that are not in that group.

12                      COMMISSIONER MACDONALD: So a  
13          bartender -- a bartender who -- who had a  
14          misdemeanor theft conviction within the  
15          10-year period, would be automatically  
16          exempted?

17                      MS. WELLS: Yes.

18                      COMMISSIONER MACDONALD:  
19          Automatically excluded?

20                      MS. WELLS: Yes. Yes.

21                      COMMISSIONER ZUNIGA: Even if  
22          they're in the bowling alley, let's say.

23                      MS. WELLS: Yep. That's my  
24          recommendation, at this point.

1                   COMMISSIONER ZUNIGA: Because  
2 they're serving alcohol?

3                   MS. WELLS: Right.

4                   COMMISSIONER ZUNIGA: One could  
5 assume that they'll serve alcohol in the  
6 bowling alley or the movie.

7                   MS. WELLS: So the -- I think, when  
8 you do an analysis and you look at all these  
9 factors, there are hundreds of jobs that are  
10 available to individuals after -- you know,  
11 other positions. And I think that we have to  
12 look at this, sort of, from a bigger picture  
13 perspective.

14                   There are only so many either  
15 convicted felons or convicted -- people  
16 convicted of theft offenses and, you know,  
17 what is the -- and other offenses, because  
18 it's not just about the automatic  
19 disqualifier. During the registration  
20 process, we can also get information about  
21 dishonesty, associations. There's other  
22 things.

23                   So when you give up the registration  
24 process, you're also giving up that analysis.

1 And if there are hundreds of other jobs that  
2 are available, it's, okay, this person can  
3 work. Where is the best position for them to  
4 work, if there are other opportunities.

5 I think, at least initially, when  
6 we're looking at opening this resort casino,  
7 as long as there are sufficient positions for  
8 folks in the community to get good paying  
9 jobs, then the whole system will be more  
10 effective. So that's quickly run --

11 COMMISSIONER MACDONALD: And same  
12 with human resources?

13 MS. WELLS: Yeah. Human -- I mean,  
14 I'm not as -- I'm recommending human resources  
15 sales and/or marketing and finance. Those are  
16 certain positions. I'm not as concerned about  
17 the automatic disqualifier for those positions  
18 because there are fewer of those positions.  
19 And the type of position, the individuals with  
20 a criminal background, that's usually not a  
21 match up when they're in the hiring process so  
22 there's a low impact on that.

23 And, you know, human resources  
24 there's access to personal information, and

1       there's also a recruitment component,  
2       marketing and sales, anecdotally, in speaking  
3       with our own gaming agents and their  
4       experience, that's where you can get a lot of  
5       regulatory issues and problems on the  
6       marketing side of the house. We want to make  
7       sure -- until we are familiar with how these  
8       things operate, we don't give up that ability  
9       to have some kind of regulatory control over  
10      those particular positions, and then  
11      accounting and finance, we're dealing with the  
12      money. So the numbers are lower and the risk  
13      to the reputation of the industry and  
14      potential problems is higher. So I would  
15      suggest, to start out we'll capture those  
16      individuals.

17                 The other piece that we're looking  
18      at is what we call right access to casino  
19      databases that are gaming related. So if they  
20      can adjust things on the gaming-related  
21      databases through other research about other  
22      jurisdictions, other jurisdictions are  
23      concerned about that.

24                 And then, we did think it was

1 appropriate to have some kind of integrity  
2 catchall. If the position potentially impacts  
3 the integrity of the gaming operations, that's  
4 something, at this point, we'd want to have  
5 the flexibility that we would recommend that  
6 that --

7 COMMISSIONER ZUNIGA: Can you give  
8 me an example of that, because at first read  
9 it just seems quite broad.

10 COMMISSIONER STEBBINS: It's broad.

11 MS. WELLS: Yeah. It is a little  
12 broad. So I'm thinking, potentially, access  
13 to confidential and sensitive information. So  
14 someone that, say, works in the executive  
15 offices, or the executive suite, say, is a  
16 support person who, in and of itself, that  
17 position may not rise to that gaming or key.  
18 But because of their access to information and  
19 messages and things like that, because it  
20 really relates to gaming and the integrity of  
21 the gaming operation and what's going on,  
22 that's someone, I would suggest, you want to  
23 be registered.

24 It's a little -- that one's a little

1           tricky, as far as communicating to the IEB  
2           what positions. But we are trying to limit  
3           that to gaming operations, so focus on people  
4           that have access to --

5                        COMMISSIONER ZUNIGA: Like, for  
6           example, credit, credit information, for  
7           example? Or what are you -- give me a --

8                        MS. WELLS: I don't know how many of  
9           these positions would fall into that category.  
10          The executive offices was what I had in mind,  
11          in drafting that. And the Commission's  
12          free --

13                      COMMISSIONER ZUNIGA: Which we catch  
14          by being an executive --

15                      MS. WELLS: Well, not necessarily,  
16          because you could be an SER, say a secretary  
17          or an administrative assistant in the  
18          executive offices, but I don't -- not sure  
19          where that would fit, if that's necessarily  
20          back -- you know, back of the house without a  
21          security escort. So we just wanted to make  
22          sure there was a little flexibility with that.  
23          So I can take direction from the Commission  
24          in, sort of, an oral communication.

1                   COMMISSIONER ZUNIGA: Well, it's  
2 just -- I'm just a little -- it's hard for me  
3 to imagine because it's written such broadly.

4                   MS. WELLS: Right.

5                   COMMISSIONER ZUNIGA: If what you're  
6 saying that could be one aspect, access to  
7 sensitive information, that sounds very  
8 reasonable, however sensitive information is  
9 defined. It's purely access. Not of writing  
10 like the immediately above. But any -- and  
11 potentially, has in my view, a very broad -- I  
12 understand the flexibility argument. I just  
13 think it seems quite broad.

14                   MS. WELLS: And so, what we're  
15 planning to do, as far as getting information  
16 about these positions, the -- we'll go through  
17 these and then the other ones, and I'd like to  
18 hear from the Commission, sort of, what your  
19 position is on which, if any of these, you'd  
20 like us to consider.

21                   What the expectation is, that we  
22 would have some kind of form and/or document  
23 for the licensee to fill out information about  
24 each position, because I don't know what, even



1 necessarily, a position in the MGM casino, if  
2 they are, necessarily, related to any of these  
3 issues. So we have the applicant -- pardon  
4 me, the licensee document that. So if they  
5 have to give us any information about, you  
6 know, their position involving  
7 responsibilities that impact the integrity,  
8 they would submit it and then we could  
9 consider it. It wouldn't be like a check box,  
10 a yes or no. It would just give us some  
11 information on this as to this position. Does  
12 it impact the integrity of the gaming  
13 operations; if so how, and then we'd have the  
14 information to present to the Commission on  
15 whether or not you would determine that that  
16 position should be exempt or not.

17 COMMISSIONER STEBBINS: Karen, a  
18 quick question. As you were considering all  
19 these factors, do you kind of weigh or look  
20 at -- and we'll just talk about MGM for a  
21 minute. Do you have an idea or an overview of  
22 MGM's hiring practices, the background process  
23 they might put somebody through, as well as  
24 how they might discipline an individual.

1                   And it may be segmenting this out a  
2                   little bit because, you know, I'm curious  
3                   about the alcohol sales distribution. I  
4                   understand our role there. But let's say a  
5                   waitress over serves somebody, and that's on  
6                   us, too, but it's also -- you know, there's  
7                   also somewhat of a shared burden that our  
8                   licensees carry. Did you have an idea of what  
9                   their penalty actions or disciplinary actions  
10                  might be on an individual, not just under  
11                  alcohol but some of the other...

12                 MS. WELLS: Yeah. I wouldn't want  
13                 to, necessarily, speak for them. I think --  
14                 you know, we have folks from MGM here, if you  
15                 want to ask them in particular. But I think  
16                 that's where we get into that, sort of, the  
17                 proof's in the pudding. Like, that's where  
18                 you want to see what happens. Like, what do  
19                 they actually do?

20                 Anybody can say anything, but having  
21                 some experience on how they take action, it  
22                 has a little more weight than, you know, oh,  
23                 we take care of that in X, Y or Z type of way.  
24                 You know, we do have licensees that have

1 properties in other jurisdictions, and they  
2 can give us some history on that, if that's  
3 helpful to the Commission.

4 COMMISSIONER STEBBINS: I'm sorry.  
5 But as you're thinking about this template for  
6 our licensees to complete, is it a fair  
7 question to add, if an individual was found in  
8 violation, you know, how do you handle a  
9 personnel matter like that?

10 MS. WELLS: Yeah. We could add  
11 that, if you think that's appropriate. We can  
12 sort of -- we could add a section on past  
13 practices on disciplinary actions for  
14 employees in this job position, or something  
15 like that.

16 COMMISSIONER ZUNIGA: Added to what?  
17 I'm not sure I follow.

18 CHAIRMAN CROSBY: So, I guess you're  
19 saying, so that if you found out that, in your  
20 judgment, they handle these kind of problems  
21 well, you might exempt them; is that the  
22 point?

23 MS. WELLS: Well, I get -- you might  
24 exempt them.

1                   CHAIRMAN CROSBY: You might propose  
2                   that we exempt them, or we might exempt them.

3                   COMMISSIONER ZUNIGA: I want to be  
4                   careful about going that route --

5                   MS. WELLS: It's tough because the  
6                   job's not guaranteed.

7                   COMMISSIONER ZUNIGA: -- because the  
8                   statute gives us the ability to exempt by job  
9                   title; doesn't it, Counsel?

10                  MS. BLUE: It gives you the ability  
11                  to exempt by job position.

12                  COMMISSIONER ZUNIGA: Position.

13                  MS. BLUE: So you're looking at a  
14                  job classification. Not everybody does it  
15                  specific to their own business, but you're  
16                  exempting based upon classification. And I  
17                  would also say, that what a licensee does on  
18                  the employment side is up to the licensee. We  
19                  have two processes here. Our licensing  
20                  process, and the licensee has an employment  
21                  process, and they're separate and distinct.

22                  COMMISSIONER ZUNIGA: Yeah. I want  
23                  to -- I would love to keep it that way.

24                  MS. WELLS: Yeah. And I was going

1 to get to this a little bit later, but as far  
2 as exemptions, I would describe it, given how  
3 the statute reads and how the process is  
4 playing out with these factors, there may be  
5 a -- sort of, what you may consider a  
6 presumption that an X position at MGM, if  
7 they're -- you know, MGM gives us information,  
8 we exempt them, that that would be the same  
9 across the board. But the IEB is going to --  
10 because you cannot necessarily tell from job  
11 title, if job responsibilities are the same,  
12 so we're going to have to do a case-by-case  
13 analysis to make sure they are consistent.

14 If there's, you know, some rationale  
15 basis that a job here that's called the same  
16 is different from a job in another casino, we  
17 might take different action. But we would  
18 have to have a rational basis for that, and we  
19 would be fair across the board in applying the  
20 factor.

21 COMMISSIONER ZUNIGA: Yeah. Thanks  
22 for that clarification. I think job duties  
23 and job title may be different and we have to  
24 be careful about that.

1 MS. WELLS: Right.

2 COMMISSIONER ZUNIGA: But prior  
3 history on how you handle certain things, I  
4 want to make sure that we don't go that route  
5 because we could get into a bad scenario.

6 COMMISSIONER CAMERON: This is going  
7 to be a learning experience.

8 MS. WELLS: Right.

9 COMMISSIONER CAMERON: And I think  
10 the licensees can help you with some of this.  
11 For example, the -- you mentioned assistants.  
12 Well, maybe it is assistants are not, you  
13 know, depending on what the job description  
14 is, but executive assistants, maybe they get  
15 registered because of the level of information  
16 that they're now having access to. So I  
17 think -- I think they're going to be able to  
18 assist you in giving you the proper  
19 information, in order to make an accurate call  
20 on whether or not they are going to be exempt  
21 or not, right.

22 And I think the other piece that's  
23 important here, is we do start a bit  
24 conservative and, you know, we're using

1 several factors and then, you know, a year  
2 into this we look and say, wait a minute, we  
3 thought this may be an issue but we see no  
4 evidence of it, we're comfortable now  
5 exempting that category. I mean, I think this  
6 will be a work-in-progress for us as we gain  
7 experience and we have a chance to assess  
8 risk.

9 COMMISSIONER ZUNIGA: I agree with  
10 all of that. I just think that -- I assume  
11 that this is only the first time we're looking  
12 at it. We're going to get to, either a  
13 regulation that the legal department would  
14 draft with some specificity about job titles  
15 or duties, or --

16 CHAIRMAN CROSBY: This is just  
17 giving guidelines.

18 COMMISSIONER ZUNIGA: This is just  
19 the beginning.

20 COMMISSIONER CAMERON: An idea.  
21 Right.

22 COMMISSIONER ZUNIGA: An idea. This  
23 is not the -- this is not the end.

24 COMMISSIONER CAMERON: No.

1 MS. BLUE: So this is the first time  
2 that you're looking at it. The regulation  
3 that comes up later on your agenda will not  
4 have a degree of specificity, unless, you  
5 know, you would like us to do that.

6 We wouldn't recommend that a reg  
7 have specificity on job positions. But we do  
8 think it's important for guidance from the  
9 Commission to tell us how and what things you  
10 want to us consider, in terms of how we exempt  
11 positions.

12 MS. WELLS: The thing --

13 CHAIRMAN CROSBY: Can you remind me,  
14 what's the next -- who's in the next category  
15 up from SER?

16 MS. WELLS: That would be a gaming  
17 employee.

18 CHAIRMAN CROSBY: And that -- and  
19 who's in that?

20 MS. WELLS: Those are, you know, for  
21 example, your dealers, your security officers?

22 CHAIRMAN CROSBY: Right. With the  
23 floors. Okay.

24 MS. WELLS: Right. So the



1            expectation is that, if we can -- because in  
2            particular MGM is very concerned about their  
3            hiring setup and getting some information from  
4            the Commission about who's exempt, because  
5            they need to go out and do the work, as far as  
6            getting all these employees.

7                        So the thinking was, if we can get,  
8            sort of, the factors from the Commission at  
9            this meeting, maybe even by as early as the  
10           next meeting on February 1st, if there's some  
11           kind of -- we can get the information from,  
12           say, MGM because they're the most motivated at  
13           this point on certain job positions, we may be  
14           able to present to you a certain number of job  
15           positions that match up, and that, you know,  
16           IEB can relate to you that the positions that  
17           MGM has identified, they give us information  
18           that the job positions don't cause any concern  
19           with any of these factors, and then the  
20           Commission may be able to sign off on some  
21           exemptions.

22                        That doesn't mean that's the be all  
23            and end all and they couldn't do some more  
24            later, or change their minds on the ones they

1 did, but at least to get this process going  
2 and assist MGM in getting the hiring process  
3 going for their opening later this year.

4 COMMISSIONER MACDONALD: So do you  
5 want our feedback?

6 MS. WELLS: Yeah. So what I'm  
7 looking for on -- the general help I would  
8 need from the Commission is that, on that  
9 first group of bullet points, that's the IEB's  
10 recommendation, at least do these. You know,  
11 this is, sort of, that basic -- this would be,  
12 sort of, that initial threshold for the folks  
13 that we would what to capture not exempt.

14 And then, I'm also looking -- you  
15 know, I point out some other factors that the  
16 Commission may want to consider in its own  
17 discretion about some other factors. My  
18 expectation with that would involve some more  
19 robust discussion by the Commission on those  
20 factors on whether you want to include them.

21 Those I've listed this -- whether or  
22 not the position involves working in an area  
23 that is only accessible through the casino  
24 floor, that's a rule they had in Maryland.

1 Any supervisory responsibilities, that is  
2 taking that managerial responsibilities one  
3 step further.

4 So instead of just saying the top  
5 level -- that top person or their deputy, who  
6 is ultimately responsible for that area,  
7 anybody with supervisory experience that was  
8 responsible for training or supervising  
9 another individual, you could capture that  
10 person.

11 The third category of a factor, that  
12 potential access to patron cash or valuables,  
13 that's an area where I think I've gotten some  
14 different feedback on, particularly, the  
15 position of valets and guest room attendants.

16 So those are both positions where  
17 patrons that are coming to the casino, they  
18 may leave valuables or cash in the car, or  
19 they may -- you know, a casino is -- you know,  
20 a casino hotel is different from a hotel in  
21 another area of Massachusetts.

22 You may have high rollers who have a  
23 lot of cash, and they may put the cash in  
24 their rooms, and the guest room attendants

1           have access to the rooms. I do expect that  
2           the casino will have safes available in each  
3           of the rooms in their casino.

4                        COMMISSIONER STEBBINS: It was on  
5           their bid list.

6                        MS. WELLS: Yeah. So that's  
7           something -- that's one of those factors, I'd  
8           like to get some feedback from the Commission.  
9           There are, certainly, a number of jobs in that  
10          category, unlike these human resources in the,  
11          you know, sales or marketing. There's a high  
12          volume of jobs, which may be available to the  
13          folks in the Springfield area. So I'd like to  
14          see what the Commission's position is on that,  
15          before making a packet together for the  
16          Commission's approval.

17                       COMMISSIONER CAMERON: Have you had  
18          the opportunity, Director, to speak with MGM  
19          about certain categories and why -- what they  
20          see as the risk and why they don't see risk;  
21          have you had those conversations?

22                       MS. WELLS: Yeah. We've talked a  
23          substantial amount. And they're here, if you  
24          want to ask them any questions. I'm very

1 comfortable with that.

2 I mean, so part of it is the  
3 question, you know, to the casino, do you --  
4 you know, for example, valets, those people  
5 have going to have access to other -- to  
6 patron's cars, you know, the public's  
7 valuables, do you want them registered? Do  
8 you not want them registered? What's the  
9 position?

10 You know, their conversations that  
11 they've had with us, they indicate they would  
12 be comfortable with doing their own background  
13 check and not going through the registration  
14 process.

15 So it's helpful to get the feedback  
16 from the licensees, whether they think they  
17 can do their own process, be sufficiently  
18 accountable for putting the right people in  
19 place, or is it appropriate to have that  
20 enhanced regulatory look at the employees and  
21 have some enhanced scrutiny?

22 COMMISSIONER ZUNIGA: I think some  
23 of these categories catch -- catch up a lot of  
24 people.

1 MS. WELLS: It does.

2 COMMISSIONER ZUNIGA: And I know  
3 there's a desire to be conservative, to begin  
4 with. But when I hear -- when I read the  
5 words "any," read-only access, I mean, a host  
6 with just -- you know, it's going to have  
7 read-only access to a lot of information from  
8 patrons so it might be blacked out because --  
9 like social security numbers. But even this  
10 way, read-only can catch a lot of positions.  
11 I'm comfortable with the ones on top, with the  
12 exception of the point I made about the  
13 catchall, which I understand --

14 CHAIRMAN CROSBY: The catchall,  
15 which one is that?

16 COMMISSIONER ZUNIGA: The last  
17 bullet on the first tier. Because, you know,  
18 any reason -- a reasonable person could say,  
19 even though the responsibility's very narrow,  
20 there's a responsibility. And just about  
21 anything has the potential to impact the  
22 integrity of gaming operations. I just -- I  
23 understand that -- the need but --

24 COMMISSIONER CAMERON: I hear you.

1           And I -- that's why I would love to almost  
2           see, is there a way to, after you have further  
3           discussion, a chart that would be helpful to  
4           say --

5                         COMMISSIONER ZUNIGA:  There is.

6                         COMMISSIONER CAMERON:  -- okay, so  
7           this many people fall into this first nine  
8           areas that we see -- we assume or we see that  
9           there will be risk and we're comfortable  
10          registering those folks.  But this next group,  
11          how many people?  What are the categories?  
12          What are -- and conversations with MGM, why  
13          they don't see the risk.

14                        I mean, it just seems to me that  
15          listing these things it's very hard for us to  
16          say, okay, exclude everyone, when we don't  
17          have a sense of how many people.

18                        MS. WELLS:  Well, as far as -- I  
19          mean, we've worked with MGM.  They can come up  
20          here.

21                        CHAIRMAN CROSBY:  Yeah.

22                        MS. WELLS:  We've talked about what  
23          this means on a practical level and job  
24          positions.  And, you know, these are rough

1 numbers, so, you know, just giving an estimate  
2 for purposes of discussion.

3 But if we just looked at those top  
4 categories that the IEB is saying this is,  
5 sort of, your threshold, and I'm -- in line  
6 with what Commissioner Zuniga was saying, that  
7 that catchall provision, I'm looking at it  
8 from a very limited perspective. That, sort  
9 of, that limited catchall. If there's really  
10 a concern and it doesn't quite fit in the  
11 other categories, we do have the option of  
12 capturing that employee so when we did the  
13 analysis we were on the same page.

