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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
234 PUBLIC HEARING

CHAIRMAN
Stephen P. Crosby

COMMISSIONERS
Lloyd Macdonald
Bruce W. Stebbins
Enrique Zuniga
Gayle Cameron

January 31, 2018, 1:58 p.m. to 2:41 p.m.
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts

Court Reporter: Amie D. Rumbo

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PROCEEDINGS

CHAIRMAN CROSBY: Good morning --
good afternoon, I guess, today. I am calling
to order the Public Commission Meeting
Number 234 of the Massachusetts Gaming
Commission at our offices in Boston at two
o'clock on January 31st. Because this is a
particularly important meeting, I want to
open with a little more formal statement than
I usually do to start our meetings.

On Friday, January 26th, the
Massachusetts Gaming Commission was made
aware of allegations of sexual misconduct
involving Steve Wynn. These allegations are
deeply troubling and have triggered an
aggressive and immediate response from the
Commission. As you know, the Gaming
Commission operates under the strict
constraints of an open public meeting law.
Accordingly, today's forum provides the first
opportunity for the five Commissioners to
discuss this troubling manner and to discuss
a path forward.

The purpose of today's meeting is

1 twofold. First, to undertake a process to
2 determine significance of these appalling
3 accusations on the suitability status of
4 Mr. Wynn, of other principals of the Wynn
5 organization, or on the Wynn licensee itself.
6 Second, to assure the people of Massachusetts
7 of our absolute commitment to the first words
8 of the Massachusetts casino gambling law, and
9 I quote, "ensuring public confidence in the
10 integrity of the gaming licensing process and
11 in the strict oversight of gaming
12 establishments through a rigorous regulatory
13 scheme is the paramount objective of this
14 statute." That's been our guiding principle
15 from the outset of this Commission and that
16 remains our guiding principle today.

17 The Wall Street Journal is a highly
18 reputable news organization with a respected
19 commitment to journalistic integrity. Their
20 news report was the catalyst for our
21 regulatory review; however, the Commission's
22 ultimate assessment of this matter and any
23 resulting decisions of any consequence cannot
24 be based on anonymous allegations in a news

1 article but must be firmly grounded in facts
2 established by our investigators combined
3 with the relative legal guidance from the
4 Gaming Statute.

5 As we do this work, we will try to
6 balance two critical principles. One, we
7 will not be party to impugning the character
8 of a person or an organization without
9 appropriate process and clear evidence. Two,
10 we will not tolerate behavior by our
11 qualifier companies or individuals that we
12 believe puts confidence in the casino
13 operations of our state at risk.

14 My fellow Commissioners and I look
15 forward to hearing from the Investigations
16 and Enforcement Bureau about the status of
17 their efforts so far and to gain a more
18 comprehensive understanding of their intended
19 approach to this matter. The Commission will
20 also hear from our General Counsel who will
21 speak more generally to our responsibility
22 and our authority under our statute.

23 Before we begin, I'd like to
24 reiterate that we have a shared sense of

1 urgency about this serious matter, but
2 careful diligence must be a top priority.
3 The stakes are enormous and many lives are
4 involved, from the lives of the women
5 allegedly abused, to the lives of the men and
6 women in Everret who are now working on this
7 project, to the lives of senior executives
8 and board members of Wynn Resorts. We will
9 get this right, and we will get it right as
10 quickly as we can.

11 I understand that we're at the
12 beginning of this process, and there will be
13 limitations to what we can discuss publicly
14 today. It would also, obviously, be
15 irresponsible for us to speculate or to
16 engage in hypothetical discussions before we
17 have the facts. With those limitations in
18 place, I believe we're ready to begin.

19 I think we will start with
20 statements from both Director Wells, the head
21 of our Investigations and Enforcement Bureau,
22 and also Catherine Blue, our general counsel,
23 and then the Commissioners will react to
24 those statements after we've had the full

1 background presentations from the two of you.
2 Director Wells.

3 MS. WELLS: Thank you. Good
4 afternoon, Mr. Chairman and members of the
5 Commission. As the Commission is aware, on
6 Friday, January 26th, the Wall Street Journal
7 published an article detailing profoundly
8 disturbing allegations of sexual misconduct
9 by Steve Wynn. Given the incredibly serious
10 nature of the allegations, the IEB
11 immediately began a regulatory review of the
12 subject matter and that investigation is
13 ongoing.