14 So we don't have all the positions.  
15 Yeah, we're still looking for some from the  
16 entertainment block. The estimate is between  
17 five and 600 employees would be exempt, if you  
18 included all those bullet points from the  
19 first set, which I would suggest, given what  
20 the, you know, Commission's policy directive  
21 was, more than sufficient for opening. So we  
22 were actually surprised at how many fell into  
23 that category. We're talking about a lot --

24 CHAIRMAN CROSBY: Are you saying



1 five -- these would be nonexempt, five to 600  
2 would --

3 MS. WELLS: Five to six -- if you  
4 use these factors, approximately, five to 600  
5 employees would be exempt from the  
6 registration process.

7 CHAIRMAN CROSBY: And just, in the  
8 similar rough numbers, how many would be  
9 nonexempt; how many of these SER, what's the  
10 total SER number, more or less?

11 MR. STRATTON: Roughly --

12 MS. WELLS: 1100?

13 MR. STRATTON: A thousand to 1100.

14 CHAIRMAN CROSBY: So this would be  
15 exempting, about a half of them?

16 MS. WELLS: Correct.

17 CHAIRMAN CROSBY: Okay.

18 MR. STRATTON: That's right.

19 MS. WELLS: Correct. And if you  
20 work through the, you know, what I would  
21 consider the factors to also consider, then  
22 your numbers of exempt employees would go  
23 down.

24 So the -- for example, the potential

1 access to patron cash or valuables, that might  
2 drop it down another hundred. So you only  
3 exempt, maybe, four to 500. You know,  
4 supervisory responsibilities, that's going to  
5 impact it. Working in an area that's only  
6 accessible through the casino floor.

7 A lot of the positions that -- when  
8 you look at it with these factors, a lot of  
9 the positions are in the food and beverage  
10 side of the house. Not the alcoholic  
11 beverage, but the -- you know, your  
12 nonalcoholic beverages.

13 So a lot of the cooks, the -- you  
14 know, the wait staff, people that work in the  
15 restaurants around the facility that are, by  
16 and large, suit the entry-level positions,  
17 which are, sort of, that target for who would  
18 want to capture it to increase the employment  
19 level in the community. So it, sort of,  
20 matches up quite well as far as --

21 COMMISSIONER ZUNIGA: But any server  
22 would be exempt -- would be included, though.  
23 You mentioned waitress.

24 MS. WELLS: Well, yeah, we talked

1           about that. Yeah. So we hadn't done the  
2           alcohol -- on the alcohol service, so just let  
3           me look at some of these.

4                        COMMISSIONER ZUNIGA: Is there going  
5           to be any --

6                        MS. WELLS: Stewards, cooks, pastry  
7           cook, cleaners, things like that.

8                        COMMISSIONER CAMERON: They're all  
9           exempt?

10                      MS. WELLS: Correct. The only  
11           concern would be -- you know, if you're  
12           serving alcohol and there's a potential  
13           problem with alcohol, for right now, we'd like  
14           to keep an eye on that.

15                      COMMISSIONER MACDONALD: So any  
16           waiter or waitress would be -- would still be  
17           automatically excluded, if they had a  
18           conviction within 10 years of their applying  
19           for the job?

20                      MS. WELLS: Correct.

21                      COMMISSIONER CAMERON: Certain  
22           things. Theft.

23                      MR. STRATTON: If I --

24                      CHAIRMAN CROSBY: Go ahead.

1                   MR. STRATTON:  If I could comment,  
2                   and I might turn to Pat, he has some more of  
3                   the specifics on industry and some of these  
4                   categories.  But if you recall, we were pretty  
5                   aggressive on this early on, and we had some  
6                   tough, robust conversations with staff, and  
7                   with Karen and Loretta.

8                   I just want to say, that Karen and  
9                   our team were imminently reasonable in these  
10                  discussions.  We've had no less than,  
11                  probably, six to eight conference calls over  
12                  the past two weeks, going through this list,  
13                  talking through these criteria, and it's been  
14                  a really productive and collaborative process.

15                  So the criteria -- the, kind of, top  
16                  section of criteria, we appreciate your  
17                  comments, Commissioner Cameron, that it's a  
18                  conservative approach, initially, and that we  
19                  could revisit it, because there are some  
20                  categories -- for instance, a hotel manager  
21                  that we think shouldn't be treated differently  
22                  than a hotel manager down the street.  But  
23                  that's not a big number, and let's try it out,  
24                  let's capture the numbers.  And that's, kind

1 of, the attitude that we took back and forth  
2 with Karen and her team.

3 So we're very comfortable with that  
4 top group of criteria, with the exception that  
5 I think you highlighted today, Commissioner  
6 Zuniga, which we didn't -- we knew the  
7 positions we were talking about so that  
8 category seemed less broad to us, because we  
9 had the context of the discussions. But I  
10 agree that it could be defined for more clear  
11 direction.

12 But when you get to the additional  
13 criteria, we think it gets really dangerous  
14 and really broadens the pool to capture almost  
15 everyone and you'd have very few exempt. So  
16 we think we'd be happy to -- and I'll pass it  
17 to Pat to talk through some of those, but it's  
18 a -- we're going to lose the benefit of the  
19 rule, if we get too far into it.

20 COMMISSIONER CAMERON: Is there a  
21 way to help with this situation by job titles?  
22 I mean, you know -- you know our concerns.

23 MR. MADAMBA: What we've done with  
24 Karen, both in conference calls and

1 face-to-face meetings and what have you, is we  
2 went position by position in the MGM jobs  
3 compendium and talked about the various  
4 responsibilities of those positions. And we  
5 came to agreement on the -- there's no  
6 disagreement at all, be clear. We came to  
7 wholehearted disagreement on those primary  
8 factors.

9 The secondary factors, we don't  
10 look at -- I look at them that they inform  
11 your decision, but they don't bar a position  
12 from being exempt. They simply inform your  
13 decisions, whether you want to include those  
14 or not. But we went through and went through  
15 the compendium with the primary factors.

16 We also did another exercise for  
17 your staff. We took and we looked at what  
18 that position would be licensed at or  
19 registered at in other jurisdictions. And we  
20 did a spreadsheet position by position with  
21 New Jersey, Michigan, Maryland and Nevada.  
22 And we are -- for the large part, we are  
23 consistent. The conclusion that we ended with  
24 is consistent, for the most part. There are

1       some differences and what have you, but, you  
2       know, you're a new agency, in terms of dealing  
3       with a full-scale casino. You wanted  
4       experience, what have you, we took that into  
5       consideration. But we came, essentially, to  
6       agreement, subject, of course, to what the  
7       Commission wants to do, agreement of where --  
8       an agreed-upon position, if you will, on the  
9       various positions in the jobs compendium.

10               CHAIRMAN CROSBY: I'm going to just  
11       take a shot here. I actually -- I'm not  
12       comfortable with a lot of these. But I think,  
13       particularly the notion at the outset, the  
14       middle ones, you know, from managerial  
15       responsibilities down to accounting or  
16       finance, applying those to people who are  
17       outside, essentially, the casino environment,  
18       like to the entertainment block, you know, why  
19       should the somebody who is the manager of the  
20       movie theater or the bowling alley, or does  
21       accounting, bookkeeping for the theater, or  
22       marketing for the theater or the bowling  
23       alley, if you only -- if you said casino and  
24       adjacent facility, i.e., the hotel, all the

1 hotels which are -- I mean, all the  
2 restaurants, which are abutting, which are  
3 adjacent to, you know, I could certainly live  
4 with this for the time being, at least. But  
5 to apply -- or to whoever ends up populating  
6 the Armory. You know, why should those people  
7 be caught up in that. So with that change, I  
8 would be comfortable with this.

9 MR. MADAMBA: Just one clarification  
10 for -- for purposes of how they were -- how we  
11 characterize these. With respect to the  
12 finance accounting, there's simply one staff,  
13 and we looked at how they were treated in  
14 other jurisdictions. And that recommendation,  
15 at least with respect to accounting, is  
16 consistent with the other jurisdictions.

17 CHAIRMAN CROSBY: Well, if you  
18 outsource the management of the movie  
19 theater --

20 MR. MADAMBA: That would be  
21 different. It wouldn't fall in our jobs  
22 compendium, then. I mean, it'd be a different  
23 --

24 CHAIRMAN CROSBY: I mean, but it



1 wouldn't fall -- you're saying wouldn't fall  
2 under this criteria?

3 MR. MADAMBA: It wouldn't fall. I  
4 don't believe it would fall under that  
5 criteria.

6 MS. WELLS: Yeah. The other issue  
7 that I'm thinking out loud a little bit, is,  
8 sort of, the vendor employees. So the  
9 regulation change that, you know, the legal  
10 department's going to bring up encompasses  
11 that. So if the -- one of the facilities in  
12 the entertain -- MGM's a little -- that's why  
13 --

14 CHAIRMAN CROSBY: I know. It's kind  
15 of a weird --

16 MS. WELLS: It is a little weird.

17 CHAIRMAN CROSBY: Right. I mean, if  
18 we were talking Wynn, it would be a different  
19 structure.

20 MS. WELLS: Yeah, it's very  
21 different. And so, maybe -- you know, maybe  
22 the -- you know, we talk about the  
23 entertainment block verse -- you know, at MGM  
24 versus the rest of the gaming establishment.

1                   I think, to your question about you  
2                   know, why do we care, all of this is the  
3                   gaming establishment. The Commission decides  
4                   what the parameters of the gaming  
5                   establishment. And the Commission has a  
6                   responsibility over the entire gaming  
7                   establishment, so there is some difference.  
8                   The model of having somebody at the top level  
9                   have some kind of connection with the  
10                  Commission, and we have some kind of  
11                  authority, I suggest is a good model because  
12                  of that reason.

13                  And, also, there's more to this,  
14                  sort of, registration and background process  
15                  than just, you know, the bad guys saying no to  
16                  certain people. Also, you get to know people.  
17                  They have a connection with the Commission.  
18                  They have to go through the process through  
19                  LMS. We have information on them, and it does  
20                  build a relationship.

21                  And remember, by and large, our  
22                  experience, for the most part, these  
23                  registrations are easy. These people fill  
24                  them out very quickly. They're registered the

1 same day. They don't have a problem with the  
2 background and it's not an issue.

3 And particularly, you know, in  
4 speaking with MGM, someone who's a manager  
5 level, they're not going to have a problem  
6 with the background or the registration  
7 process. So we're, sort of, getting an  
8 advantage without having the disadvantage that  
9 the Commission is concerned about. So in a  
10 practical level, it does make a lot of sense  
11 because there's some value added to it and  
12 there's really no downside.

13 MR. STRATTON: If I could comment on  
14 that. I think, it's a valid concern,  
15 Chairman Crosby, and we struggled with some of  
16 those positions. But to Karen's point, one of  
17 the really important things is, time is of the  
18 essence here. We need some clarity. We need  
19 to get this moving. And it's not as impactful  
20 at those levels, both on numbers and the folks  
21 that we're recruiting.

22 So if we -- to get it done, if we  
23 need to start conservatively, we can all agree  
24 and get these positions exempted, we're

1 comfortable with that. And I appreciate  
2 Commissioner Cameron's comments that, you  
3 know, we're open to revisiting, maybe we were  
4 too restrictive. But let's all agree on  
5 some -- some positions that are big numbers,  
6 have high impact and are hiring, get clarity.  
7 And that's what we're hoping for, and I think  
8 that informed our discussions with Karen.

9 COMMISSIONER MACDONALD: So, Seth,  
10 do I understand, then, from MGM's perspective,  
11 that you're comfortable with, for example,  
12 that anybody working in the human resources  
13 department would still be subject to the  
14 automatic disqualification. And anybody  
15 working in marketing, no matter how junior,  
16 would be automatically excluded?

17 MR. STRATTON: With the caveat that  
18 we'd like the opportunity to continue to look  
19 at it and revisit it, yes, we're comfortable,  
20 based on the discussion that let's keep those  
21 folks registered now. It's not hugely  
22 impactful on numbers and based on the  
23 backgrounds of the folks that we're dealing  
24 with in those positions, and let's go for the

1 categories that are really driving the hiring  
2 efforts in the numbers.

3 COMMISSIONER MACDONALD: Right. I  
4 would assume the numbers in those two  
5 categories would not be very -- very high.  
6 But at the same time, I would also -- and I  
7 have no experience in this, but my hunch is  
8 that, particularly at the lower level of sales  
9 and marketing and human resources, you can  
10 very well have somebody who misstepped within  
11 10 years of applying for the job.

12 MR. MADAMBA: Sure. You would be  
13 dealing with, for example, someone at the  
14 MLife guests, there's a clerk at the MLife  
15 desk. But when we looked at the positions, we  
16 really tried to make sure that the changes in  
17 the legislation benefited the people that were  
18 going to fill particular -- were likely to  
19 fill particular positions. And those are the  
20 ones that we wanted to make sure that we could  
21 get an exemption for those.

22 I mean, we could revisit whatever  
23 we're going to revisit in the future, but we  
24 wanted to make sure that the real -- the

1 targeted benefit for the legislation was we  
2 were going to now reap for the potential  
3 workforce, those benefits.

4 CHAIRMAN CROSBY: I have your same  
5 instinct. But I would let it go, if we  
6 exempted the entertainment block. I think  
7 contiguous gets what you care about, if you  
8 say contiguous. If you wanted to say and the  
9 top person at the bowling alley, the top  
10 person, if you've gotten one link. I mean, if  
11 you want to do that it'd be fine. But I don't  
12 see why the person who sells beer in the  
13 bowling alley should be subject to this.

14 COMMISSIONER ZUNIGA: I don't  
15 either. I would also just go with -- if I  
16 could revisit that last bullet on the any  
17 responsibilities that potentially impacts --  
18 could we write it in a way that just deletes  
19 the word "any," and assumes that, at least the  
20 bulk of the responsibilities that may impact  
21 the gaming operation would suffice.

22 And I know you looked at details  
23 and, you know, you already have some agreement  
24 as to the total numbers. But I am a little

1           hung up on the last bullet on the top, where  
2           it says "any responsibilities." Could we  
3           write it as just deleting the word "any"? To  
4           have a catchall that is mostly about --

5                       MS. WELLS: Yeah. And my  
6           understanding -- if the Commission's  
7           comfortable with that, that works for me, that  
8           that would include potential access to  
9           confidential or sensitive information. I'm  
10          thinking someone that, sort of, works at --  
11          you know, potentially, in the -- you know, the  
12          C suite area that may have access, not  
13          necessarily every day, but is privy to  
14          information that we'd be comfortable with.  
15          But what I hear you saying, it's not just the  
16          very miniscule chance that they have access to  
17          that. But their responsibilities include  
18          that; is that fair?

19                      COMMISSIONER CAMERON: Yes.

20                      MS. WELLS: Is that something the  
21          Commission's in agreement with?

22                      CHAIRMAN CROSBY: Yep.

23                      COMMISSIONER MACDONALD: Can you say  
24          it again?

1 MS. WELLS: It would just be --

2 COMMISSIONER MACDONALD: I was  
3 thinking about it for my next question.

4 MS. WELLS: Responsibilities that  
5 potentially impact the integrity of the gaming  
6 operation, so take out the word any.

7 COMMISSIONER ZUNIGA: Take out the  
8 word any from the last bullet, to allow her to  
9 have a catchall, because I understand that.  
10 But it's not just so broad that any kind of  
11 responsibility catches that person.

12 COMMISSIONER MACDONALD: Karen,  
13 would you be uncomfortable with an amendment  
14 of the human resources and marketing, you  
15 know, bullet to limit that to supervisors?

16 MS. WELLS: I would not. I really  
17 think that's one of those areas where we  
18 really need to gain some experience and  
19 expertise in exactly what they do, who they're  
20 involved with, and how that's going to work  
21 until -- and then, at a later time,  
22 potentially, revisit.

23 You know, human -- they've access to  
24 a lot of information. And remember, when the



1           employer's doing a background check, there's  
2           information they can't get that we have access  
3           to. You know, for example, gang affiliations.

4                     You know, if someone's in -- you  
5           know, working in the HR department, they're  
6           involved in recruitment and MGM doesn't know  
7           that there's some kind of gang affiliation  
8           there -- maybe, you'd want to know that. It's  
9           not just about the automatic disqualifier.

10                    And I understand the concern about  
11           the automatic disqualifier. But what I think  
12           is helpful in this setup that the legislature  
13           has passed, is that if Karen Wells is not --  
14           for whatever reason she had some kind of  
15           felony conviction eight years ago, you know,  
16           and -- you know, done very well, she could get  
17           a job at the casino. There'd be hundreds of  
18           jobs she could get. And then, you know, at  
19           the time, when she has the ability to either  
20           seal her record, you know, for a misdemeanor  
21           within five years or after the 10 years when  
22           they can demonstrate rehabilitation, then  
23           there's an opportunity.

24                    And the advantage in this setup, is

1           that they now have the potential backing of  
2           the casino. Say, hey, this person has worked  
3           for two years at this job. Never had a  
4           problem. Done a good job. And when they do  
5           do a background check, we take that  
6           information into consideration.

7                         So there are opportunities for  
8           movement and growth. You know, I would be  
9           remiss, if I didn't remind the Commission  
10          about, you know, the ceiling for the  
11          misdemeanors is, I think, a significant  
12          provision in the law, particular for theft  
13          defenses, things that the Commission may not  
14          think of as a concern. That there is an  
15          opportunity, once they have hit that five-year  
16          mark, that that's no longer a disqualifier.

17                        COMMISSIONER STEBBINS: Karen, I  
18          like what you've put in the top grouping of  
19          nine. I would kind of impress upon us to keep  
20          an eye on the alcohol piece. Not necessarily  
21          from the bartender but, you know, again, let's  
22          start off conservative, as Seth suggests. You  
23          know, watch -- you know, let's see how things  
24          develop.

1                   But, you know, a casual restaurant  
2 server that was just carrying the alcohol from  
3 the bar to a table might be one that, once we  
4 get some experience under our hat, I'd have us  
5 keep an eye on whether that's something we  
6 could free up.

7                   The five bullets below, I think  
8 there are a couple of them that tie into the  
9 nine above. You know, having access to  
10 information on the database is a concern, so  
11 that knocks off the bottom two. Supervisory  
12 responsibilities might tie into departmental  
13 managerial responsibilities. But you and I  
14 had talked about, if there was an infraction,  
15 you know, is there a person who manages that  
16 person that we can hold accountable? So to a  
17 degree, I think that any supervisory  
18 responsibility, kind of, aligns with that.

19                   It's the first one and the third one  
20 that I just have a concern about maybe being  
21 too limited in the -- in the career options or  
22 the job options that might be available to  
23 people. One is -- you know, the first one is,  
24 obviously, dependent upon layout, how does the

1 person get from point A to point B. Even if  
2 they're on the culinary side I still got to  
3 walk through.

4 And, you know, the access to patron  
5 cash or valuables, I'm concerned that limits  
6 job opportunities for folks that may be  
7 looking for a lot of entry-level positions,  
8 whether it's managing -- you know, working the  
9 coat room, being a valet, being a room service  
10 attendant. I'm having some hesitation and  
11 caution.

12 COMMISSIONER CAMERON: But I'd love  
13 to hear from our friends at MGM about that,  
14 Seth. Let's -- if we can just start with the  
15 first one, knowing your layout, are there any  
16 positions here that would cause a concern  
17 because there's an access?

18 MR. STRATTON: Actually, I think --  
19 this one is unique in that I -- I actually  
20 don't think this would really disqualify many  
21 folks. If we were to say that -- because of  
22 the nature of our project, you can always go  
23 around the casino floor to get to your job  
24 somewhere else.

1                   Now, what I would be concerned about  
2                   is, if during the course of their job  
3                   activities they happen to walk through the  
4                   casino floor, they're nonexempt, that's harder  
5                   to control. But there are very few, if any  
6                   positions not already subject to licensure  
7                   that would -- could only get to their job  
8                   through walking in the casino.

9                   COMMISSIONER CAMERON: Okay. So  
10                  this really isn't all that applicable, is what  
11                  you're saying?

12                 MR. STRATTON: Right.

13                 MS. WELLS: This is just -- the  
14                 language was from Maryland, so I thought the  
15                 Commission should consider -- some -- you  
16                 know, at least look at what -- how another  
17                 jurisdiction looked at the layout. MGM is  
18                 different because they have all those egresses  
19                 to the outside.

20                 COMMISSIONER CAMERON: Right. And I  
21                 assume you're going to be working closely?

22                 MS. WELLS: Yep.

23                 MR. STRATTON: Yes.

24                 COMMISSIONER CAMERON: And, you

1 know, if -- and you could give direction to  
2 employees, hey, get to your job site this way,  
3 right? I mean it just --

4 MR. STRATTON: Yeah.

5 COMMISSIONER CAMERON: Okay. So  
6 then, if we go to the second one, supervisory  
7 roles, it is covered up -- how is this  
8 different than --

9 MS. WELLS: So this would be -- so,  
10 for example, let me just look at the  
11 spreadsheet.

12 COMMISSIONER ZUNIGA: Middle  
13 management, in other words.

14 MS. WELLS: Yeah. So, you know,  
15 whatever -- like some kind of -- you know,  
16 whatever restaurant. If the manager -- and we  
17 include the assistant manager. And they've  
18 done that other jurisdictions because the  
19 manager might not be on site. So there should  
20 be somebody, you know, that's responsible for  
21 the running of the restaurant that has such  
22 accountability.

23 COMMISSIONER CAMERON: He's  
24 registered.

1 MS. WELLS: But the supervisory  
2 responsibility would capture, maybe another  
3 three levels of employees, and then, the  
4 bottom three we would still exempt, as opposed  
5 to you just capture the top two. So it's,  
6 sort of, how deep into the organization do you  
7 feel the registration is necessary.

8 Under that theory that somebody  
9 needs to be accountable, is it just the top  
10 level that are responsible for the whole  
11 staff, or do you want the top-level and the  
12 mid-level managers responsible for the lowest  
13 level staff? And that's just a policy --

14 CHAIRMAN CROSBY: So like the person  
15 who supervises all of the house -- are they  
16 room attendants?

17 MS. WELLS: Correct. Correct.

18 CHAIRMAN CROSBY: The supervisor of  
19 room attendants.

20 MS. WELLS: That's a good example.  
21 That's an excellent example.

22 COMMISSIONER ZUNIGA: The floor  
23 person.

24 MR. STRATTON: For various

1 departments, we'll have -- venues or  
2 departments you'll have a manager, an  
3 assistant manager, then you start to get to  
4 shift manager, assistant shift manager,  
5 supervisor. So there's a number of levels of  
6 supervisory responsibility. And I think what  
7 these factors are intended to represent, which  
8 was part of our discussions, is that the top  
9 one and two in the department, the idea was  
10 that Karen thought, and we agreed, that it  
11 made sense to have them registered.

12 If we're talking about anyone with  
13 any supervisory responsibility, that threatens  
14 to swallow the exception, because of the  
15 number of folks who have various levels of  
16 supervisory --

17 COMMISSIONER CAMERON: So one and  
18 two are covered up top, and you've agreed to  
19 that?

20 MR. STRATTON: Correct.

21 COMMISSIONER CAMERON: But it's just  
22 the shift supervisors that you think really  
23 impact your operation?

24 MR. STRATTON: Correct.



1                   COMMISSIONER CAMERON: And I would  
2 think that, if you have one and two, they're  
3 going to be responsible, right; and that's  
4 what you're expecting of them?

5                   MR. STRATTON: Yes.

6                   COMMISSIONER MACDONALD: When you  
7 say "one and two," what's one and two?

8                   COMMISSIONER CAMERON: The manager  
9 and the assistant will be registered, but not  
10 the shift supervisor. I'd be comfortable with  
11 one and two, frankly. I think that they have  
12 to be responsible. Right?

13                   COMMISSIONER STEBBINS: Is there  
14 anything relative to a shift supervisor's work  
15 that would make them responsible for meeting  
16 internal controls? I'm not talking about  
17 somebody managing the bowling alley. Somebody  
18 who's doing something that puts them in a path  
19 of violating our regulations.

20                   MR. STRATTON: So important to  
21 recognize in this context, is we're really  
22 only talking about the nongaming related stuff  
23 to being with, because security, dealers,  
24 gaming, they're all already registered or

1 licensed. So every level of supervisory,  
2 where it really matters from the integrity of  
3 the licensing process is covered. So an  
4 assistant manager in one of the restaurants or  
5 the bowling alley, I think the answer's no.

6 MR. MADAMBA: You've already  
7 excluded those employees that have some role  
8 in your Section 138, which are the internal  
9 control procedure regulations. But again,  
10 that second category it was really was just to  
11 inform your decision. It wasn't to mandate a  
12 decision.

13 The top category was to,  
14 essentially, mandate --

15 COMMISSIONER CAMERON: Agreed.

16 MR. MADAMBA: -- a decision, because  
17 you could -- not only that, but read-only  
18 access for example, that could bring in a  
19 whole host of people that have read-only  
20 access to certain data. Your front desk,  
21 because they have to go into MLife and what  
22 have you, and we would look for the front desk  
23 to be exempt.

24 And that read-only access category

1 is one that is, frankly, consistent among many  
2 jurisdictions, where we've agreed, because of  
3 the way that our IT system is set up at MGM,  
4 it's an enterprise-provide system that we're  
5 not going to capture people outside of  
6 property that might have read-only. So that's  
7 the -- that's the distinction that's been  
8 made. And read-only, you're typically not  
9 registered or licensed. If you can write  
10 because you can then change -- you can change  
11 course revenue, for example, or play  
12 information, you need to get licensed.

13 COMMISSIONER CAMERON: So you're  
14 explaining why it really does impact, in your  
15 opinion, too many people?

16 MR. MADAMBA: Correct.

17 COMMISSIONER CAMERON: Well, this is  
18 very helpful to really know what category and  
19 what kind of person we're talking about. And  
20 I want, certainly, Director Wells to be  
21 comfortable with decisions. But see, you say  
22 this will inform our decision, but it really  
23 does impact our decision knowing enough about  
24 these categories.

1 MS. WELLS: So that last category,  
2 any access to a gaming establishment database,  
3 which contains personal, identifying  
4 information, what I'm thinking in that -- you  
5 know, I was particularly thinking of the  
6 hotel. Where, you know, someone checks into  
7 the hotel, name, address, what -- you know,  
8 some information there.

9 So my question to the Commission,  
10 you know, someone working at the front desk  
11 that has access to that, do you want them  
12 registered, or do you want them exempt?  
13 That's my --

14 COMMISSIONER CAMERON: So you'd be  
15 talking everyone that worked at a desk?

16 MS. WELLS: Right. So that's why --  
17 my question, because it does impact a  
18 significant amount of people. You could go  
19 either way on that.

20 COMMISSIONER CAMERON: I'm much more  
21 concerned about the real risk at the casino  
22 itself. If somebody's name -- if they find  
23 out they have a front desk person that's  
24 leaking information, I would assume MGM would

1 take appropriate action.

2 MR. STRATTON: Yeah. It's no  
3 different than -- I mean, I understand it's a  
4 gaming establishment and it can reflect that  
5 condition, but it's no different than the  
6 Sheraton down the street, or the restaurant,  
7 or other retail venue, in terms of the access  
8 that we all experience every day in our lives.

9 CHAIRMAN CROSBY: If you're at the  
10 front desk and you register, does that person  
11 have access, like, to your MLife database?

12 MR. STRATTON: Read only.

13 MS. WELLS: That's where the read  
14 only comes in.

15 MR. MADAMBA: Front desk would have  
16 access to -- they would want to see what the  
17 person's privileges are, whether they have  
18 self-comp available, whether they have --  
19 whether they have a special rate available to  
20 them and what have you.

21 CHAIRMAN CROSBY: So that's your  
22 MLife status. Does that -- well, okay, I get  
23 it.

24 MR. STRATTON: And then, I think we

1       skipped -- I think we skipped one, which is, I  
2       think the most concerning, actually, which is,  
3       potential access to patron cash or valuables,  
4       which could apply to virtually any position,  
5       especially, the nature of the -- the nature of  
6       the casino.

7                I think, one of the categories that  
8       we discussed were valets, room attendants.  
9       Those are big categories of jobs that we  
10      really do want to exempt and think it would be  
11      important to. And based on our experience in  
12      other jurisdictions and our background, our  
13      team has no concerns about not having those  
14      categories subject to licensure. And  
15      depending how broad you interpret that, that  
16      could be, I mean, virtually anyone. People  
17      are walking around with cash and valuables  
18      throughout the casino. So that could, again,  
19      swallow the exception, and that would be our  
20      concern.

21               MS. WELLS: And that, to Seth's  
22      point, I did struggle with that one.  
23      Particularly, the valets and the room  
24      attendants. What was helpful to me in, sort

1 of, moving that from the top level to the  
2 second tier, as far as you're concerned, was  
3 the what other jurisdictions did for those.  
4 So that's why that's sort -- it's still  
5 something that -- it nags me at the back of my  
6 mind and concerns me, but I see what other  
7 jurisdictions do.

8 That may be one. I'll give you an  
9 example. Say we exempt room attendants and  
10 then we do, you know, a data analysis over the  
11 first year and there are 27 thefts from rooms  
12 over -- you know, from room attendants over  
13 the course of the first year, will I be back  
14 before you suggesting that you maybe change  
15 your mind on whether to exempt them, probably.

16 COMMISSIONER CAMERON: Yeah. Maybe  
17 MGM didn't -- their background missed  
18 something, if that's the case, right?

19 MS. WELLS: It's hard. A predictive  
20 analysis is always very difficult.

21 COMMISSIONER CAMERON: Well, you  
22 know, this can go both ways. You're  
23 absolutely right. Meaning, certain categories  
24 we'll look at and say, you know what, we don't

1 see the risk. We're willing to exempt this  
2 next category. And then, there may be one  
3 category that we think now, you know, we  
4 exempted it, and as you say, we have evidence  
5 that there really was a risk. So we can use  
6 that both ways, right?

7 And I think MGM's being a willing  
8 partner here. I am very pleased that you've  
9 had five or six meetings, phone conversations,  
10 and you've agreed on the top nine. I think  
11 it's a great place to start. And going  
12 through these bottom five one by one, I --  
13 MGM's willing to take that risk. Their  
14 experience tells them that they haven't had a  
15 real problem in these areas in other  
16 jurisdictions, so I would certainly be willing  
17 to exempt those folks that may fall into the  
18 bottom category. And, again, we're going to  
19 be assessing constantly.

20 CHAIRMAN CROSBY: That was helpful.  
21 Thank you. There were two ideas on the table  
22 that I would like to just do, like, a straw  
23 pole. You suggested that for human resources  
24 department and sales and marketing, that that



1 be department heads only, did you say?

2 COMMISSIONER MACDONALD: No.

3 Supervisors and above.

4 CHAIRMAN CROSBY: Supervisors only.

5 COMMISSIONER MACDONALD: No, no.

6 CHAIRMAN CROSBY: I'm sorry?

7 COMMISSIONER MACDONALD: Supervisors  
8 and above.

9 CHAIRMAN CROSBY: Yeah, supervisors  
10 and above.

11 COMMISSIONER MACDONALD: So that,  
12 somebody that's coming in as a -- as a, you  
13 know, first level assistant in the marketing  
14 department, I wouldn't -- I wouldn't have them  
15 automatically excluded.

16 CHAIRMAN CROSBY: Okay. I happen to  
17 agree with that. I just wondered how -- does  
18 anybody else?

19 COMMISSIONER ZUNIGA: I agree with  
20 that.

21 COMMISSIONER CAMERON: Yeah. I'm  
22 persuaded that they've agreed on this list for  
23 us now to -- after many, many conversations  
24 and many back and forth about the categories

1 for us to think at this point we're going  
2 to --

3 COMMISSIONER ZUNIGA: Well, they  
4 agree because it's very few people.

5 COMMISSIONER CAMERON: Yeah. But  
6 Director Wells is not comfortable. She  
7 sees -- in talking to colleagues she sees some  
8 risk there and would like to at least assess  
9 risk before we -- and MGM has agreed with  
10 that, so I'm comfortable leaving the nine the  
11 way they are.

12 CHAIRMAN CROSBY: And just to be  
13 fair, I think -- we talked about this quite a  
14 bit, Director Wells and I, and others prior to  
15 this happening. And she was saying, I want  
16 you all to tell me what you think. I'll tell  
17 you what I think, but I want you to tell me  
18 what you think.

19 You know, so this wasn't meant -- I  
20 don't think this was meant to be presented as  
21 a fait accompli. It was your best judgment,  
22 and you wanted our reaction to your best  
23 judgment. So I'm making those two supervisor  
24 and up, sounds like that would be one --

1 Commissioner Stebbins do you have a --

2 COMMISSIONER STEBBINS: I don't have  
3 a problem with that.

4 CHAIRMAN CROSBY: With making that  
5 change?

6 COMMISSIONER STEBBINS: Yep.

7 MS. WELLS: So not manager and up,  
8 supervisor and up?

9 CHAIRMAN CROSBY: Right. And then,  
10 the other one was, my suggestion about the  
11 noncontiguous places, the entertainment block  
12 and the tower, the rect -- what do they call  
13 them? Not reformatory. The --

14 COMMISSIONER ZUNIGA: The armory?

15 COMMISSIONER STEBBINS: The armory?

16 COMMISSIONER ZUNIGA: Armory.

17 CHAIRMAN CROSBY: The middle  
18 categories, departmental -- I think I would  
19 certainly be comfortable having manager and  
20 assistant manager of offsite facilities be  
21 SERs. I, for one, would not want the rest of  
22 the folks on those offsite facilities in those  
23 middle categories. Managerial, alcohol sales,  
24 human resources, sales and marketing,

1           accounting and finance.  If it's the same  
2           group, if it's one accounting and finance  
3           group that does the casino that's covered, I'm  
4           fine.

5                       MS. WELLS:  Yeah.  I haven't seen  
6           the list of those employees yet so I can't  
7           really comment on that.

8                       MR. STRATTON:  You're saying  
9           employees of third parties?

10                      MS. WELLS:  Well, that's different.  
11           See, that's part of we haven't quite flushed  
12           all the entertainment block out.  I mean, what  
13           we could do -- I think -- what was the total  
14           number in the entertainment block, at 40 or  
15           50?

16                      MR. STRATTON:  Somewhere in that  
17           range, yeah.

18                      MS. WELLS:  But so, we could, sort  
19           of, put those in a separate bucket and come  
20           back to the Commission with something --

21                      CHAIRMAN CROSBY:  Well, let us give  
22           you whatever sense we have of it.  You know,  
23           so my suggestion was, except for the manager  
24           and assistant manger, that those middle five

1 categories be exempt.

2 COMMISSIONER ZUNIGA: I agree.

3 CHAIRMAN CROSBY: Okay. And anybody  
4 else? Just a -- Commissioner Cameron?

5 COMMISSIONER CAMERON: You're giving  
6 your ideas. I'm comfortable with the way it  
7 is, because of all the work they've done.

8 CHAIRMAN CROSBY: Okay.  
9 Commissioner Macdonald?

10 COMMISSIONER MACDONALD: I've given  
11 my views.

12 CHAIRMAN CROSBY: So you would be  
13 comfortable --

14 COMMISSIONER MACDONALD: Is this a  
15 formal approval?

16 CHAIRMAN CROSBY: Well, we're going  
17 to have to give her some feedback so she  
18 can --

19 MS. WELLS: So what I hear you  
20 saying, is that for the entertainment block,  
21 these people that never work on the casino  
22 floor, known have access to the back of the --  
23 you know, that whole thing, if they work  
24 there, it's just the manager and the assistant

1 manager, we wouldn't -- what would you do  
2 about alcohol service, if you work in the  
3 entertainment block?

4 COMMISSIONER ZUNIGA: I would exempt  
5 them too.

6 CHAIRMAN CROSBY: I would, yeah,  
7 exempt them. If you're selling alcohol,  
8 you're a waitress or a bartender in the  
9 entertainment bar, I would exempt you.

10 MS. WELLS: So can I get a sense  
11 of --

12 COMMISSIONER STEBBINS: Well, let me  
13 ask you a question. The entertainment  
14 block -- I'm trying to not to get granular,  
15 but I'm also trying to offer some direction.  
16 Is that entertainment block employee going to  
17 the back of house to get his or her uniform,  
18 before they go out to work; is that considered  
19 part of the secure access to the back-of-house  
20 piece?

21 MR. STRATTON: So there's back of  
22 house secured and unsecured. And I think the  
23 distinction is, is would you need a security  
24 escort to go somewhere? And so EDR, which is

1 employee dining room, uniform room, locker  
2 room, bathrooms, those are all unsecured  
3 back-of-house areas that all employees would  
4 have access to.

5 Once you start to get into more  
6 sensitive areas, the secured areas that are  
7 controlled by badge access, slot repair shop  
8 and cage and account functions, et cetera,  
9 they wouldn't be able to go in there anyway.

10 COMMISSIONER STEBBINS: That helps  
11 me better -- I mean, there's a little more  
12 definition in the second bullet.

13 CHAIRMAN CROSBY: So what's your  
14 sense on the noncontiguous?

15 COMMISSIONER STEBBINS: Would those  
16 folks in the noncontiguous entertainment block  
17 be covered under our alcohol license?

18 MS. WELLS: Yes.

19 COMMISSIONER STEBBINS: I'd say, the  
20 folks working back there with -- again, I hear  
21 Director Wells' concern about the folks that  
22 fall under our liquor license, and that,  
23 initially, we should be thoughtful about that  
24 but review it over time.

1                   COMMISSIONER CAMERON: So you want  
2 to keep it the same, the way it is now?

3                   CHAIRMAN CROSBY: For alcohol sales?

4                   COMMISSIONER STEBBINS: Yeah.

5                   CHAIRMAN CROSBY: Would you make --

6                   COMMISSIONER STEBBINS: For the  
7 folks in the entertainment block.

8                   CHAIRMAN CROSBY: But the other four  
9 you would exempt, under the manager and  
10 assistant manager?

11                  COMMISSIONER STEBBINS: Yes.

12                  CHAIRMAN CROSBY: You would not  
13 exempt alcohol, but you would the other four?

14                  COMMISSIONER STEBBINS: Right.

15                  COMMISSIONER MACDONALD: I'm a  
16 little bit confused on where we are on this.  
17 Is it either the third with the category,  
18 Department Managerial Responsibilities?

19                  CHAIRMAN CROSBY: Starting from  
20 departmental down to accounting, all these  
21 custodial functions.

22                  COMMISSIONER MACDONALD: And your  
23 proposal is what?

24                  CHAIRMAN CROSBY: That if you're in



1           those functions in the noncontiguous space,  
2           the entertainment block, or as I said,  
3           happened to be whenever you get the armory  
4           programmed, or that other building that might  
5           be built on the corner there somewhere, that  
6           those would be exempt. Those five middle  
7           categories would be exempt, except for the  
8           manager and the assistant manager of those  
9           entities. And Commissioner Stebbins would say  
10          that he would not want to exempt the alcohol  
11          sales within those five. Commissioner Zuniga  
12          and I would exempt all five.

13                        COMMISSIONER CAMERON: Many of them  
14          don't apply, though, because they have one  
15          sales and marketing. It doesn't have anything  
16          to do. They're not going to have a separate  
17          one over in the entertainment block. So many  
18          of those --

19                        MS. WELLS: Right. They're really  
20          relevant --

21                        CHAIRMAN CROSBY: If there's nobody  
22          in it, then, there's nobody in it. But if  
23          there are people there -- was that clear?

24                        COMMISSIONER MACDONALD: Yeah. I'd

1 be with you and Commissioner Zuniga.

2 CHAIRMAN CROSBY: Okay. And you're  
3 going to -- the whole thing. So it looks like  
4 there -- if we took a formal vote, there would  
5 be a three -- three people in favor of  
6 exempting those three. So I don't think any  
7 of this is an absolute rule, but you wanted  
8 our sense so...

9 MS. WELLS: Yeah. So what I'll do  
10 is, sort of, I'll put -- work with the team at  
11 MGM and sort of -- I'll put this together.  
12 And if I have any -- you know, I'm hearing  
13 what you're saying. If I have any questions,  
14 I'll come see you individually, or we can  
15 discuss it at the next commission meeting.  
16 But I hear what you're saying.

17 CHAIRMAN CROSBY: That's why I  
18 didn't want to take a vote, because this is  
19 not an absolute. We need to get our sense of  
20 what we're trying to do.

21 MS. WELLS: Yeah. The expectation  
22 is, potentially, if we, you know, can work  
23 fast enough, at the next commission meeting we  
24 can give you, at least, a preliminary list.

1           And you can look at the job positions and you  
2           can approve it. And we can keep going or, you  
3           know, that may be it, depending on how quickly  
4           we can work. But these parameters, this is  
5           extremely helpful. Given that we seem to be  
6           on the same page, all of us, that I expect you  
7           can get a package that will -- you know, that  
8           you'll be very comfortable with. We can get  
9           this going.