14 By statute, the licensee and all
15 qualifiers must demonstrate suitability by
16 clear and convincing evidence. That
17 obligation is ongoing, and the Commission has
18 the power to review any suitability finding
19 at any time. The allegations here clearly
20 warrant an intense review not only of
21 Mr. Wynn's suitability, but also of other
22 individual qualifiers and the entity
23 qualifier Wynn Resorts.

24 To be clear for the record, the

1 licensee in Massachusetts is Wynn Mass. LLC,
2 a subsidiary of Wynn Resorts, a publically
3 traded company. As part of the suitability
4 determination, other individual qualifiers,
5 including Steve Wynn, and the entity
6 qualifier, Wynn Resorts, also went through
7 the suitability process and were found
8 suitable as qualifiers. Notably, the
9 qualifiers are not individually licensed the
10 way we license casino employees. Each
11 qualifier's suitability is a component of the
12 overall suitability of the licensee.
13 Therefore, any potential Commission finding
14 regarding Steve Wynn, or any other
15 qualifier's suitability, will potentially
16 impact the suitability finding of Wynn Mass.
17 LLC, our licensee.

18 The Commission has broad authority
19 over the license itself and any appropriate
20 license conditions according to Massachusetts
21 General Laws Chapter 23K. General Counsel
22 Blue is expected to touch on this further
23 during her presentation.

24 I have spoken with investigators

1 regarding the 2013 suitability investigation
2 to determine whether or not evidence of the
3 concerning conduct was identified back in
4 2013, or at any time subsequent to that,
5 particularly, the \$7.5 million settlement
6 agreement referenced in the Wall Street
7 Journal article. Both the lead investigator
8 for the consultant law firm of Michael and
9 Carroll as well as the state police detective
10 assigned to the investigation confirmed to me
11 that the allegations and the settlement
12 agreement were not identified at the time and
13 notably were not disclosed by any of the Wynn
14 qualifiers prior to the public release of
15 allegations on Friday.

16 I corroborated that information
17 with counsel for Wynn Resorts who confirmed
18 that there was in fact a settlement, and it
19 was not disclosed to investigators upon
20 advice of counsel. She also confirmed that
21 the settlement agreement itself was not part
22 of any court action or litigation and that no
23 lawsuit was filed at any time. There were no
24 court documents filed that could have been

1 identified in the course of the
2 investigation. This was a private agreement
3 and steps were taken to keep it from the
4 public domain.

5 The circumstances around this
6 \$7.5 million settlement and the decision not
7 to disclose it to investigators during the
8 suitability investigation remain a critical
9 element of this review. The scope and
10 methodology of the investigation were
11 identified in pages 5 through 10 of the 2013
12 suitability report, which was posted online
13 at that time and remains posted on the
14 Commission's website.

15 Gaming suitability investigations
16 are historically focused on financial
17 stability, financial integrity, and corporate
18 responsibility on an entity level, as well as
19 professional good character, integrity,
20 honesty and reputation of individual
21 qualifiers. That component of the individual
22 qualifier review traditionally includes an
23 analysis of that individual's criminal
24 history, whether there exists any ties to

1 criminal associates, organized crime, or
2 corruption, as well as an evaluation of
3 personal financial stability and integrity.

4 That being said, the Commission has
5 the authority to consider any information
6 brought to its attention as it pertains to
7 the honesty, integrity, good character or
8 reputation of any of the licensee's
9 qualifiers, and we need to be flexible in
10 opening up any sort of inquiry that warrants
11 attention.

12 The IEB investigatory plan going
13 forward, mindful that our role is not to
14 conduct a criminal investigation into sexual
15 assault, is to continue on a regulatory
16 review of this matter which will consist of
17 four components.

18 One, a review of the suitability of
19 individual qualifiers, including Steve Wynn
20 and other qualifiers potentially involved in
21 this matter. Two, a review of any corporate
22 action or lack thereof contemporaneous with
23 the alleged misconduct, the questions who
24 knew what, when, and what, if anything, did

1 he or she do about it. Three, monitoring and
2 reporting back to the Commission on the
3 corporate response to the information that is
4 clearly now in the public domain. We will be
5 looking at how the company, from the board on
6 down, handles these allegations. And four, a
7 review of how the current situation
8 potentially impacts the financial stability
9 of the company.

10 So that's my statement for the
11 Commission. At this point, I believe that
12 General Counsel Blue has more information for
13 the Commission.

14 CHAIRMAN CROSBY: Great. Please.

15 MS. BLUE: Good afternoon,
16 Commissioners.

17 CHAIRMAN CROSBY: Good afternoon.

18 COMMISSIONER STEBBINS: Good
19 afternoon.

20 MS. BLUE: The legal department has
21 reviewed Chapter 23K and the Commission's
22 regulations relating to the Commission's and
23 the IEB's authority to conduct a regulatory
24 review of the type described by IEB

1 Director Wells. The statute and the
2 regulations provide the Commission with broad
3 authority to address matters regarding the
4 suitability of qualifiers and licensees.

5 Section 4 of Chapter 23K in
6 Subsection 15 provides the Commission with
7 the authority to limit, condition, restrict,
8 revoke, or suspend a license, registration,
9 finding of suitability, or approval, or to
10 fine a person licensed, registered, found
11 suitable, or proved for any cause that the
12 Commission determines reasonable.

13 Section 12 of Chapter 23K outlines
14 the areas that the Commission shall consider
15 when evaluating suitability. Those areas
16 include, but are not limited to, the
17 integrity, honesty, and good character and
18 reputation of the suitability applicant, the
19 financial stability, integrity, and
20 background of the suitability applicant, the
21 business practices and the business ability
22 of the applicant to establish and maintain a
23 successful gaming establishment, and whether
24 the applicant at the time of application is a

1 defendant in litigation involving its
2 business practices.

3 Section 35 of Chapter 23K grants to
4 the IEB the authority to issue orders to
5 cease and desist in activities which violate
6 any provision of Chapter 23K or any provision
7 of the Commission's regulations or any law
8 relating to gaming in the Commonwealth. Upon
9 the recommendation of the IEB, the Commission
10 may condition, suspend, or revoke a license
11 issued under Chapter 23K.

12 Section 36 of Chapter 23K grants to
13 the IEB the authority to assess a civil
14 administrative penalty on any licensee who
15 fails to comply with any provision of Chapter
16 23K or any of the Commission's regulations.

17 The Commission's regulations
18 outline in more detail the obligations of
19 licensees and qualifiers. 205 CMR 112
20 imposes upon licensees and qualifiers the
21 obligation to provide all information and
22 documents requested by the Commission, the
23 IEB, or Commission staff. This regulation
24 further requires the licensee or qualifier to

1 be truthful with the Commission and to not
2 knowingly provide false or misleading
3 information. A determination by the
4 Commission that a qualifier or licensee
5 knowingly provided false or misleading
6 information shall result in the conditioning,
7 suspension, or revocation of the license or
8 qualification.

9 205 CMR 115 places a continuing
10 duty on gaming licensees and qualifiers to
11 maintain suitability and requires both
12 licensees and qualifiers to notify the
13 Commission of a whole host of matters that
14 impact the suitability of the licensee or
15 qualifiers.

16 Finally, 205 CMR 116 provides that
17 an unsuitable qualifier may not hold an
18 interest in a gaming license, and it requires
19 that a gaming licensee must have a mechanism
20 in place by which the gaming licensee may
21 effectuate divestiture or redemption of
22 securities or a like process in the event of
23 a negative determination of suitability.

24 Wynn Massachusetts LLC is the

1 Region A Category 1 gaming licensee.
2 Qualifiers in the Wynn Mass. LLC license
3 application included Steve Wynn and others.
4 A complete list of the original qualifiers in
5 the Wynn Mass. LLC application is found in
6 the December 16th, 2013 suitability report
7 posted on the Commission's website.

8 It is very important to note that
9 notwithstanding the broad authority granted
10 to the Commission in regulating gaming
11 licensees and qualifiers, gaming licensees
12 and qualifiers are entitled to due process as
13 codified in the State Administrative
14 Procedure Act contained in Mass. General Laws
15 Chapter 30A and associated jurisprudence.
16 This means that after the regulatory review
17 is complete and the facts of this matter are
18 determined, the gaming licensee and
19 qualifiers are entitled to notice and a
20 hearing before the Commission before any
21 final action is taken by the Commission. The
22 process and procedures for that process is
23 described in 205 CMR 101 of the Commission's
24 regulation.