10                         CHAIRMAN CROSBY: And, you know,  
11           this is what we're paid to do. This is  
12           reconciling two various, difficult competing  
13           issues. You know, trying to make things  
14           accessible to people who might want these jobs  
15           on the one hand, and protecting the integrity  
16           of this industry on the other. It's a gray  
17           area.

18                         So this is exactly the kind of  
19           conversations -- there is no right or wrong.  
20           It's just judgment calls. These are exactly  
21           the right kinds of conversations to be having.  
22           So thank you, Karen, for the receptivity. And  
23           you guys for participating, you all for coming  
24           to an agreement. That's great. Thank you.

1                   COMMISSIONER MACDONALD: Can we have  
2 a brief -- can we have a lunch break?

3                   CHAIRMAN CROSBY: Yes, we will.

4                   COMMISSIONER ZUNIGA: I think we  
5 should break for lunch.

6                   CHAIRMAN CROSBY: We might need  
7 lunch. Yes. I didn't realize how long we  
8 were going to go. How much more do we have  
9 that's substantive?

10                  MS. BLUE: We have Mr. Ziemba's  
11 Saugus application, we have regulations in  
12 legal, which will take some discussion, and we  
13 have the economic development white paper.

14                  CHAIRMAN CROSBY: We have excluded  
15 persons.

16                  MS. BLUE: Yeah. We have a couple  
17 of regulations and stuff.

18                  CHAIRMAN CROSBY: We'll take a  
19 30-minute. We'll come back at 2:15. We are  
20 temporarily adjourned.

21

22                                 (A recess was taken)

23

24                  CHAIRMAN CROSBY: All right. We are

1 reconvening public meeting No. 233 at about  
2 2:20. And we are on agenda item seven. Okay.

3 MR. ZIEMBA: Thank you, Mr. Chairman  
4 and Commissioners. Up for consideration today  
5 is a request from the Town of Saugus to  
6 utilize 28,256 -- \$28,256 of its reserves for  
7 the implementation of some strategies that  
8 were developed by a consultant that it hired  
9 to develop various methods so that the Town of  
10 Saugus could take advantage of opportunities  
11 relative to the Wynn Boston casino.

12 A little bit of background regarding  
13 the funding. As you recall, in 2015, we  
14 established a hundred thousand dollar reserves  
15 for a number of different communities,  
16 including Saugus. In 2016, Saugus asked for  
17 permission to utilize some of its reserves --  
18 actually, all of its reserves at that point.  
19 They asked for the opportunity to use 35,000  
20 for our consultant to develop the strategies,  
21 and then \$65,000 for the implementation of  
22 those strategies.

23 At that time, the Commission told  
24 Saugus that we would approve \$35,000 for the

1 consultant's report, but that we would ask 'em  
2 to come back at a later date for the approval  
3 of their implementation items once they were  
4 determined, because, obviously, they had to do  
5 the consultant report before they could  
6 determine what the implementation items were  
7 going to be.

8 Subsequent to that, we have since  
9 approved a transportation planning grant for  
10 Saugus, but we required Saugus and Revere to  
11 identify how that reserves would go towards a  
12 portion of that transportation planning grant.  
13 So as a result, \$50,000 out of that remaining  
14 \$65,000 is now being scheduled for the  
15 transportation planning grant. So there's now  
16 only \$15,000 that is remaining out of that  
17 initial 65,000 for implementation. But,  
18 thankfully, the consultant's report came in  
19 under budget. The budget, as I stated, was  
20 35,000 for the consultant report and it came  
21 in at 21,744.

22 So what Saugus is asking for is to  
23 be able to use the 15,000 that is remaining  
24 out of its reserves that's been unallocated

1 and a repurposing of \$13,256 for the  
2 implementation of the report -- or a section  
3 of the report. And specifically, what they  
4 want to do, is they want to help create a  
5 brochure that can focus on highlights on their  
6 open spaces and some of their recreational  
7 opportunities in Saugus. And then, they  
8 wanted to develop a wayfinding and a branding  
9 campaign that would further highlight some of  
10 the town's resources.

11 I will note, that the economic  
12 development report, the independent report  
13 that the Commission -- that's not a Commission  
14 product, so we don't vouch for its accuracy  
15 one way or the other. But it did note that  
16 Saugus could potentially, significantly gain  
17 from some strategies relative to the Wynn  
18 facilities. And, specifically, one of its  
19 findings was that, if they implement all the  
20 findings of the independent report, they could  
21 potentially gain up to \$8 million more in  
22 economic activity per year for Saugus. And if  
23 they do nothing versus what they currently  
24 have, they may gain about \$2 million per year,

1           once the Wynn facility is open. But if they  
2           implement all of the recommendations, they can  
3           potentially gain up to \$10 million in annual  
4           economic opportunities from the Wynn Boston  
5           Harbor facility. So in this regard, we do  
6           recommend the \$28,256 for these implementation  
7           strategies.

8                         And one thing I do note, is that, if  
9           you take a look at the action plan that was  
10          included in the independent report, there are  
11          a number of other items that were high items.  
12          And the two strategy items that are being  
13          requested for approval today are in the medium  
14          category. We asked the town why they chose to  
15          move forward with the request for the medium  
16          items in advance of the higher items, and what  
17          they reported was that some of the higher  
18          items, which involved job training and other  
19          activities, they may involve other regional  
20          partners so that they might not necessarily  
21          need any future resources from the Commission,  
22          and they'll require a lot more legwork  
23          reaching out to some of those regional  
24          partners.



1                   And so, that, together with the fact  
2                   that they've been working hand-in-glove with  
3                   the regional planning agency, metropolitan  
4                   area planning council, on some of these same  
5                   type of recommendations, they're asking for  
6                   the approval of those items today.

7                   COMMISSIONER STEBBINS: John, my  
8                   only comment -- you addressed one of the  
9                   questions -- I guess my only comment is, they  
10                  make reference to connecting the attractions  
11                  they're trying to promote, or the open space  
12                  they're trying to promote with folks at Wynn  
13                  upon Wynn's opening, so it's more of a  
14                  suggestion that, you know, we make sure that  
15                  the two entities meet up and have a chance to  
16                  talk about that.

17                  MR. ZIEMBA: Yeah, absolutely. We  
18                  have forwarded the plan to the Wynn team, and  
19                  we plan to talk to them as -- and we hope --  
20                  and we will work with Saugus to make sure that  
21                  they actively work with the Wynn team to  
22                  develop these strategies.

23                  CHAIRMAN CROSBY: Commissioner  
24                  Stebbins, that's a really interesting point.

1 That sort of reminds me, MGM is absolutely  
2 going out of their way to be integrated into  
3 the other activities and to involve them, and  
4 the rooms are themed after other places and  
5 activities, like Seuss museum and so forth.  
6 Is Wynn of a similar mind? It's not quite the  
7 same situation, but are they -- do they seem  
8 to be as sensitive to those ideas, of trying  
9 to integrate the attractions and so forth, as  
10 MGM?

11 MR. ZIEMBA: No. I do think so. I  
12 can't remember, specifically, any license  
13 condition in the Wynn license regarding the  
14 regional marketing plan, but I believe that  
15 there's a comparable condition. We placed a  
16 condition on MGM Springfield that has to come  
17 back to us with, sort of, a regional tourism  
18 plan at least 90 days prior to their opening.  
19 And we will carefully evaluate that at the  
20 time. But it's my recollection that we also  
21 have a similar condition with the Wynn  
22 license.

23 CHAIRMAN CROSBY: But I wasn't  
24 asking -- I wasn't asking so much as do we

1 have a --

2 MR. ZIEMBA: Yes. But they are  
3 focusing a lot of effort on working with all  
4 of the surrounding communities. Saugus is not  
5 a surrounding community. But I think that  
6 they are spending a lot of time and attention  
7 to make sure that they're integrated within  
8 the fabric.

9 You know, one example is they're  
10 paying a lot of attention, for example, on the  
11 pedestrian bridge that would connect up the  
12 whole North Shore through one -- you know, one  
13 pathway right into Boston and -- with a lot of  
14 the entertainment venues in Boston and the  
15 environs, that's the whole part of their plan.

16 CHAIRMAN CROSBY: You might put that  
17 on the agenda for one of their next reports,  
18 because I'd be interested in hearing from them  
19 what they're doing.

20 MR. ZIEMBA: Sure.

21 CHAIRMAN CROSBY: Any other comments  
22 on the Saugus proposal?

23 COMMISSIONER ZUNIGA: You know,  
24 yeah, I think it's great. They're looking at

1 all aspects, which I think is very  
2 appropriate. But at least, in my review,  
3 there's a notion of developing strategies, and  
4 do you know -- which is great and, you know,  
5 apropos. But do you know if anybody's  
6 thinking about some specifics, like using  
7 technology, geo location, Google Maps or Siri,  
8 or something like that. Is anybody at that  
9 level yet or is this --

10 MR. ZIEMBA: I don't think so. I  
11 didn't see anything in the consultant's  
12 report. You know, perhaps, I missed it. But  
13 I didn't see anything like that. It was more  
14 on the -- just the general connectivity  
15 focusing on a brochure doing some of these job  
16 training programs.

17 One interesting thing from the  
18 report was that Saugus is trying to develop  
19 its own river walk. And what the consultant  
20 recommended is, that, obviously, we're going  
21 to have a very, very nice pedestrian river  
22 walk at the Wynn facility. So when they  
23 say -- when Saugus develops its river walk,  
24 that it really needs to distinguish itself, in

1       some way, from the Wynn facility to try to  
2       attract tourists to that area, in addition to,  
3       you know, some of the more traditional  
4       locations in Saugus. But that is not, sort  
5       of, a geo-caching item that you mentioned, I  
6       think.

7                   COMMISSIONER ZUNIGA: Well, I'm just  
8       curious if anybody's at that level yet. I  
9       think it might be a little premature. But if  
10      they're taking a careful planning ahead and  
11      trying to capitalize on everything, like they  
12      have scheduled here, I'm wondering if anybody  
13      might be at that level of specificity.

14                  MR. ZIEMBA: It's something I can  
15      definitely bring up with the town and with --  
16      with the Wynn folks.

17                  CHAIRMAN CROSBY: It's true. The  
18      other surrounding communities too. It's  
19      apropos of your idea, about how do we build on  
20      the economic development that's going on. You  
21      know, maybe, sort of, giving a helping hand to  
22      these communities to think a little bit  
23      outside the box, and to think about how to use  
24      technology and so forth. You know, that's

1 something that fits right in your bailiwick,  
2 too. I mean, that's a really interesting --

3 COMMISSIONER STEBBINS: Well, one of  
4 the -- the -- Jill mentioned it, the  
5 partnership between MGM and in other tourist  
6 destinations out in western Mass, is that part  
7 of the apprentice program is that there's,  
8 kind of, a concierge education program. So  
9 every employee has the opportunity to know  
10 about regional assets around the region.

11 You know, the concierge desk person  
12 might just be as qualified as, you know,  
13 somebody working in the restaurant to suggest,  
14 you know, hey, how far away is X, Y, Z? And,  
15 hey, I know that. I can tell you how to get  
16 there, or the best way to get there. So it's  
17 a unique program. I know that convention and  
18 visitors bureau has been pushing on it for a  
19 long time, and I'm glad that MGM is being a  
20 partner. But it starts to empower more people  
21 on the casino property to help a patron visit  
22 other amenities in the area and be aware of  
23 it, as opposed to, I don't know what you're  
24 talking about.

1                   MR. ZIEMBA: I think it's really fun  
2                   where we are right now, that we can start  
3                   focusing on, you know, what is going to be the  
4                   future after the facilities are up and  
5                   operational. How do we, not only within the  
6                   host community but regionally, take advantage  
7                   of all these opportunities through -- you  
8                   know, as Commissioner Stebbins's been doing a  
9                   lot of work on the Gaming Economic Development  
10                  Fund, but, you know, where it's appropriate  
11                  out of the Community Mitigation Fund, and just  
12                  generally from our, sort of, staff assistance  
13                  and commissioner assistance. I think, you  
14                  know, that's a -- that's, sort of, a real fun  
15                  place to be.

16                 CHAIRMAN CROSBY: Great. I agree.

17                 COMMISSIONER STEBBINS: Mr. Chair, I  
18                 move that the Commission approve the 2018 Town  
19                 of Saugus Community Mitigation fund reserve  
20                 application, as presented in the packet, and  
21                 allow them to use the balance of their reserve  
22                 fund.

23                 CHAIRMAN CROSBY: Second?

24                 COMMISSIONER MACDONALD: Second.

1                   CHAIRMAN CROSBY: Further  
2                   discussion? Looked like he was taking some  
3                   notes but I guess he's not, to discuss.

4                   COMMISSIONER MACDONALD: What?

5                   CHAIRMAN CROSBY: I thought maybe  
6                   you had some notes you wanted -- questions you  
7                   wanted to bring up.

8                   COMMISSIONER MACDONALD: No. I was  
9                   sketching out a motion, but Commissioner  
10                  Stebbins took my fire away.

11                  CHAIRMAN CROSBY: Good. So all in  
12                  favor say aye.

13                  MR. MACDONALD: Aye.

14                  COMMISSIONER STEBBINS: Aye.

15                  COMMISSIONER CAMERON: Aye.

16                  COMMISSIONER ZUNIGA: Aye.

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

19                  MR. ZIEMBA: Thank you.

20                  CHAIRMAN CROSBY: Thank you. Did we  
21                  finish everything before seven? I guess we  
22                  did. Your update you didn't have so we're on  
23                  to number eight?

24                  MS. BLUE: Yes. Thank you. Good



1           afternoon, Commissioners. We're going to take  
2           Item 8A first. This is a discussion. And  
3           this regards our regulation 205 CMR 140. It's  
4           what we commonly refer to as use of the vig.  
5           Right now, we do have a regulation on use of  
6           the vig. The question, really, is whether we  
7           should make a change in that for things like  
8           table games.

9                         So there are differing ideas on  
10           this. And I have, today, CFAO, Derek Lennon,  
11           and I have Supervisor Sterl, who's last name I  
12           forgot and I apologize for, Carpenter, and  
13           then we also have Deputy General Counsel  
14           Grossman to discuss what the reg currently  
15           provides and how we drafted it that way.

16                        So after our discussion, if it's  
17           your direction to have -- to amend the reg, we  
18           will do that. But if you want the reg to stay  
19           as is, then there's no further action to take.  
20           But we'd like you to understand the different  
21           points of view on it, and then we can proceed  
22           from there.

23                        CHAIRMAN CROSBY: Okay. Supervisor  
24           Sterl Carpenter, or CFAO Lennon.

1                   MR. LENNON: Good morning,  
2                   Commissioners.

3                   CHAIRMAN CROSBY: Good morning.

4                   COMMISSIONER ZUNIGA: Good  
5                   afternoon.

6                   CHAIRMAN CROSBY: Good afternoon.

7                   COMMISSIONER MACDONALD: Good  
8                   afternoon.

9                   COMMISSIONER CAMERON: Good  
10                  afternoon.

11                  COMMISSIONER STEBBINS: Good  
12                  afternoon.

13                  MR. LENNON: Sorry. Good afternoon.  
14                  So we're here to explain, I guess a little  
15                  bit, the history of why it's written the way  
16                  it is, and then our point of view that we'd  
17                  like to have it changed, at least the point of  
18                  view of the two members sitting here.

19                  So when we first wrote 140, the only  
20                  thing we were looking at, mainly, at was  
21                  slots. We didn't have a lot of table game  
22                  expertise, and we wrote it so that for the  
23                  calculation of gross gaming revenue vigorish  
24                  would be handled the same way as free play.

1           Basically, taken off the top. There were some  
2           points of view during that time period that,  
3           if we didn't do it, we'd be at a competitive  
4           disadvantage in this market. I think that  
5           we've done some research and found that we  
6           might be the only jurisdiction that's allowing  
7           it right now as -- to be taken off the  
8           calculation of gross gaming revenue, so we  
9           actually wouldn't be in a competitive  
10          disadvantage, and to explain the impacts of it  
11          and the -- more of the practical experience.  
12          And we're really only looking at one game  
13          here. It's baccarat.

14                       MR. CARPENTER: Traditionally, it's  
15          baccarat. So baccarat will have your largest  
16          players on the game. And by allowing the  
17          licensee to exclude or excuse the tax  
18          ramifications on the commissions owed, it sets  
19          a bad precedent for both the patrons and the  
20          licensee.

21                       So as I submitted a little history,  
22          is that casinos they use math behind all their  
23          games. So all their games and all their comp  
24          points, all the things in which they do are

1 all behind what's called a theoretical win.  
2 So when you take into account excusing the  
3 commission on a baccarat game, you're giving  
4 that player a competitive advantage, because  
5 it's to his advantage to bet the bank, rather  
6 than the player. So what you're doing, in  
7 turn, is allowing him an advantage, like an  
8 advantaged player. If you do that, or if you  
9 allow him not to pay his commission, as it  
10 stated in regulation 143.3.13, it states that  
11 after the end of every shoe or leaving the  
12 table, that they will pay their commission.

13 What this does, what happens in my  
14 experience, is a patron will say I'll pay it  
15 next shoe. And then the next time he'll say  
16 I'll pay it next shoe. Unfortunately, it  
17 becomes a very high amount quickly, and now,  
18 he's almost at -- if you wait five times, he's  
19 at, like, five times his average bet that he's  
20 playing. So now, he's at a point where he  
21 might have lost all his money that he's  
22 planned on paying for the commission so now he  
23 has to go and get more money just to pay for  
24 the responsibility of the commission. If we

1 don't allow him to do that and he sees where  
2 he stands at the end of every shoe, it gives  
3 him an ability to see whether he's winning or  
4 losing and it's not a false representation of  
5 how he's actually doing on the game.

6 So that, combined with the licensee,  
7 having the ability to also run their game the  
8 way they project and give comp points and what  
9 not is -- keeps everybody on the same playing  
10 field. That's why it was very important that  
11 we thought you should not excuse any of the  
12 commission. Especially, in baccarat. And  
13 this will be the only game that you will have  
14 this problem.

15 The baccarat's commission is stored  
16 on each shoe, but the commission games of  
17 Pai Gow is actually taken out immediately when  
18 they win. So the patron never owes anything  
19 because they see exactly what they have in  
20 front of them. That's why I feel that we need  
21 to make sure that it gets collected at the end  
22 of each and every shoe and that the  
23 regulations are followed -- they're written  
24 that way for their protection.

1                   COMMISSIONER ZUNIGA: So let me make  
2                   sure I understand. There's two elements that  
3                   you're asking us to look at or to change. The  
4                   collection of the vigorish at the end of the  
5                   shoe be required.

6                   MR. CARPENTER: We're not asking  
7                   change, just enforced. What happens is, the  
8                   licensee will make special considerations for  
9                   high-end clientele.

10                  COMMISSIONER ZUNIGA: Right.

11                  MR. CARPENTER: This is when you  
12                  usually run into your large problem. And, of  
13                  course, once that one person gets that  
14                  advantage, the next person will also ask for  
15                  it, and it just keeps going on. So it's not a  
16                  change to the regulation, just the enforcement  
17                  of the regulation that's written.

18                  COMMISSIONER ZUNIGA: Now, but was  
19                  there a second element that perhaps, you spoke  
20                  about first, which is the elimination of --  
21                  the ability to write it off as part of the --  
22                  as part of free play?

23                  MR. CARPENTER: The regulation  
24                  that's written of collecting is in the rules

1 of game. What it affects is the regulation  
2 140, which we are discussing right now. So  
3 140 is the GGR. And how that's affected by  
4 them not collecting on the commission owed, is  
5 it affects the tax ramifications of that  
6 commission. Sometimes that commission can be  
7 thousands and thousands of dollars.

8 COMMISSIONER ZUNIGA: I get that.

9 MR. BAND: I think the main point  
10 here is to not allow them to write that off.  
11 Let's say, if I run out of money and I can't  
12 afford it, there's actually a form that let's  
13 the casino comp him the vigorish. Under the  
14 present thing, if I'm -- correct me if I'm  
15 wrong, but they could write that off and not  
16 pay tax on it. We want to tax that amount.

17 MR. LENNON: Correct. So we're not  
18 asking to make the business decision for them,  
19 of whether they comp it or not, or whether  
20 they write it off, that may be a different  
21 discussion. What I'm looking at is, we're not  
22 consistent with other jurisdictions, and that  
23 we are allowing it to be excluded from the  
24 calculation of gross gaming revenue.

1                   COMMISSIONER ZUNIGA: In which case,  
2                   what you mentioned, Sterl, the two parties  
3                   will have a strong incentive to --

4                   MR. LENNON: To comp.

5                   COMMISSIONER ZUNIGA: To comp.

6                   MR. LENNON: To comp it, correct.

7                   COMMISSIONER ZUNIGA: First, not pay  
8                   it because, you know, I've seen it before.  
9                   And then, sure, I'll give it to you because I  
10                  don't even get taxed.

11                  MR. BAND: And unlike the slots,  
12                  this can be a lot of money.

13                  COMMISSIONER ZUNIGA: I get that.

14                  MR. BAND: All these same players  
15                  that come in with 20 million and are betting  
16                  200,000 a hand, that can add up really fast.

17                  COMMISSIONER ZUNIGA: Yeah, no, I  
18                  just remember those vividly, those free play  
19                  discussions. However, I don't remember that  
20                  vigorish discussion, I guess because it wasn't  
21                  relevant at the time, or as much as relevant.  
22                  But we will keep the free play the way it is.

23                  MR. LENNON: So in statute, free  
24                  play -- so if you remember these conversations



1 early on, free play we actually cannot tax on.  
2 So in the statute that's excluded, we talked  
3 about limiting the amount that we would  
4 authorize, like other jurisdictions do, and we  
5 decided not to do that.

6 We also had similar discussions  
7 around the vigorish at that time. They  
8 weren't as thorough because we didn't know  
9 what table games were, we weren't really  
10 looking at them, we didn't know how many it  
11 impacted or didn't impact. So we left the  
12 regulation as was drafted to us.

13 Right now, as we start to get more  
14 information and we're looking at it, we are an  
15 outlier. It can amount to some significant  
16 money, and we feel that's a business decision  
17 that the casino should make, but not  
18 necessarily --

19 COMMISSIONER ZUNIGA: On the  
20 Commonwealth's money.

21 MR. LENNON: Yeah.

22 COMMISSIONER MACDONALD: So the text  
23 of the existing regulation is okay?

24 MR. LENNON: The text of the

1 existing regulation is not okay because it  
2 excludes it. It excludes the vigorish from --

3 COMMISSIONER MACDONALD: Is that  
4 because it's easy -- the easy baccarat  
5 exception?

6 MR. GROSSMAN: It's 140.02, which is  
7 the --

8 COMMISSIONER MACDONALD: So it's not  
9 147?

10 MR. GROSSMAN: 140.02 talks about  
11 the calculation of gross gaming revenue. And,  
12 specifically, it's paragraph 2A, which talks  
13 about bank games, which is what baccarat is.  
14 And it's -- what we excluded from the  
15 calculation are complimentary vigorish forms,  
16 specifically, for this situation. This is  
17 what we contemplated, when wrote this  
18 regulation, was for baccarat.

19 And just to put a finer point on  
20 this, and I'm not taking a position whether  
21 you should or shouldn't do it at this point,  
22 but the thinking at the time, was that we  
23 should take the long view on comping vigorish  
24 and allow the casinos to exercise their

1 marketing know-how so as to best retain their  
2 customers, whereas they are 75 percent  
3 partners to our 25 percent. And that, by  
4 allowing them to comp vig, it's a similar  
5 thing to allowing promotional play not to be  
6 taxed. And by the way, we allow discounts on  
7 markers altogether.

8 So all of those things are -- were  
9 done collectively really for the same reason,  
10 which was that an understanding that we have  
11 two really high-level gaming operators here,  
12 who, in theory, would only comp things like a  
13 vig for a specific reason. Not just to give  
14 money away, because they don't do that. They  
15 do it in an effort to retain their customers.

16 Now, that said, that principle was  
17 explored early on. We didn't, certainly,  
18 spend a lot of time talking about it now, and  
19 it was done before there was, really, any  
20 reality setting in that we were about to open  
21 a casino. But that was the principle that was  
22 discussed, at the time we decided to exclude  
23 comped vig from the calculation of gross  
24 gaming revenue from bank table games.

1                   So to answer your question, we would  
2                   need to amend that regulation to take out  
3                   comped vig forms from the calculation.

4                   MR. LENNON:   And just a minor  
5                   distinction.  Promotional play is excluded in  
6                   the statute, vigorish is not.

7                   COMMISSIONER ZUNIGA:  So have we had  
8                   any discussions with licensees, as to how they  
9                   operate elsewhere, or whether they would have  
10                  one -- comment on any of this, or this is --  
11                  this would be the regular --

12                  MR. BAND:  I think most  
13                  jurisdictions use the comp form, or they -- if  
14                  they want to, you know, pay somebody's  
15                  vigorish, that's fine, they rate the comp and  
16                  they pay the tax on that because it doesn't  
17                  affect the hold on the baccarat game.  So I  
18                  think almost all jurisdictions do it in some  
19                  form or fashion.

20                  CHAIRMAN CROSBY:  Do it, meaning --

21                  COMMISSIONER ZUNIGA:  But to answer  
22                  my question, has there any input from  
23                  licensees, or --

24                  MR. BAND:  Not at this point.

1                   COMMISSIONER ZUNIGA: This could be  
2 the regular way we do, we'd issue some  
3 draft --

4                   MR. LENNON: Public comment.

5                   COMMISSIONER ZUNIGA: -- public  
6 comment.

7                   MR. LENNON: Correct.

8                   MR. CARPENTER: Commissioner Crosby,  
9 I think your question is, that form that Bruce  
10 is speaking of adds it back into the  
11 responsibility. So the licensee is paying for  
12 their commission.

13                   CHAIRMAN CROSBY: Right. Paying the  
14 tax on their commission.

15                   MR. CARPENTER: Correct.

16                   CHAIRMAN CROSBY: I like the logic  
17 that we initially used. I mean, it seems to  
18 me that a company makes a decision to comp vig  
19 out of it its own best financial interests.  
20 That's what drives it. You know, they're not  
21 going to do it, if they don't think, in the  
22 long run, it's in their financial interest.  
23 Furthermore, the idea of taxing air is kind of  
24 noxious. You know, you're taxings revenues

1           that don't exist.

2                     MR. LENNON:  No.  They were played.

3                     MR. BAND:  They do exist.

4                     MR. LENNON:  They were played.  It's  
5           a debt owed.  And what you're doing is you're  
6           adding to their marketing budget.  So let's be  
7           clear, you're taking tax dollars and you're  
8           adding to the marketing budget.

9                     CHAIRMAN CROSBY:  But you're taxing  
10          money that they never received, right?

11                    MR. LENNON:  Well, they've decided  
12          to write it off.

13                    CHAIRMAN CROSBY:  I understand that.  
14          But --

15                    MR. LENNON:  It was played --

16                    MR. CARPENTER:  But they should have  
17          received it.  And I apologize for putting a  
18          couple of regulation numbers in this.  We're  
19          speaking of regulation 140, which is the  
20          figuring out the gross gaming revenue per the  
21          day.  That's what needs to be changed, because  
22          in that we're allowing the licensee to write  
23          off their responsibility of collecting it.

24                    Now, is that debt owed to the

1 licensee every single hand that they wager and  
2 win on that? So the person that gains that  
3 has won. So the only way you owe this  
4 responsibility to the licensee is because  
5 you've won money from the licensee. So that's  
6 why you charge, because it's an advantage to  
7 play on that.

8 So charging them, it's kind of like  
9 the buy on the four and the 10. So you charge  
10 because you're going to get paid 2-to-1,  
11 rather than what the true odds. You're  
12 gaining the true odds without the  
13 responsibility of losing that initial roll.

14 So all those -- you're gaining  
15 things from the licensee but you're paying for  
16 'em. And if you excuse it, then, you're not  
17 paying for it. You're getting something for  
18 nothing. I hope that made it a little  
19 clearer.

20 CHAIRMAN CROSBY: I think I get  
21 that. But I don't think --

22 COMMISSIONER ZUNIGA: No, no. But  
23 to be more emphatic on the answer, and I think  
24 they were, it is owed, it's -- it just

1 hasn't -- the transaction hasn't happened.

2 CHAIRMAN CROSBY: Owed, meaning, the  
3 player owes it to the house.

4 COMMISSIONER ZUNIGA: Owes it to the  
5 house.

6 CHAIRMAN CROSBY: Right. But if --

7 COMMISSIONER ZUNIGA: And because  
8 we're also the house, they owe it to the  
9 Commonwealth. The notion being that, when we  
10 confounded with the ability to write it off,  
11 there may be an incentive, because there's not  
12 costing them a hundred percent, to be more  
13 loose into that writeoff.

14 CHAIRMAN CROSBY: It's like paying  
15 income tax on a debt that was paid back, or on  
16 interest that wasn't paid. You know, if you  
17 accrue interest on an accrual basis and then  
18 they don't pay it but the government -- you  
19 can reverse it out of your P & L and the  
20 government doesn't go ahead and tax you on the  
21 interest on that that you never received.

22 COMMISSIONER ZUNIGA: Well, if you  
23 have a debt forgiven, you owe taxes on it.

24 And I guess that's --



1                   CHAIRMAN CROSBY: No. But it's --  
2                   yeah, but it's -- in that case, if you've had  
3                   a's debt forgiven, you've made the money. But  
4                   I'm talking about when you're not getting the  
5                   money, when you're not getting your interest.  
6                   If you're owed interest on something and you  
7                   accrue it as income and then you don't get  
8                   paid, you reverse it out. You don't pay taxes  
9                   on it.

10                   So here we're -- I don't -- I mean,  
11                   if all the other jurisdictions do it, I'm not  
12                   sure this all that big a deal, can't be that  
13                   onerous, but it just -- it just doesn't make  
14                   any sense to me. They're not going to be  
15                   doing it unless they think it's in their  
16                   financial interest. Therefore, it's in our  
17                   financial interest.

18                   I mean, it's not going to be  
19                   perfect, because sometimes they're going to  
20                   say, oh, rats, you know, I really hate to give  
21                   this guy a break because he's a nasty guy or  
22                   whatever or -- but as a practical matter, it's  
23                   a strategy that they use to service their  
24                   customers, in order that they stay their

1 customers and keep playing happily.

2 MR. CARPENTER: That sounds  
3 reasonable.

4 COMMISSIONER MACDONALD: But if I  
5 understand it, right, we do get hurt by it,  
6 the Commonwealth gets hurt by it because that  
7 vigorish, which is waived --

8 CHAIRMAN CROSBY: But they get  
9 hurt -- they lose 75 cents of every dollar  
10 that's given up, we lose 25 cents. So the  
11 house is making a decision that it's worth  
12 losing 75 cents on that dollar because, in the  
13 long run, that customer will stay a good  
14 customer.

15 COMMISSIONER MACDONALD: It's  
16 basically a marketing decision on their part.  
17 If they paid the same amount of cumulative  
18 money to a marketing consultant, that's just a  
19 cost of doing business. But they would still  
20 owe the GGR, the percentage of GGR.

21 MR. LENNON: Basically, what we're  
22 doing is, but through this tactic, and I've  
23 worked through this with Commissioner Zuniga  
24 on an income statement, you're basically

1 taking revenue out and you're adding it to  
2 their marketing budget. So what you're doing  
3 is you're taking tax dollars and supplementing  
4 a marketing budget. That is, in fact, what  
5 you're doing. You have a waiver to do that  
6 with promotional play. You don't have a  
7 waiver on the vigorish to do that. So -- in  
8 statute.

9 CHAIRMAN CROSBY: Waiver statute?

10 MR. LENNON: Yeah, statutorily  
11 waiver. So, you know, we've decided not to  
12 limit promo like a lot of other jurisdictions  
13 do. Once again, this is just adding one more,  
14 one more, one more thing. That's with one  
15 person's point of view, you know.

16 COMMISSIONER ZUNIGA: Right. No.  
17 And the other argument that you made, was  
18 that, if players know that this is  
19 something -- if they see in real -- because a  
20 promo play can be between the casino and the  
21 player. But if on -- at the table they see  
22 that somebody's never really paying the  
23 vigorish, when is -- you know, I'm just like  
24 them, when is my turn?

1 MR. BAND: Every player.

2 CHAIRMAN CROSBY: But, again, that's  
3 a decision that the house -- you know, the  
4 house suffers that consequence.

5 COMMISSIONER ZUNIGA: I don't  
6 disagree with that. I don't disagree with  
7 that. But the argument they made is that then  
8 everybody's going to want that. And that's  
9 something for us to consider.

10 MR. CARPENTER: I really don't want  
11 to convolute this, but your analogy of a debt  
12 owed, if they collected when they're supposed  
13 to, it would not be a large debt. That's the  
14 problem. That's why I quoted that regulation.  
15 They don't follow the regulations, by large.  
16 When patrons are high end, that'll break  
17 regulation and not collect and allow it to get  
18 prohibited. So you know, when we're trying to  
19 protect them through GameSense and protect,  
20 like, the gambler in them we sometimes are --  
21 they're being put off by paying it because it  
22 reaches too much --

23 CHAIRMAN CROSBY: But I thought I  
24 understood -- those are two different issues.

1 One issue is, should the vig be paid at the  
2 end of each -- either when the player leaves  
3 or at the end of each shoe. That's already in  
4 our statute -- our reg. You're saying we  
5 should enforce it.

6 MR. CARPENTER: Yes.

7 CHAIRMAN CROSBY: There's a second  
8 issue, which is can they comp people on that  
9 vig at that time?

10 MR. BAND: And that's the main issue  
11 that we're putting before you.

12 MR. LENNON: Yeah. I'm not  
13 disagreeing whether they should comp it or  
14 not. I'm just saying that it shouldn't be  
15 augmented through the GGR process. That's a  
16 business decision.

17 CHAIRMAN CROSBY: No, no. Right,  
18 right. You know, I -- do you have an opinion  
19 on this in particular, Mike, or do you want  
20 to give it, as long as you're here? We'll be  
21 asking for comment, but as long as you're  
22 here.

23 MR. MATHIS: Thank you. Yeah, there  
24 are definitely people in the company that

1 would want to be involved in this process. So  
2 as I understand the --

3 CHAIRMAN CROSBY: In this  
4 discussion?

5 MR. MATHIS: In this discussion.  
6 Sorry.

7 CHAIRMAN CROSBY: Yeah, okay.

8 MR. MATHIS: To kick off a public  
9 comment, we're perfectly fine with this. But  
10 I agree with you, Chairman, which is, to me  
11 maybe going back to -- it's almost a semantic  
12 argument. If we had a promotion that said we  
13 waive the vig, that would fall within the  
14 exception. I think, generally, the philosophy  
15 that we're perfectly aligned, in fact, more so  
16 because we'll take a bigger haircut than the  
17 state ever will, you could -- you know, you  
18 could ride on our backs on most of these  
19 decision so...but happy to have the -- bring  
20 my experts in, talk about other jurisdictions  
21 and the nuances of what's being discussed  
22 here.

23 CHAIRMAN CROSBY: Okay.

24 MR. MATHIS: But thank you.

1 CHAIRMAN CROSBY: Thank you.

2 COMMISSIONER ZUNIGA: Thank you.

3 I'm very familiar with Connecticut, Sterl, and  
4 I'm curious, I forget if I asked you, but what  
5 are other nearby jurisdictions do, in terms of  
6 what our player is used to?

7 MR. CARPENTER: I did research, and  
8 there's no other jurisdiction that does this.

9 CHAIRMAN CROSBY: "Does this,"  
10 meaning?

11 MR. CARPENTER: Gives them the right  
12 to take off the commission.

13 CHAIRMAN CROSBY: Without --

14 COMMISSIONER MACDONALD: Of the GGR.

15 CHAIRMAN CROSBY: Of the GGR.

16 MR. CARPENTER: On the GGR.

17 COMMISSIONER ZUNIGA: I'm also  
18 asking about the -- what players are used to.  
19 But thank you for that. What are players used  
20 to?

21 MR. CARPENTER: In what regard?  
22 Like -- they're used to seeing high-end  
23 clientele get catered to and then they all say  
24 the same thing, why is that? Why does he get

1 to the break the rules and I don't? And it  
2 just continues. But that's not -- that's not  
3 even the biggest part. It's just that you --  
4 like we said, they're allowed to make their  
5 business decisions. It's a bad avenue to go  
6 down. And that, we shouldn't have -- take the  
7 responsibility from the Massachusetts, you  
8 know, earning their 25 percent. If they want  
9 to make that decision, that's on them.

10 CHAIRMAN CROSBY: Okay. Well, so  
11 we've got it on the table to discuss. We'll  
12 have a formal comment. I guess we send it out  
13 for comment.

14 COMMISSIONER CAMERON: You're going  
15 to put this in the regulation form -- memo?

16 COMMISSIONER ZUNIGA: Do we need to  
17 draft this?

18 MS. BLUE: Well, I guess the  
19 question is, if you would like us to amend the  
20 regulation to remove it, we'll certainly do  
21 that. Then it'll go through the normal  
22 process. We'll bring you the reg to look at,  
23 it'll go out of for comment. We'll have a  
24 hearing, the whole thing. If that's the way



1           you would like us to proceed, we can  
2           definitely do that.

3                       COMMISSIONER MACDONALD:    So moved.

4                       CHAIRMAN CROSBY:    Well, it sounds  
5           like -- I think it sounds like we would like  
6           to have comment on, particularly, this second  
7           issue.  Should -- can they take comp vig out  
8           of GGR.

9                       COMMISSIONER CAMERON:    So we need to  
10          rewrite the reg in order for them to comment  
11          on it?

12                      MS. BLUE:    Yeah.  I mean, so what  
13          we'll do is we'll change the language in the  
14          reg that allows them to take the vig out now.  
15          We'll bring it to you.  You will give us the  
16          go-ahead to go ahead and put it through the  
17          process.  We'll get comments through the  
18          process.  Then, you can look at it again.

19                      CHAIRMAN CROSBY:    But couldn't we  
20          just skip that step and just ask now, ask for  
21          comment on whether or not they think the  
22          statute as written is appropriate, or whether  
23          we ought to change it?

24                      MS. BLUE:    I think the easiest way

1 to get comment is for our licensees to see  
2 what the reg says.

3 CHAIRMAN CROSBY: Okay.

4 MS. BLUE: So we'll just make the  
5 change and move it through.

6 CHAIRMAN CROSBY: Okay. Fine.  
7 Thank you.

8 COMMISSIONER CAMERON: Thank you.

9 CHAIRMAN CROSBY: Interesting. I  
10 never thought I'd be sitting talking about  
11 what you do with vig. Tony Soprano.

12 MS. BLUE: The next item in your  
13 packet, 8B, is amendments to 205 CMR 152.  
14 This is the excluded persons list. We've  
15 discussed this regulation before, and we got  
16 your guidance on a number of issues. And  
17 we've incorporated that guidance into this  
18 regulation, in terms of we have changed the  
19 hearing process so this follows the normal  
20 hearing process, both sides have the ability  
21 to appeal. We added in language about how the  
22 state police should be contacted and when, if  
23 an excluded person comes into the casino.

24 We would ask for your guidance on

1 another couple of other issues, where we've  
2 made some changes but we're not sure we  
3 captured where you wanted us to go. That  
4 would be in Section 152.032. We had a long  
5 conversation last time about the standard for  
6 what injurious to the interests of the  
7 Commonwealth and the gaming establishment  
8 means. So we made some tweaks to that section  
9 to determine -- to change that standard a  
10 little bit.

11 We would also ask for your guidance,  
12 for example, on how long someone should be on  
13 the excluded persons list before they can  
14 petition to be removed. Currently, the reg  
15 has five years, but that's, clearly, something  
16 that we as a Commission determines, so the  
17 Commission can change that, if you'd like.

18 And then, we also have a section  
19 on -- during the appeal process, the way it's  
20 set up is that you could either stay the  
21 person's name going onto the list, while they  
22 go through the appeal process, or you can put  
23 them on until their decision is overturned. I  
24 mean, I think the legal department's

1 recommendation is you should go through the  
2 process before your on it. But there are  
3 different point of view on that.

4 So I have Deputy Director Lillios,  
5 and I have Deputy General Counsel Grossman  
6 here to answer any questions you may have on  
7 this. But if you're comfortable with what's  
8 here, that's obviously fine and we'll take it  
9 through the process. If not, we can make some  
10 further changes.

11 COMMISSIONER ZUNIGA: I have a  
12 couple of comments and questions on the  
13 revisions -- under revision mode. Maybe we  
14 could take them in order. Section 2, 150 --

15 COMMISSIONER CAMERON: 02?

16 COMMISSIONER ZUNIGA: 152.03,  
17 Subsection 2, so it's page two of the  
18 regulation. We were talking about the  
19 standards. I made the point last time, and I  
20 still want to make it, I may be the only one,  
21 which will be fine, on Subsection C, I was  
22 looking for repeated, the word repeated,  
23 because it's the one -- the one area where our  
24 first offense could put you in the list.