1 CHAIRMAN CROSBY: Thank you both.

2 Questions for either?

3 COMMISSIONER CAMERON: No. Thank
4 you. That's helpful. Director Wells, I
5 agree with your assessment of how serious
6 this matter is and the investigative steps
7 you laid out. I assume that you're going to
8 make this a priority and you'll dedicate the
9 available resources in which it'll be
10 necessary to do this.

11 MS. WELLS: Absolutely. We
12 understand the urgency of the matter. I also
13 understand that the Commission may want some
14 kind of time frame. It's impossible for me
15 to report back out to you exactly how long
16 the investigation is going to take. As you
17 know, Commission Cameron, investigations
18 depending on what you find as you look, you
19 know, can go in different directions.

20 COMMISSIONER CAMERON: I wanted to
21 reiterate that, that knowing that you're
22 making it a priority, but with my background
23 in investigations, you just don't know until
24 you start interviews and start gathering

1 information what the next steps will be and
2 where you need to go to follow up on
3 information.

4 So I wanted to assure you that I
5 understand that and that you will have the
6 time to do this properly. Certainly, we just
7 heard about our responsibilities, you know,
8 to everyone involved here, legal
9 responsibilities, but first things first, we
10 need to get the investigation done properly.
11 So I understand you can't give us a time.

12 The second thought I had when you
13 were speaking is certainly the -- and you
14 mentioned some of this, the responsibility
15 that the qualifier has to establish and then
16 maintain suitability. That's their
17 responsibility. So I think it'll be really
18 important that we will be watching the board
19 of directors to see how they handle this
20 matter. That's really important. But at the
21 same time, we're conducting our own due
22 diligence and our own investigation to verify
23 whatever we can with these allegations.

24 So I really thought your point

1 about their responsibility and observing how
2 they handle this very serious matter. So I
3 just kind of wanted to make note of that.
4 Thanks.

5 MS. WELLS: Thank you.

6 CHAIRMAN CROSBY: For anybody who's
7 new to the Massachusetts Gaming Commission,
8 Commissioner Cameron is the retired
9 Lieutenant Colonel from the New Jersey State
10 Police.

11 Anybody else have questions?

12 COMMISSIONER ZUNIGA: Yeah, to what
13 Commissioner Cameron was alluding. So
14 there's also been reports about two other
15 investigations, one from the board and one
16 just this morning from the Nevada Gaming
17 Control Board, as well as, I understand, the
18 Macau regulators are looking into this.

19 Anything you can tell us at this
20 point relative to efforts to coordinate or
21 understand better what those other regulators
22 are doing?

23 MS. WELLS: I mean, I think any
24 time you're involved in an investigation

1 where multiple parties are involved, the
2 prudent approach is to be efficient regarding
3 investigatory techniques, but I will have to
4 coordinate directly with the other regulators
5 and see what their position is on that as
6 well.

7 CHAIRMAN CROSBY: Anything else,
8 Commissioner?

9 COMMISSIONER ZUNIGA: No. Well,
10 just to echo some of your remarks,
11 Mr. Chairman. There's a real sense of
12 urgency, obviously, and it's important to get
13 the facts right because the stakes are very
14 high. It would be great to eventually get a
15 sense of the scope and the timing of those
16 three other investigations, and I suppose all
17 of that is in a fluid state. So you'll come
18 back and update us as necessary.

19 CHAIRMAN CROSBY: Commissioner
20 Stebbins.

21 COMMISSIONER STEBBINS: Just to
22 pick up. Commissioner Zuniga asked one of
23 the questions I had. But picking up
24 Commissioner Cameron's point about our

1 interest in watching how the board handles
2 this. You know, going back and looking at
3 the suitability hearing, there was a great
4 deal of testimony given to the company's
5 investigation of that time around either the
6 activities of another board member or an
7 incident of potential expansion of their
8 business opportunities, I think, into the
9 Philippines. What they highlighted in that
10 testimony was the due diligence and the high
11 degree of integrity they associated with that
12 investigation. In fact, they pointed to the
13 appointment to the former director of the FBI
14 to conduct that investigation.

15 MS. WELLS: Right.

16 COMMISSIONER STEBBINS: So my point
17 being, I think to Commissioner Cameron's
18 point as well, it's our hope that the board
19 will conduct that investigation with the same
20 degree of integrity and due diligence that
21 they did in that other matter, and, you know,
22 we are watching how they proceed.