1                   Now, grant it, it's now -- the  
2                   standard is now of egregious -- egregious  
3                   conduct --

4                   CHAIRMAN CROSBY:   And a clear  
5                   threat.

6                   COMMISSIONER ZUNIGA:   And a clear  
7                   threat, which is something we did discuss.  
8                   But is there anywhere to put in the notion --  
9                   here's what I'm thinking about, somebody gets  
10                  into a fight, is that going to be considered  
11                  egregious and a clear threat to the safety of  
12                  other patrons?

13                  MS. LILLIOS:   Okay.   If I could  
14                  address this.   Good afternoon.

15                  COMMISSIONER CAMERON:   Good  
16                  afternoon.

17                  MS. LILLIOS:   So remember, these  
18                  factors in Subsection 2 just are factors that  
19                  may be utilized, when determining whether  
20                  somebody falls into criterion E above.  
21                  Whether someone's presence in the gaming  
22                  establishment poses a potential of injurious  
23                  threat to the Commonwealth.

24                  And in order to figure that out, the

1 Commission or the IEB may consider, without  
2 limitation, the factors in 2A through E. With  
3 respect to the C, we did draw on language that  
4 Commissioner Macdonald had suggested.

5 In terms of repeated, I do recall  
6 the discussion about repeated. And I had  
7 incorporated that notion in the term  
8 egregious. If it's a term you'd like to see  
9 in there, my suggestion would be egregious or  
10 repeated conduct, because conduct could be  
11 very egregious, even if it was only the first  
12 time.

13 So I wouldn't -- my suggestion is  
14 egregious or repeated. But the way I had  
15 initially viewed it was, you know, repeated is  
16 a notion captured in egregious.

17 The the bar fight, given where the  
18 IEB was even before our recent discussion in  
19 December, but especially after our discussion  
20 in December, where it was clear from the  
21 direction that you gave to the IEB, that you  
22 wanted only serious conduct -- and I don't  
23 mean to minimize a, quote, bar fight, which is  
24 not even a well-defined term, but standing

1 alone that would not necessarily be egregious  
2 conduct that would warrant placement on the  
3 list.

4 CHAIRMAN CROSBY: What would your --  
5 so would this apply to the case that caused  
6 this to arise, the woman who left her  
7 nine-year-old and 12-year-old in the car, if I  
8 remember the case correctly. If this were the  
9 standard, would she have gone on the list or  
10 not?

11 MS. LILLIOS: Well, we usually make  
12 that determination in a group setting, hearing  
13 input from a number of people, including the  
14 director. There were aggravating factors in  
15 that case, but there were also mitigating  
16 factors in that case.

17 CHAIRMAN CROSBY: This is what we're  
18 trying to do, is put words to a feeling sort  
19 of so -- and you're the one who's writing this  
20 so you're the one that needs to tell the IEB,  
21 here's what it means. So, you know, would it  
22 be -- are you meaning to include that --

23 MS. LILLIOS: Well, let me ask  
24 you --

1                   CHAIRMAN CROSBY: I know you don't  
2 know for sure.

3                   MS. LILLIOS: Would you -- I mean,  
4 really, with all due respect, this should be  
5 the reverse. We should be asking you. Is  
6 that what you -- we're looking for your  
7 direction.

8                   COMMISSIONER MACDONALD: I can  
9 answer that. I would not mind find the facts  
10 of that case to be egregious.

11                  MS. LILLIOS: That's very helpful.

12                  COMMISSIONER ZUNIGA: And that was  
13 the consensus last time, when we discussed  
14 this.

15                  CHAIRMAN CROSBY: And that was my  
16 feeling too. And I felt -- I wanted to find a  
17 standard that would not have captured that  
18 circumstance. But if you're not sure whether  
19 it does or not, I'm puzzled.

20                  COMMISSIONER ZUNIGA: Yeah. Then,  
21 we need to rewrite it.

22                  CHAIRMAN CROSBY: Right.

23                  MS. WELLS: I just have a question,  
24 just to help me. Another hypothetical set of



1 facts, someone leaves a six-month old baby in  
2 a car and it's 90-degrees out and she's in  
3 that -- that baby's in the parking garage,  
4 does that person go on the exclusion list?

5 CHAIRMAN CROSBY: I mean, that might  
6 very well --

7 COMMISSIONER MACDONALD: Well  
8 that's, certainly, egregious.

9 COMMISSIONER CAMERON: That would  
10 absolutely go on the list, in my mind.

11 MS. WELLS: I'm telling you right  
12 now, I would put that person on -- that is  
13 egregious.

14 COMMISSIONER CAMERON: And I think  
15 it's hard to ask them to go back with a new  
16 standard and say what would you do, because  
17 the whole team has to talk about mitigating  
18 and aggravating and what -- you know, and the  
19 mitigating -- you know what I'm saying? So I  
20 think that that's a little difficult to do,  
21 because you'd all have different opinions on  
22 what that means.

23 COMMISSIONER ZUNIGA: Oh, but  
24 there's a very concrete example that prompted

1 this whole thing to begin with.

2 COMMISSIONER CAMERON: Which I never  
3 had a problem with her on the list, I'll be  
4 honest with you. I think it's atrocious she  
5 leaves kids in the car.

6 COMMISSIONER ZUNIGA: But that's a  
7 3-to-1.

8 MS. WELLS: So what I hear you  
9 saying is, that the eight- to 12 year-old  
10 range, at least on a first offense, you would  
11 not put on the list --

12 COMMISSIONER ZUNIGA: No.

13 MS. WELLS: Despite the fact that  
14 a -- an individual left the car running in the  
15 garage, and that added a certain level of  
16 increased risk to those children, because, A,  
17 someone could steal the car, or they could hit  
18 something in the car and set it in reverse.

19 But that the Commission, if it was  
20 an infant or a more vulnerable child, or, say,  
21 an extremely vulnerable elder, say someone  
22 with extreme Alzheimer's left in the car, you  
23 know, in a hot day, things like that, so  
24 its' -- that's sort of the line you're giving

1 me, as far as the placement on the exclusion  
2 list, because I need to know. Ultimately,  
3 it's your call. I'm telling you --

4 MS. BLUE: Can I weigh in just a  
5 little bit here. You know, what we're trying  
6 to create here is a regulation that applies  
7 across a number of situations. And I think  
8 the IEB is correct. When they sit down and  
9 look at individual situations, then they make  
10 assessments based on the facts, and that's  
11 appropriate.

12 Part of the change to this section  
13 was because the hearing officer read this  
14 section as being limited to what the IEB could  
15 do. And so, we changed that language and we  
16 said without limitation. So they're not  
17 limited to just what's in here. But this is a  
18 set of guidance.

19 I think that, if you try to craft  
20 language around a particular situation or a  
21 particular group of situations, that really  
22 doesn't give the IEB the flexibility that they  
23 need.

24 So while I appreciate thinking about

1           it that way, I think what you want to think  
2           about here is, how much flexibility does it  
3           give the IEB, and are you comfortable that  
4           these items listed under two provide an  
5           adequate definition of the injurious threat to  
6           the interest of the Commonwealth and the  
7           gaming establishment, knowing that this not a  
8           complete list, because we're not saying this  
9           is all they can consider. This is what --  
10          this is the -- what defines that Section E  
11          that, you know, we pointed out.

12                         So I would try not to get too  
13          involved in actual, factual conversations  
14          here. But I think what we want to think about  
15          is, how does this work? Does it give the IEB  
16          enough flexibility to make decisions? And  
17          then, ultimately, it will come before a  
18          hearing officer or come before you, and those  
19          facts will be decided upon and we'll see how  
20          that plays out and what body of case law that  
21          builds. But I would just caution us of  
22          getting too tied up in a particular example.

23                         COMMISSIONER MACDONALD: I think  
24          that's a very good -- I think that's a very

1 good point. I think the question here, is  
2 there a better word than egregious? I may  
3 have suggested it, but I'm not suggesting that  
4 I wouldn't be open to another word.

5 The policy issue is that this is --  
6 the exclusion list, in my view, is to be  
7 reserved for particularly, you know,  
8 dangerous, potentially harmful, or actually  
9 harmful conduct. I don't know a word better  
10 than egregious and, also, a clear threat.

11 COMMISSIONER ZUNIGA: I think it's  
12 fine.

13 CHAIRMAN CROSBY: I think the  
14 repeated is a constructive -- but I think we  
15 are -- in this conversation, you're getting,  
16 again, a flavor of where we're coming -- it's  
17 not a majority view -- I'm sorry. It's not a  
18 unanimous view, but it is a majority view on  
19 how -- what we're trying to get out of this.

20 The only thing I wonder about is the  
21 use of may, as opposed to must or will,  
22 because if we say may, it means we can just  
23 forget about it and use the E as it stood  
24 before and make the same decision we made last

1 time. So what would be wrong with saying the  
2 Commission --

3 COMMISSIONER ZUNIGA: Let me  
4 advocate for may here.

5 CHAIRMAN CROSBY: Okay.

6 COMMISSIONER ZUNIGA: Because we're  
7 trying to give that discretion, precisely what  
8 we're asking. That they may, without  
9 limitation, part of the context of this was  
10 that the hearing officer, who's a third party  
11 here that has a very important role, read that  
12 to be exclusive. And by adding both the  
13 ability and then -- you know, and the without  
14 limitation then gives the discretion for this  
15 group to weigh all the mitigating and  
16 aggravating factors and come up with a --

17 CHAIRMAN CROSBY: I understand  
18 you're giving the heads-up to the hearing  
19 officer, which is fine. He'll get the  
20 difference here. And either word would  
21 accomplish that objective. But when you're  
22 saying may, it means you also may not. And  
23 that means you would just read Section E,  
24 which is the way it was.

1                   COMMISSIONER ZUNIGA: Well, anytime  
2 I see a must, then, my take is that people,  
3 like the IEB, would feel compelled to anytime  
4 any of these happen, regardless of mitigating  
5 factors, must be placed on the list.

6                   CHAIRMAN CROSBY: It says must  
7 consider. But you're not comfortable with  
8 that.

9                   MS. WELLS: I mean, I think -- I  
10 hear your point. But I think, as a practical  
11 matter, we have to remember that, you know,  
12 this is agency -- an agency and agency law  
13 that we're dealing with. So there is that  
14 connection and that respect for authority and  
15 the will of the Commission. So we are not  
16 talking about some rogue individual making  
17 decisions, who doesn't consider the import of  
18 the Commission's direction here.

19                  CHAIRMAN CROSBY: And as Catherine  
20 said, it will come back to us.

21                  MS. WELLS: Right. That's the  
22 ultimate test on how you make, you know, these  
23 determinations. Is, eventually, there'll be  
24 some case law or administrative law based on

1 Commission decisions. And it's frustrating  
2 because we don't have that now because we're a  
3 new agency. But that's how this ultimately  
4 works, and then there's guidance there. So  
5 between those two principles, I'm very  
6 comfortable that your concerns would not  
7 really come to fruition.

8 COMMISSIONER MACDONALD: The further  
9 perspective on this is that each of those  
10 factors that's listed in Subsection 2 are  
11 factors that are taken into account in making  
12 this very evaluative judgment as to whether  
13 there's a potential of injurious threat to the  
14 interest of the Commonwealth.

15 CHAIRMAN CROSBY: In the gaming  
16 establishment.

17 COMMISSIONER MACDONALD: Yeah, in a  
18 gaming establishment. So that itself is  
19 very -- you know, is very loose. So that'll  
20 be appropriate -- it seems appropriate to have  
21 a may in there because that says you can take  
22 these kinds of factors into account. It's not  
23 necessary. But, ultimately, there's a  
24 judgment as to the potential injurious threat



1 to the interest of the Commonwealth and the  
2 gaming establishment.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER ZUNIGA: So could we  
5 add repeated or egregious?

6 MS. LILLIOS: Yes.

7 COMMISSIONER ZUNIGA: I would also  
8 like to talk about the or near the premises,  
9 because we --

10 COMMISSIONER CAMERON: Where's that,  
11 Commissioner?

12 COMMISSIONER ZUNIGA: Same. C.  
13 "whether the individual's egregious conduct  
14 poses a clear threat to the safety of  
15 employees or others on or near the premises."  
16 What's the idea behind the near the premises;  
17 how far are we going to go, near the premises?

18 COMMISSIONER MACDONALD: Isn't that  
19 the parking lot?

20 COMMISSIONER ZUNIGA: Well, that's  
21 part of the premises.

22 COMMISSIONER MACDONALD: Well, I  
23 don't know. Wasn't there an argument --

24 MS. BLUE: Well, and that's part of

1 the gaming establishment.

2 COMMISSIONER ZUNIGA: That's part of  
3 the gaming establishment.

4 MS. BLUE: Like, the garage would  
5 be -- the road -- it depends on each facility.  
6 But in PPC, for example, the garage is  
7 probably part of the gaming establishment.  
8 The road might not be.

9 COMMISSIONER MACDONALD: I mean, I  
10 would think so. I thought there was an  
11 argument that it wasn't, that the garage was  
12 not.

13 COMMISSIONER ZUNIGA: No, no. I  
14 think the garage is a gaming establishment.  
15 It's not the gaming area. But are we going to  
16 go across the street to the Lowe's?

17 MS. LILLIOS: No. I don't think  
18 that was -- I think it was language taken from  
19 the discussion. And I don't see a problem  
20 with limiting it to the premises of the gaming  
21 establishment.

22 COMMISSIONER ZUNIGA: I would be  
23 comfortable with that.

24 CHAIRMAN CROSBY: Excuse me, could I

1 just interrupt.

2 MS. WELLS: The only -- I'm just  
3 trying to think because I think we're  
4 thinking --

5 CHAIRMAN CROSBY: Karen,  
6 Karen, Karen. Excuse me.

7 MS. WELLS: Oh, sorry.

8 CHAIRMAN CROSBY: I should have  
9 brought this up beforehand, but I have an  
10 appointment at the statehouse at four o'clock  
11 that I need to do a little prep for, so I'm  
12 going to dash out. And if you would take  
13 over, Treasurer. And I will go along --  
14 please feel free to vote on this one, if  
15 you're going to vote without me here, because  
16 I'm comfortable with wherever we come down.  
17 Okay?

18 COMMISSIONER ZUNIGA: Okay.

19 CHAIRMAN CROSBY: Sorry, Karen.

20 MS. WELLS: Oh, no, that's all  
21 right. Just the near -- I think we've been  
22 thinking in terms of Plainridge, because we  
23 are familiar with that property. But now, as  
24 I think about, you know, Springfield, you

1 know, the gaming establishment does not  
2 include the sidewalk. So hypothetically,  
3 something happens, some kind of incendiary  
4 device, something like -- something where  
5 there --

6 COMMISSIONER CAMERON: Very serious.

7 MS. WELLS: You could be right next  
8 to it.

9 COMMISSIONER MACDONALD: A child  
10 left in a car in a -- in a parking space on  
11 the street.

12 MS. WELLS: Yeah, or something like  
13 that. So with Plainridge, I think taking near  
14 out makes sense. I just wonder -- I'm just --  
15 because we haven't really operated in  
16 Springfield. I'm just thinking about because  
17 there's that distinction, there's the building  
18 and then the parking -- then the --

19 COMMISSIONER CAMERON: Plus, their  
20 judgment is very sound. They're not going  
21 across the street to the Lowe's.

22 MS. BLUE: But you have to  
23 understand, though, we only have authority  
24 over the gaming establishment. Authority does

1 not extend to the sidewalk, if it's not in the  
2 gaming establishment. So we just want to keep  
3 in mind where we're going.

4 COMMISSIONER STEBBINS: I want to  
5 offer more -- I want to offer more flexibility  
6 and more consideration from IEB. But, again,  
7 not to draw on a specific case, but we had an  
8 incident the other day, Massachusetts woman  
9 followed from a gaming establishment back to  
10 her house. If that happened at Plainridge,  
11 would we want to take some type of action on  
12 the individual who committed the crime, you  
13 can't come back into the gaming establishment.

14 MS. BLUE: But that's a different  
15 story, though. I mean, that person -- you  
16 might not -- you might put that person on the  
17 excluded person's list because they were  
18 convicted of something or charged with  
19 something. You know, we only are authorized  
20 to cover the gaming establishment. And we try  
21 to draw those lines in a way that work, right.  
22 But if you're talking about Springfield, the  
23 sidewalk belongs to City of Springfield.

24 COMMISSIONER CAMERON: So it's your

1 legal opinion, that if there's an assault with  
2 a deadly weapon right there on the sidewalk  
3 right in front of the casino, we have no  
4 ability to take any action, as far as  
5 excluding that person?

6 MS. BLUE: You would probably be  
7 able to exclude them, but not because they're  
8 in the gaming establishment. Maybe, if they  
9 were convicted of some kind of crime, or the  
10 robbery occurred in the gaming establishment  
11 but then they were arrested by Springfield  
12 police outside. But not, necessarily, maybe  
13 under egregious to the interest of the  
14 Commonwealth and a gaming establishment.  
15 That's what this particular section is  
16 defining.

17 So you might have other ways to  
18 exclude them for other reasons. But you have  
19 to just be mindful of where, sort of, our  
20 authority starts and stops and -- under this  
21 definition. I'm not saying, you know, the  
22 person's not an ordinarily criminal person and  
23 you could exclude them for that reason. But  
24 you might not be able to exclude them under

1 this definition.

2 COMMISSIONER STEBBINS: I think it's  
3 important to -- for us to understand, that  
4 putting somebody on the exclusion list kind of  
5 is I think -- I described it to Catherine  
6 earlier, is it's one of a compendium of  
7 official enforcement actions that can take  
8 place on an individual arrested for criminal  
9 activity. I mean, nobody is going to make a  
10 decision in the parking garage that you're  
11 going on the exclusion list. There are other  
12 things that will happen.

13 But I like the change. I like the  
14 fact that it, kind of, expands your authority  
15 to deal with critical cases. And to  
16 Catherine's point, it gets appealed back to  
17 us, if for any reason, you know, it hasn't  
18 been enforced correctly.

19 COMMISSIONER ZUNIGA: So is the near  
20 relevant, even in the context of Springfield  
21 and Wynn?

22 MS. BLUE: I think it's cleaner, if  
23 we just say -- one of the things we  
24 consider -- and, again, these are just things

1 we consider. We consider their conduct in the  
2 gaming establishment. Gaming establishments  
3 are big. It's bigger than the gaming floor.  
4 And then, if other things happen, you know,  
5 there are other factors. It doesn't mean the  
6 IEB can't consider them. You know, they can.  
7 This is not a limitation.

8 COMMISSIONER ZUNIGA: It's without  
9 limitation.

10 MS. BLUE: Yeah.

11 COMMISSIONER MACDONALD: I like the  
12 phrase "near the premises." I would think  
13 that, if we had a situation where somebody was  
14 gaming in the MGM casino and parked his or her  
15 car on the street in a meter right outside the  
16 gaming establishment and left a nine-month-old  
17 in there and it's 90-degrees, if -- I have no  
18 difficulty in thinking that there's a  
19 sufficient nexus between the gaming  
20 establishment and the conduct to rest an  
21 enforcement action, in the nature of having  
22 that person added to the exclusion list.

23 MS. LILLIOS: In terms of the  
24 legality of it, although I think you could go



1           either way on it, but in terms of the legality  
2           of it, I think you can justify the near by  
3           explaining that it's still the Commission's  
4           interest in the gaming establishment, even  
5           though the conduct happened near -- you know,  
6           adjacent to the gaming establishment. Still  
7           your reputational interest in the gaming  
8           establishment. So that would be one way to  
9           justify it, if that's the direction you want  
10          to going in.

11                        COMMISSIONER MACDONALD: I think  
12           that's persuasive.

13                        COMMISSIONER ZUNIGA: All right.  
14           Well, let's move on from this. It sounds like  
15           we have a bit of a consensus unanimously.

16                        COMMISSIONER CAMERON: To leave the  
17           document as is, other than the change you  
18           offered with --

19                        COMMISSIONER ZUNIGA: Or repeated.

20                        COMMISSIONER CAMERON: -- and/or  
21           repeated? Or?

22                        COMMISSIONER ZUNIGA: Yes.

23                        COMMISSIONER CAMERON: Or.

24                        COMMISSIONER ZUNIGA: Yes. And/or

1 repeated but leave the near.

2 COMMISSIONER CAMERON: Okay.

3 COMMISSIONER ZUNIGA: I had another  
4 question, further. Are there others? I  
5 wanted to talk the petition to remove the name  
6 from the exclusion list.

7 COMMISSIONER CAMERON: Time frame?

8 COMMISSIONER ZUNIGA: Yep. We did  
9 discuss different time frame.

10 COMMISSIONER MACDONALD: What number  
11 is that?

12 COMMISSIONER ZUNIGA: That's page  
13 56, 152.07. And, you know, it's highlighted  
14 here for us to call attention, which I think  
15 is very good. I think the five-year threshold  
16 is quite. In my mind, I've always thought  
17 that by itself spoke to how limited some of  
18 this. But given the direction that we seem to  
19 be going, I would like to rethink this  
20 five-year to a smaller, or a group of smaller  
21 periods.

22 I was wondering, first, if we could  
23 have two options. Either a one-year and a  
24 five-year, sort of like the self-exclusion.

1 And if that's too clunky, whether we could  
2 just reduce to something lower than five  
3 years.

4 MS. BLUE: So I think having two  
5 options, because unlike voluntary exclusion,  
6 where you pick your term to begin with, this  
7 is -- you know, you didn't pick to be on this  
8 list. So I think having -- I don't know how  
9 we would distinguish -- you know, how you get  
10 one or the other, unless what we're suggesting  
11 is, you know, you could come after one, but  
12 then you could come again after five, or  
13 something like that. I think, you know, it's  
14 sort of a philosophy of who goes on the list.

15 So I've always thought about it  
16 personally, as if it's really, really bad  
17 people that go on the list, then, five years  
18 is perfectly appropriate, or you could pick  
19 some other time. If the list encompasses a  
20 lot of people for a lot of different kinds of  
21 offenses, you may want a one-year, two-year,  
22 some smaller length of time so they can come  
23 back and show you what they've done in the  
24 interim and whether they should be let off or

1 not.

2 The other thing, too, is if they  
3 petition to come off it doesn't mean they have  
4 to come off. I mean, the IEB would have to  
5 make a recommendation, the hearing officer  
6 would have to agree with that. There'd have  
7 to be hearing on it. So it's not an  
8 automatic, that you just petition and you come  
9 off.

10 COMMISSIONER MACDONALD: I think  
11 that there appeared to be a consensus the last  
12 time we discussed this, that the list be a  
13 small one. That we reserve placement on the  
14 list for, say it again, egregious conduct.  
15 And if that's the case, then, a five-year  
16 period in my mind is appropriate.

17 Furthermore, it's condition on  
18 except in extraordinary circumstances. So if  
19 justice, in retrospect, wasn't in fact done,  
20 the person could petition under that  
21 extraordinary circumstances clause.

22 COMMISSIONER ZUNIGA: Well, the idea  
23 of having more than one period is to be able  
24 to deal with this thing that we're

1 struggling -- we're all struggling with, in  
2 terms of the degree of severity. The first  
3 time offenders, however egregious we determine  
4 them to be, or repeated offenses. But -- so  
5 are there other thoughts on this,  
6 Commissioners, on the five years?

7 COMMISSIONER CAMERON: You know, I  
8 think that if we -- I don't imagine this list  
9 is going to be really long, and so I'm really  
10 comfortable with the fiver years. I'm not --  
11 and there is a catchall, if there was  
12 something that happens later that we find out  
13 that the information was incorrect. I can't  
14 imagine anything else, Commissioner, other  
15 than incorrect information, right, that would  
16 fit in that category?

17 So, yeah, I'm -- you know, I'm fine  
18 with -- I mean, certainly, one year is not  
19 enough. Certainly, one year does not really  
20 make the point after egregious behavior, that  
21 they get to petition after on year. I don't  
22 think that's --

23 COMMISSIONER ZUNIGA: Remember, that  
24 we don't have to take action. The petition --

1 the idea would be to -- you know, to come  
2 before somebody and then be reviewed. But I  
3 get the point. Commissioner?

4 COMMISSIONER STEBBINS: Yeah. I  
5 don't, necessarily, have an issue with the  
6 five years. Again, you know, nobody goes on  
7 this list -- everybody has the right to appeal  
8 being placed on this list first. They can  
9 petition us short of that five years for what  
10 they deem as extraordinary circumstances.

11 You know, is the five years -- you  
12 know, I'm comfortable with the five years. I  
13 also worry that if we gave everybody a bunch  
14 of one-year suspensions that we will have a  
15 hearing process and staff time tied up going  
16 through all these appeals and hearings, and  
17 subsequent hearings that --

18 COMMISSIONER ZUNIGA: I don't worry  
19 too much about that, because there's a  
20 presumption that this will be a short list.  
21 The review of the appeals can be rather small.  
22 You know, they don't have to be lengthy,  
23 especially if there's already a record of  
24 having gone through the first -- through the

1 first process that we could take a look at.

2 Another piece that I wanted us to  
3 think about is what goes on here, that after  
4 those five years, or however many, that it  
5 comes back to the Bureau. Why couldn't it  
6 come back to the Commission?

7 MS. BLUE: Well, in this case, what  
8 you want is someone to review what the  
9 circumstances are that would entitle this  
10 person to come off the list. So just like the  
11 Bureau makes a recommendation to put on the  
12 list, we would want their input as to whether  
13 this person should come off.

14 So they would look at what's gone on  
15 with this person in the last four or five  
16 years, maybe, you know, they do their  
17 background check things. So you would want a  
18 recommendation. And if they came back and  
19 said, you know, we don't recommend that this  
20 person comes off, because the concept is  
21 you're on here forever, unless, after five  
22 years you come back.

23 I mean, that would be important for  
24 the hearing officer, and ultimately the

1 Commission to review and to understand,  
2 because, you know, I think that's important.  
3 So I think you wouldn't want a situation where  
4 the person just came, kind of, cold to a  
5 hearing officer without the opportunity for  
6 the IEB to review why they thought they should  
7 come off. I think that part's a very  
8 important piece.

9 COMMISSIONER ZUNIGA: Even if it's  
10 just the notion, I think I understand now. I  
11 did my punishment. I served my time?

12 MS. BLUE: So think about the racing  
13 side. We have a lot of experience on this  
14 issue on the racing side. And sometimes, when  
15 people want to come off the exclusion list on  
16 the racing side, they come back and that's  
17 what they say, I learned my lesson. I want to  
18 come off. But they don't tell us anything  
19 more than that so we have to, kind of, look  
20 into it. And maybe it's true, they've been  
21 really good for five or 10 years, and they  
22 should. But maybe we also find out that  
23 they've been, you know, picking up tickets off  
24 the floor and trying to claim them and, you



1 know, they've been in and out of the facility  
2 when they shouldn't have been.

3 COMMISSIONER CAMERON: Right. Have  
4 an egregious situation at another racetrack,  
5 in the interim.

6 MS. BLUE: Yeah. So, you know, just  
7 because they say they've learned their lesson,  
8 there has to be some sort of check on what  
9 they've actually done during that period. So  
10 I think it would better serve the hearing  
11 officer, as well as the Commission, to have a  
12 recommendation from the IEB.

13 COMMISSIONER MACDONALD: I think  
14 it's appropriate to have the Bureau do the  
15 first -- do the first review here. And  
16 Catherine, on that reference to the hearing  
17 officer, and I had a question on Subsection 3  
18 here, "Individual has 30 days from the date of  
19 the service to request a hearing in  
20 accordance," and then it says "the Commission  
21 shall schedule a hearing." This would be  
22 before the hearing officer, right?

23 MS. BLUE: Before the hearing  
24 officer, yes. That's why it says, you know,

1           pursuant to 101.

2                       COMMISSIONER MACDONALD: Right.

3                       MS. BLUE: And 101 would require it  
4           to come to the hearing officer first.

5                       COMMISSIONER MACDONALD: Maybe,  
6           it'll just be clear if you wrote, schedule a  
7           hearing before the hearing officer.

8                       MS. BLUE: We can. We can fix that.

9                       COMMISSIONER ZUNIGA: All right.  
10          Any other comments?

11                      COMMISSIONER STEBBINS: I had one.  
12          I want to have a comfort level around 152.04,  
13          Subsection 6, which appears to be a lot of new  
14          language at the bottom of page three. Again,  
15          given an individual an opportunity to appeal  
16          being added to the exclusion list. I want to  
17          be comfortable that there are -- we can expect  
18          that, for this person who have risen to this  
19          level of activity, that there are other,  
20          again, enforcement actions being taken that,  
21          whether it's a no trespassing order, whether  
22          it's actually criminal charges being filed, if  
23          the case warrants it, that we have an  
24          opportunity to make sure that person does not

1 go back to the casino in the intervening time  
2 period.

3 MS. LILLIOS: And that does link  
4 with Subsection 6. Okay. So we do work with,  
5 right now, PPC on their eviction notices. And  
6 there is definitely -- if we were to put  
7 somebody on the list for egregious and/or  
8 repeated conduct, there is a time period from  
9 the time we identify them to the time they go  
10 on the list that they wouldn't be on there,  
11 right, because we give them -- first we send  
12 them notice, we wait the 30 days for them to  
13 ask for hearing. And then, if we do ask for  
14 hearing, we wait until the hearing before the  
15 hearing officer's scheduled, and then the  
16 determination of the hearing officer. So we  
17 do work with the casino for that period of  
18 time and would continue to do that.

19 The language in six, there's some  
20 alternative language here to address a  
21 situation where the case goes to the hearing  
22 officer, hearing officer agrees with IEB, says  
23 the person should go on the list, then the  
24 person has the right to appeal to the

1 Commission. They get 30 days whether to  
2 appeal to the Commission. Then, if they  
3 appeal to the Commission, it gets scheduled,  
4 it gets briefed, it gets heard.

5 Do you want, in that instance,  
6 for -- between the hearing officer's decision  
7 and your decision for the person to go on the  
8 list, or do you want the hearing officer's  
9 decision to be stayed?

10 COMMISSIONER MACDONALD: I have an  
11 answer to that. My answer is --

12 COMMISSIONER ZUNIGA: Let's let the  
13 lawyer...

14 COMMISSIONER MACDONALD: It's not  
15 being a lawyer's position so much. I think  
16 that -- I'm for the alternative. I think, if  
17 IEB has found that the conduct is egregious,  
18 repeated, you know, or egregious, there's a  
19 hearing before the hearing officer, there's  
20 a -- you know, a five-year exclusion that  
21 hangs in the balance here, I think two bites  
22 at the apple is enough to provide, you know,  
23 due process.

24 COMMISSIONER CAMERON: Put them on

1 the list.

2 COMMISSIONER MACDONALD: Put them on  
3 the list. And if he or she prevails before  
4 the Commission, then, they're off the list and  
5 they're free. You know, again, going back to  
6 a high standard here for qualification for  
7 the -- you know, being on the list, I wouldn't  
8 want, you know, anybody who's been through the  
9 first two stages of process and failed at both  
10 to be welcomed at any of our facilities.

11 COMMISSIONER ZUNIGA: Almost like a  
12 loophole of sorts. Sounds to be -- does --  
13 that sounds to be a consensus.

14 COMMISSIONER CAMERON: Yes.

15 COMMISSIONER ZUNIGA: So let's skip  
16 that.

17 COMMISSIONER CAMERON: Very  
18 well-put, Commissioner.

19 COMMISSIONER ZUNIGA: I had another  
20 question. I don't know if it's here or  
21 elsewhere, where we place the name of a person  
22 on the website.

23 MS. BLUE: So right now, we do put  
24 the list on the website. We put the name of

1 the person, I think, and their date of birth.  
2 Last time, a question came up, you know,  
3 should we put them on the website at all.  
4 That's something that we determined as a  
5 Commission to do.

6 The question is, you know, the value  
7 of having the name. When we did that, we  
8 anticipated putting more information on the  
9 website than we ultimately did. And I think  
10 we made the right decision not to put all that  
11 information because some of it was CORI  
12 information, some of it was personal. But I  
13 think, you know, it's a good discussion to  
14 have as to the benefit of having what's there  
15 on the list. We know our licensees have a  
16 much more detailed list. So, obviously, they  
17 have the information they need to enforce it.

18 COMMISSIONER ZUNIGA: Well, I for  
19 one would like to rethink the putting it on  
20 the website. One of the things in this last  
21 cease that I found was a bit of a dilemma, was  
22 this person felt that there would be serious  
23 reputational damage to her, by being  
24 searchable on some -- on some website, which

1 to me, sounded like an additional element,  
2 perhaps, not intended, of punitive aspect.

3 So I wanted to discuss that because,  
4 if the purpose is to punish or to prevent  
5 behavior, or effectively to keep people out of  
6 gaming establishment, which I think is the big  
7 purpose here, any thoughts on the element of  
8 publishing on a website the names of people?

9 COMMISSIONER CAMERON: After  
10 egregious behavior and a clear threat, I have  
11 no problem with their name being on the  
12 website.

13 COMMISSIONER MACDONALD: I don't  
14 either.

15 COMMISSIONER STEBBINS: I don't  
16 either.

17 COMMISSIONER ZUNIGA: Okay. Sounds  
18 like a consensus. Well, again, I'm not  
19 unanimous consensus.

20 COMMISSIONER MACDONALD: A partial  
21 consensus.

22 COMMISSIONER ZUNIGA: A partial  
23 consensus. Okay. Any other comment on this?

24 MS. BLUE: So if you're comfortable

1 and you would like us to move this through the  
2 process, I've provided a motion. You can make  
3 a motion that says with the changes that we  
4 discussed. You can authorize us to start the  
5 promulgation process. And we'd be happy to do  
6 that. So this is 152, 205 CMR 152.

7 COMMISSIONER MACDONALD: I move that  
8 the Commission approve the amendments to 205  
9 CMR 152, as included in the packet, and as  
10 revised in the preceding discussion, and  
11 authorize the staff to take the steps  
12 necessary to begin the regulation promulgation  
13 process.

14 COMMISSIONER STEBBINS: Second.

15 COMMISSIONER ZUNIGA: Motions made  
16 on second. Any more discussion? All those  
17 favor?

18 MR. MACDONALD: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Against? Aye.

22 The ayes have it 3-to-1. Thank you.

23 MS. BLUE: Item 8C is an amendment  
24 to 205 CMR 134.03. And to put this in a



1 little bit of context, we had our discussion  
2 this morning, the first part of our  
3 discussion, on what job positions the  
4 Commission would want to exempt, now that it  
5 has authority to exempt certain job positions  
6 from registration. When we got that ability  
7 under the law, we needed to update our  
8 regulation to provide the discretion. Now, it  
9 does rest with the Commission.

10 So what you'll see in 134.03(1),  
11 what we've done is we've added the tracts, the  
12 statutory language, and essentially says that  
13 the Commission has the ability, at its  
14 discretion, to exempt certain gaming service  
15 employees from registration by job  
16 description.

17 We've put in language that says the  
18 Commission can require any information it  
19 wants from the licensees in order to make that  
20 determination. And I think, more importantly,  
21 that the Commission can, at anytime, review  
22 exemptions or nonexemptions and change its  
23 mind. So this is just very, very basic. And  
24 this is just -- really brings the regulation

1 into compliance with the law.

2 COMMISSIONER MACDONALD: The only  
3 observation I would make here, or comment I  
4 would make, Catherine, is the last sentence,  
5 "The Commission may, at anytime in its  
6 discretion, reclassify any job position," when  
7 I read that, I didn't understand what  
8 reclassify meant.

9 MS. BLUE: So we can change that  
10 to -- we can tie it to exemption, rather than  
11 reclassify.

12 COMMISSIONER CAMERON: So exempt any  
13 job position?

14 MS. BLUE: Yes. It could revisit  
15 its decision regarding the exemption of any  
16 job description. We can fix that in that  
17 section.

18 COMMISSIONER CAMERON: Okay.

19 MS. BLUE: But we just think it's  
20 important that you can, kind of, go back and  
21 forth on that.

22 COMMISSIONER STEBBINS: Right.

23 MS. BLUE: Now, one of the driving  
24 forces behind this, just so that we can share

1       this with the Commission, is that we want --  
2       we want to make sure -- and we raised this a  
3       little bit this morning, that positions at one  
4       casino are treated the same as positions at  
5       other casinos' similarly-situated positions.

6               And the reason behind that is, we've  
7       done some research into the case law. We've  
8       been -- there was an excellent decision  
9       written by Judge Gorton last year in the  
10      taxicab case last year in Boston, that talked  
11      about the concept of equal protection.

12             So just so, you know, we are all on  
13      the same page, when the Commission makes a  
14      determination to exempt a certain position,  
15      that it will be assumed that that same  
16      position will be exempt at other facilities,  
17      unless that other licensee can show you some  
18      circumstances that would justify on a rational  
19      basis that it should not.

20             So, you know, we -- what we're doing  
21      now will have impact on our other licensees.  
22      But our other licensees will also have the  
23      ability to come back to the IEB and say, okay,  
24      the example we've been kicking around, okay,

1           you know, you exempted valets at one facility,  
2           we don't want to you exempt our valets here,  
3           because not only do they park cars, they do  
4           the guy's banking at the same time. So we'd  
5           say, okay, it's a different position, no  
6           problem so...but we do have an equal  
7           protection kind of threshold we want to meet.  
8           And a similar-situated position should be  
9           treated the same.

10                        MS. WELLS: The only thing I would  
11           add to that, is that it's not just the  
12           licensee who could potentially object. It  
13           could also be the Commission or the IEB, or  
14           the Commissioner -- individual Commissioner.  
15           It's not just up to the licensee, whether  
16           there would be a different category.

17                        MS. BLUE: Oh, yes. Yeah. No,  
18           that's definitely true. Definitely true.

19                        COMMISSIONER STEBBINS: Mr. Chair, I  
20           move the Commission approve the amendments to  
21           205 CMR 134.03 as included in the packet, and  
22           with subsequent changes as discussed here, and  
23           authorize the staff to file the regulation on  
24           an emergency basis, pursuant to Chapter 23K,

1 Section 5B, and further to take the steps  
2 necessary to file the regulation with the  
3 Secretary of Commonwealth, and to proceed with  
4 the formal regulation promulgation process.

5 COMMISSIONER CAMERON: With the  
6 appropriate language changes as discussed?

7 COMMISSIONER STEBBINS: Yes.

8 MS. BLUE: Yes.

9 COMMISSIONER ZUNIGA: That was in  
10 the motion.

11 COMMISSIONER CAMERON: Second.

12 COMMISSIONER ZUNIGA: Motion's made  
13 on second. I just have one question. ST2017,  
14 that refers to the acts of 2017, where this  
15 particular --

16 MS. BLUE: That's right. That's  
17 right. It is codified in Chapter 172, I  
18 believe. But we went back to the original  
19 source, which is the acts of 2017. And we  
20 cited it here so it's clear to any of our  
21 licensees looking at it. They can go and find  
22 it and they know what it is.

23 COMMISSIONER ZUNIGA: And even  
24 though it's codified elsewhere later, we won't

1 have any kind of --

2 MS. BLUE: No. No. It should be  
3 fine --

4 COMMISSIONER ZUNIGA: -- bad  
5 reference?

6 MS. BLUE: Yes.

7 COMMISSIONER ZUNIGA: All right.  
8 All those in favor.

9 MR. MACDONALD: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye. Opposed?  
13 The ayes have it unanimously.

14 MS. BLUE: Thank you.

15 COMMISSIONER ZUNIGA: Thank you.

16 Next item -- are we done with Item 6?

17 MS. BLUE: Yep. And we're done  
18 with --

19 COMMISSIONER ZUNIGA: I'm sorry, we  
20 were done with Item 8. Sorry about that.  
21 Okay. Item No. 9, I believe Commissioner  
22 Stebbins has the first up.

23 COMMISSIONER STEBBINS: Great. I'm  
24 happy to stand between us and adjournment

1 wonderful. Again, this is -- focusing on the  
2 White Paper the Commission has pulled together  
3 about reinvesting the Gaming Economic  
4 Development Fund. The goal of this White  
5 Paper is to offer some strategic thinking and  
6 create a conversation about how to use Class 1  
7 licensee gaming tax revenue allocated to the  
8 Gaming Economic Development Fund to broaden  
9 the impact of gaming in Massachusetts.

10 This process from the beginning has  
11 been a great opportunity to engage many of the  
12 stakeholders that that Commission has  
13 interacted with over the past few years and  
14 the beginning of our work. I want to thank  
15 those organizations who submitted strategy for  
16 their time and effort in what I believe is a  
17 unique opportunity.

18 We also want to acknowledge the  
19 efforts in the paper and support we received  
20 from various state agencies when we reached  
21 out for additional information and background.  
22 Including in that is Mass Growth Capital  
23 Corporation, MassDevelopment, Mass Office of  
24 Travel and Tourism, the cabinet agencies that

1 make up the governor's skills cabinet, some  
2 great contacts provided to us by  
3 Commissioner Macdonald with the City of New  
4 Bedford and Commonwealth Corporation.

5 I also want to thank -- express my  
6 thanks for the time and talent provided by MGC  
7 staff, including Jill Griffin, John Ziemba,  
8 Janice Reilly, Mark Vander Linden,  
9 Elaine Driscoll and Justin Stempeck.

10 The White Paper sections, here again  
11 are the components of White Paper. We've  
12 talked about this before. We will also have  
13 two attachments that will go out with the  
14 White Paper, including information on how  
15 other gaming jurisdictions allocate their tax  
16 money, and a complete portfolio of all the  
17 other strategies we received.

18 In the next sections, the bottom  
19 three, we'll talk about our shared  
20 recommendations. They made a strong effort to  
21 connect -- how we made those recommended  
22 strategies connect back to the priorities of  
23 the Gaming Economic Development Fund. And  
24 finally, the last section, we brainstormed



1 around next steps, follow up, monitoring the  
2 success of these strategies, if we can move  
3 ahead with implementation.

4 The White Paper background sections,  
5 again, it's -- I think it's critical to  
6 refresh some information about the Gaming  
7 Economic Development Fund and the other new  
8 funds being created as a result of the opening  
9 of our Class 1 casinos. We also shared the  
10 key language from the statute highlighting the  
11 fund and the priorities for spending  
12 associated with the fund.

13 Just as a refresher, these  
14 priorities include a workforce training,  
15 tourism promotion, summer jobs, the  
16 Massachusetts Market Partnership, which is a  
17 partnership between the Mass Office of Travel  
18 and Tourism, and the Mass Office International  
19 Trade and Investment to do a lot of trade and  
20 investment to do a lot of overseas tourism  
21 promotion. Regional economic development  
22 initiatives, a very broad category, support  
23 for small business, green jobs, STEM programs  
24 and agricultural development programs. As you

1 can see, many of these priorities directly  
2 align with the anticipated outcomes that we  
3 expect from the introduction to gaming.

4 To stress what we believe is an  
5 innovative effort that we're undertaking, we  
6 shared information about what other commercial  
7 gaming jurisdictions, again, do with their tax  
8 revenues. We also reviewed what we believe  
9 was an extensive and participatory process  
10 that engaged regional stakeholders, informed  
11 local municipal officials and elected state  
12 lawmakers, who represent host and surrounding  
13 communities.

14 We discussed critical realities of  
15 the process, of fiscal climate on Beacon Hill,  
16 the fund's anticipated use, and that it was  
17 not strictly for areas around a gaming  
18 facility, but for initiatives across the  
19 state. And, you know, we wanted to focus on  
20 strategies where we felt the Commission can  
21 make some credible recommendations, based on  
22 our experience and knowledge.

23 So we come to the critical strategy  
24 recommendations. All of us had a chance to

1       hear the presentations on these strategies  
2       during two open public meetings. We sent  
3       around a number of follow-up questions, we  
4       gathered additional information from the key  
5       agencies I mentioned already.

6               So we move to the slide about  
7       recommendations. Our strategy recommendations  
8       align with the priorities established for the  
9       fund, and focus on workforce development,  
10      tourism, business assistance, a connection  
11      with the Massachusetts cultural Council, as  
12      well as regional economic initiatives. Again,  
13      we grouped our recommendations, as you'll see  
14      in the full paper into these categories.

15              Workforce development, we  
16      consistently hear about, one, employer's being  
17      worried about that some of their employees  
18      will be recruited away by our gaming  
19      licensees, or simply decide to apply for  
20      positions. We think there's an incredible  
21      opportunity to support gaming industry  
22      training programs, as well as workforce  
23      development issues aimed at getting more  
24      individuals into the workforce and supporting

1           them through training programs that don't  
2           qualify for traditional financial aid, or  
3           have, in many respects, not have had a  
4           suitable or a -- a suitable funding source.

5                     Tourism, the gaming statute intended  
6           for the two largest private construction  
7           projects in the state's history to be visitor  
8           destinations, or else they would not have set  
9           a high minimum investment and required a hotel  
10          and other amenities. Each gaming region is  
11          proposed strategies that were particular to  
12          their region.

13                    The statute also created a tourism  
14          fund and the Gaming Economic Development Fund  
15          offered a priority to tourism and the Mass  
16          marketing partnership. So I mention that just  
17          in terms of this was a focus. We're not just  
18          looking to recapture money that Massachusetts  
19          residents spend on gaming out of state, but we  
20          want to draw new visitors to Massachusetts,  
21          encourage them to play and to stay.

22                    Business assistance. Here again we  
23          find alignment with the fund's priorities and  
24          the statute's goals of assisting small

1 business through vendor opportunities, among  
2 others. Through many of the conversations  
3 that we had with a number of stakeholders, we  
4 came to an understanding that lending programs  
5 may not be the challenge or obstacle, but  
6 technical assistance to help businesses grow  
7 and add capacity is. It was suggested to us  
8 that providing funding for to the whole state  
9 for technical assistance could assist  
10 businesses beyond those just doing business  
11 with our casinos.

12 Mass Cultural Council, again,  
13 there's a tie. There's a tie in the statute,  
14 when it comes to talking about ILEVs  
15 (phonetically), there's a tie in the statute  
16 talking about making sure that our casinos are  
17 connected with the cultural history and assets  
18 of the Commonwealth of Massachusetts. We've  
19 already seen work that the Mass Cultural  
20 Council is doing in the city of Springfield.  
21 We think there's some opportunities to extend  
22 that impact around the Everett area and  
23 around, perhaps, the Plainridge area. I think  
24 what was lacking was some specific details.

1           So I think, providing some assistance to do  
2           some planning and do some outreach, and  
3           connecting the Mass Cultural Council with our  
4           licensees is a good next step.

5                       Moving on to, again, the next  
6           recommendation slide, again, focusing on  
7           workforce development, some realization that  
8           the state -- this is a statewide use of the  
9           fund, we make recommendations in using the  
10          existing infrastructure of Commonwealth  
11          Corporation as a conduit to get money out the  
12          door.

13                      We want to fund tourism strategies  
14          that seek to leverage the casinos' presence.  
15          Each region, again, offer a different take on  
16          this. But we stressed that, as excited as we  
17          are about their individual strategies, there  
18          still needs to be alignment and collaboration  
19          with the state travel and tourism office, and  
20          also with our licensees. The concept of  
21          partnerships and coordination is critical.

22                      Again, business technical  
23          assistance, we didn't see a great need for  
24          lending sources. But as some folks that Lloyd

1 and I talked to down in New Bedford, pointed  
2 out that technical assistance can still help  
3 a -- put a small business in a better position  
4 to access finance.

5 We talked about the Mass Cultural  
6 Council. Some of the individual strategies  
7 that came up that I think were particularly  
8 intriguing, and that we wanted to make a  
9 recommendation of some support, were the  
10 Chicopee proposal to study the potential  
11 expansion of commercial air service to  
12 Chicopee.

13 We've talked about existing --  
14 expanding existing economic development  
15 programs, and this can kind of run a gamut.  
16 But this is where I think we took an  
17 opportunity to look at lessons learned through  
18 our licensing process. We were introduced,  
19 during that licensing process, to a lot of  
20 communities that had needs for economic  
21 development.

22 We were shown properties that were  
23 probably undervalued and not being fully  
24 utilized. And I think MassDevelopment offers

1       some programs. And this goes -- kind of  
2       brought to our attention by MGM mentioning  
3       Springfield's work with MassDevelopment on  
4       the -- the transformative district initiative  
5       in downtown Springfield. Hoping to kind of  
6       expand that and have the opportunity for those  
7       programs to be expanded around the state.

8               The other proposal that came was  
9       expanded service of the PVRTA to help MGM  
10       employees get to and from work. I think  
11       that's still a strategy that we want to do  
12       some work on as we move forward. And  
13       John Ziemba and I have already talked about,  
14       again, continuing to work with the MGM and the  
15       PVRTA on that -- on that question about  
16       availability of service for their employees  
17       and patrons to get to MGM.

18               The next steps and follow up.  
19       Again, upon completion of the final version of  
20       this White Paper, we wanted to use it as a  
21       tool to engage some key leaders and begin a  
22       conversation around our recommendations and,  
23       kind of, the unique opportunity that we  
24       believe we have. This is still a competitive



1 gaming market, and we should be thinking about  
2 expanding impact of our casinos while helping  
3 to maintain the revenues they generate and the  
4 jobs they provide.

5 My hope is, that we can provide  
6 follow up on these strategies. Not just  
7 beyond FY '19, but some of the subsequent  
8 years, as our Class 1 licensees open and begin  
9 to grow their business. We have a number of  
10 targets of folks we want to talk to as part of  
11 that outreach and that conversation effort.

12 Finally, I think we should commit  
13 ourselves to some of the next steps. Looking  
14 at appropriate follow up and monitoring of  
15 these strategies, if, in fact, they are  
16 implemented. We have developed a very strong  
17 track record of monitoring our progress,  
18 monitoring our licensees' commitments, doing  
19 research to study impacts. We know that we  
20 have a lot of good baseline information that  
21 UMass has collected for us already. I think  
22 we'd love to be in a position to go back to  
23 the legislature and say, you know, you gave us  
24 some latitude to support these strategies,

1 let's show that they're working or they're not  
2 working and make some adjustments.

3 Another idea that has come out, and  
4 I credit conversations that -- that I think  
5 the folks at Wynn and Mayor DeMaria have  
6 started, have begin to think about create  
7 regional working groups to continue to look  
8 for opportunities to extend the economic  
9 impact of our casinos, talking with other  
10 communities, talking with other stakeholders.  
11 I think this is a great idea. I think it's,  
12 you know, certainly, a table we want to be at.  
13 But new opportunities will come up.

14 We've already been approached by  
15 the -- you know, the folks at the JFK Library,  
16 talking about how can there be some type of  
17 water access from Wynn or downtown Boston out  
18 to the library. So I think new opportunities  
19 will continue to come up, that it'd be great  
20 to have a regional working group to look at.

21 And then, finally, you know,  
22 thinking about reviewing this strategy in --  
23 in three years. I think we have enough  
24 experience to understand that the maturity

1 period for a casino to open is about three  
2 years before business begins to stabilize. We  
3 can take an opportunity to kind of rethink  
4 where we've gone and what we've done and look  
5 ahead to the next three-year period after  
6 that. Again, to help them continue do be  
7 successful.

8 So my hope, in sharing that  
9 White Paper with all of you and kind of just  
10 running through this quick discussion, is that  
11 I hope we could have a vote of support for the  
12 broad essentials of White Paper, but as we so  
13 do with our minutes, be open and flexible to  
14 minor edits, comments, changes and grammatical  
15 mistakes we might have made. But we're  
16 anxious to get this out the door.

17 COMMISSIONER CAMERON: Commissioner,  
18 thank you. I think it's really well done.  
19 It's so important to organize ahead of time  
20 and think -- as well as think about the  
21 future. Question, your outreach efforts, I  
22 believe in speaking with you, you've already  
23 started many of these efforts, correct; you've  
24 had, at least, preliminary meetings with

1 administration, lawmakers, certainly,  
2 stakeholders?

3 COMMISSIONER STEBBINS: Sure. We've  
4 had good number of conversations with a number  
5 of elected officials. Again, some of the --  
6 some of the other government agency  
7 stakeholders. Director Griffin and  
8 Director Ziemba and I met the other day with  
9 House Ways and Means staff. Obviously,  
10 there's been some leadership changes on  
11 Beacon Hill since we started this process, so  
12 we're circling back with a number of those  
13 folks. I think, you know, once he have a  
14 final document to show them, that, again, we  
15 can go back and reenter some of those doors  
16 and raise some of these topics.

17 COMMISSIONER CAMERON: Yeah. As  
18 with our other White Papers, I'm sure this  
19 will be very well-received. And those folks  
20 always appreciate the research and the effort,  
21 right; is that what you're finding with this?

22 COMMISSIONER STEBBINS: That's what  
23 I'm finding.

24 COMMISSIONER CAMERON: Yeah.

1                   COMMISSIONER STEBBINS: Yeah.  
2                   They're very open do it. And, again, we've --  
3                   a lot of repetitive messages we've shared is  
4                   that there's got to be collaboration, there's  
5                   got to be alignment with licensees, other  
6                   stakeholders. You know, we're looking to make  
7                   sure that our -- in a way, our gaming  
8                   licensees continue to be successful, continue  
9                   to generate the revenue that's beneficial to  
10                  the rest of the Commonwealth, as well as you  
11                  know, maintain the employment opportunities.

12                  COMMISSIONER CAMERON: Thank you.  
13                  Again, very, very well done.

14                  COMMISSIONER MACDONALD: I think  
15                  it's very, very impressive as well. But I  
16                  want to sound, again, a concern that I  
17                  articulated before. I view the economic  
18                  benefits that have flowed from the Expanded  
19                  Gaming Act to have had a -- an unequal impact  
20                  around the Commonwealth. That -- with nobody  
21                  being at fault, that the surrounding counties  
22                  of Springfield have had a very substantial  
23                  benefit. The Boston -- greater Boston region  
24                  has had a very substantial benefit. Norfolk

1 County with PPC has had a very substantial  
2 benefit. But I don't think Berkshire County  
3 has had a substantial benefit, and Worcester  
4 County has not had a substantial benefit, and  
5 the county that I come from, Bristol County,  
6 has not had a significant benefit at all.

7 So I see the Economic Development  
8 Fund to provide an opportunity to balance out  
9 the economic benefit of the Expanded Gaming  
10 Act. So what I would like to see, in some  
11 form of words in your recommendation, an  
12 expression, you know, of -- you know, of that.

13 And I just did a -- you know, a note  
14 of, you know, six of the recommendations, and  
15 there's nothing magic about this -- these  
16 words and phrases. But six, to ensure that  
17 the regions and communities that have not  
18 directly benefited from the implementation of  
19 the Expanded Gaming Act to date receive a fair  
20 allocation of proceeds from the Gaming  
21 Economic Development Fun.

22 COMMISSIONER STEBBINS: I think  
23 that's a sound suggestion. And, you know, as  
24 we've talked about and you recall, one of the

1 instructions we had, when we went out to  
2 originally elicit strategies was to  
3 understand, make funds understand, again the  
4 Gaming Economic Fund was not just for gaming  
5 regions, I think to your point. And we made  
6 that pretty clear, to say, don't come up with  
7 a laundry list that's going to consume the  
8 funds allocated or directed to the gaming  
9 fund. And that, there's certainly initiatives  
10 in the other priorities that we didn't even  
11 touch on that may resinate and have an impact  
12 around other parts of the state, I think to  
13 your point, that aren't necessarily realizing  
14 the immediate benefit because of their  
15 proximity to a gaming establishment. But I  
16 think, to the words you just spoke, that ties  
17 in and isn't necessarily a conflict with, kind  
18 of, our overall findings.

19 COMMISSIONER MACDONALD: I don't see  
20 it a conflict either.

21 COMMISSIONER STEBBINS: And, again,  
22 we're encouraging some money be spent on  
23 programs that will be accessed, hopefully, by  
24 the rest of the state.

1                   COMMISSIONER ZUNIGA: Yeah. I think  
2                   that's a very good observation and  
3                   recommendation. I was actually thinking, in  
4                   terms of just looking at the paper and the  
5                   presentation together, that somehow the paper  
6                   doesn't do -- perhaps, because of modesty,  
7                   doesn't do a good job in relaying the level of  
8                   effort that you went through, and the process  
9                   that we went through. It's in there, but I  
10                  think it could be enhanced, when we when you  
11                  solicited at all those meetings, solicited all  
12                  that comments and had those presentations.

13                  But that process, by its very  
14                  nature, sort of, surfaced mostly those  
15                  responses from the adjoining communities, or  
16                  the regional counties. And for whatever  
17                  reason, even though this wasn't limited to  
18                  anybody, we did not see a lot of interest and  
19                  response from Berkshire and Bristol Counties,  
20                  with the exception of Bristol Community  
21                  College, who's been very proactive on their  
22                  own.

23                  So, perhaps, as we -- if we can  
24                  disclaim, if you will, and highlight that



1 piece of process and join it with the  
2 cautionary comment that you bring up,  
3 Commissioner, that the caveat to this to what  
4 we've undertaken here, you know, needs to  
5 recognize that there's other opportunities in  
6 other counties that, given their proximity, is  
7 really on their radar.

8 The only other comment that I had,  
9 was there's -- there's one technical  
10 correction that I can let you know after this.  
11 It has to do with the figures that can be  
12 expected. There's only one number that is not  
13 related to the others.

14 And another stylistic -- you know,  
15 from my consulting days, I think the titles  
16 can do a good job at telling the story  
17 throughout -- throughout the paper. You do  
18 that in the presentation. So if he could we  
19 rethink perhaps -- we could talk about some of  
20 the story we tell through the titles so that  
21 the White Paper, perhaps, stands alone for a  
22 future reader, I think it might be enhanced.  
23 But I think this is a great piece of work, and  
24 you should be very proud for having undertaken

1 and led this efforts.

2 COMMISSIONER STEBBINS: Well, I  
3 certainly appreciate everybody's support and  
4 interest. And, again, you know, some of the  
5 agencies and organizations that stepped up to  
6 offer -- you know, to be thoughtful and think,  
7 again, helping us realize the expectations of  
8 what gaming is -- can be, and can be to  
9 Massachusetts.

10 COMMISSIONER ZUNIGA: And you  
11 mentioned ongoing, continuing some of these  
12 one-on-one meetings with legislators or  
13 administration officials to continue to carry  
14 this message?

15 COMMISSIONER STEBBINS: Yes.

16 COMMISSIONER ZUNIGA: That would be  
17 fantastic. Okay. Did you say you wanted a  
18 vote of this?

19 COMMISSIONER STEBBINS: Yes. You  
20 know, I think, if it's appropriate, some type  
21 of motion similar to how we address minutes.  
22 That, you know, the bulk of the report is  
23 fine. Again, kind of subject to some  
24 potential technical corrections. Additional

1 language is offered here. And if there's some  
2 stylistic changes that we can make to better  
3 emphasize a point in the report, we're happy  
4 to do it.

5 COMMISSIONER ZUNIGA: They would be  
6 nonmaterial. But, perhaps, a little better --  
7 again, just to tell this story. So is there a  
8 motion?

9 COMMISSIONER CAMERON: So moved.

10 COMMISSIONER ZUNIGA: Moved. Okay.

11 COMMISSIONER CAMERON: Aptly put.

12 COMMISSIONER MACDONALD: Second.

13 COMMISSIONER ZUNIGA: Second.

14 Motion's made on second. Any more discussion?  
15 All those in favor?

16 MR. MACDONALD: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye. And  
20 opposed? The ayes have it unanimously.

21 COMMISSIONER CAMERON: Thank you.

22 Very well done.

23 COMMISSIONER STEBBINS: Than you.

24 COMMISSIONER ZUNIGA: Thank you.

1 Well done. Any other updates from  
2 Commissioners? Motion to adjourn.

3 COMMISSIONER MACDONALD: So moved.

4 COMMISSIONER CAMERON: Second.

5 COMMISSIONER ZUNIGA: All those in  
6 favor.

7 MR. MACDONALD: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER ZUNIGA: Aye. We're  
11 adjourned.

12

13 (Proceeding concluded at 4:03 p.m.)

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GUEST SPEAKERS:

Mike Mathis, President, MGM Springfield  
Seth Stratton, Vice President, General Counsel,  
Jacqui Krum, Senior Vice President and General  
Counsel, Wynn Resorts International  
Bob DeSalvio, Senior Vice President Development,  
Wynn Resorts International  
Pat Madamba, Esq., MGM Springfield

MASSACHUSETTS GAMING COMMISSION:

Catherine Blue, General Counsel  
Edward Bedrosian, Executive Director  
Todd Grossman, Deputy General Counsel  
Bruce Band, Deputy Director, IEB  
Floyd Barroga, Gaming Technology Manager  
Derek Lennon, CFAO  
John Glennon, Chief Information Officer  
Karen Wells, Director, IEB  
Loretta Lillios, Deputy Director, IEB  
Mark Vander Linden, Director of Research and  
Responsible Gaming  
Jill Griffin, Director of Workforce, Diversity  
Supplier Development

1 John Ziemba, Ombudsman

2 MASSACHUSETTS GAMING COMMISSION:

3 Joan Matsumoto, Chief Project Manager

4 Sterl Carpenter, Regulatory Compliance Manager

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C E R T I F I C A T E

I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that 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.

Proceedings recorded by verbatim means, and transcript produced from computer.

WITNESS MY HAND THIS 24th of January 2018.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021