23 The only other point, Mr. Chairman,
24 I don't want -- and I echo your opening

1 statement, but obviously, as has been our
2 practice, folks that wish to weigh in or
3 offer public comments are encouraged to do
4 so, and we have the means to do that as we
5 have throughout our licensing process, and
6 remind individuals that we are all
7 distributed those e-mail comments and we all
8 take the opportunity to read them as well.

9 CHAIRMAN CROSBY: Commissioner.

10 COMMISSIONER MACDONALD: Yes.

11 Thank you. I have some observations to make
12 with regard to what Director Wells as very
13 ably described as the nature of the review
14 that is going on. As those of you who are
15 either part of the Commission or on the staff
16 know, I'm a relatively new member of the
17 Gaming Commission, and I was not present back
18 in December of 2013 when the suitability
19 hearing relating to Mr. Wynn and Wynn Resorts
20 was conducted before the Commission. So I
21 went into the Commission's public archives
22 yesterday and reviewed the testimony of
23 Mr. Wynn and then also reviewed the course of
24 the hearing. And I think it's apt that in

1 Mr. Wynn's opening comments, that in
2 addressing himself to the suitability stage
3 of the inquiry, he stated that the most
4 pressing issue in these moments is that of
5 suitability, and he capsuled what the
6 Commission's core concern in that regard as,
7 and I'm quoting again, "our sensitivity to
8 compliance and the way we run our business."

9 He then continued on and observed,
10 also aptly in my mind, as I've come to become
11 familiar with the gaming industry, and I'm
12 quoting here, "gaming is a business that is
13 unique. We in this industry have sort of a
14 presumption that we need to prove we need to
15 know the difference between right and wrong
16 and we know how to conduct our business
17 ethically." He went on to say, "I think that
18 presumption is due to the unsavory and
19 colorful history of gaming as it was
20 conducted illegally earlier since the
21 depression and bootlegging days and through
22 the early days of Las Vegas. I am fully
23 sensitive to that," he said.

24 Now, these observations of Mr. Wynn

1 are actually right on point, that they
2 reflect the -- his view is reflected in the
3 very words of our statute that guide
4 everything that we do here on the Commission.
5 And the thrust of that statute is their
6 obligation is to focus on integrity,
7 integrity, and integrity of our licensees and
8 people who require to be qualified, that...

9 The Chairman has already quoted
10 from part of the statute, but let me quote
11 again from Section 1 of the statute in which
12 the general court is finding and declaring as
13 to what the purposes of the statute are.

14 Number one, and that was quoted by
15 Chairman Crosby but it bears repetition,
16 "Ensuring public confidence in the integrity
17 of the gaming licensing process and in the
18 strict oversight of all gaming establishments
19 through a rigorous regulatory scheme is the
20 paramount policy objective of this chapter."
21 But then goes on to provide, "Number two,
22 establishing the financial stability and
23 integrity of gaming licensees as well as the
24 integrity of their sources of financing is an

1 integral and essential element of regulation
2 and control of gaming under this chapter."
3 And Section 3 is, "gaming licensees shall be
4 held to the highest standards of licensing
5 and shall have a continuing duty to maintain
6 their integrity and financial stability."

7 That's the essence of our statutory
8 purpose, and it reflects what Director Wells
9 had quoted again from the statute, focusing
10 at this point of the suitability process on
11 the, quote, professional, good character,
12 integrity, honesty, and reputation of
13 individual qualifiers. There is, in fact, on
14 the applicant and on a qualifier seeking to
15 be found suitable or to maintain his or her
16 suitability a burden of proof to establish by
17 clear and convincing evidence that they are,
18 in fact, suitable.

19 Now, what I, as a Commissioner at
20 this point, urge of the IEB, our bureau, is
21 that as it goes about this task that it be
22 simultaneously scrupulously fair to
23 Wynn Resorts and to Mr. Wynn himself, but
24 equally scrupulously diligent. I urge you

1 not to rest until you have credible answers
2 to each of the subject matter areas that you
3 describe that you would be focusing on. In
4 all of my experience, prior experience,
5 before coming to the Commission as a state
6 prosecutor, later or a federal prosecutor,
7 and then as a private lawyer dealing
8 regularly with cases and circumstances, while
9 not identical to this, nevertheless complex
10 cases where wrongdoing was seriously
11 suspected, is that the single most important
12 thing at this stage is to get control of the
13 facts by finding out what they are as soon as
14 possible. Speed, thoroughness, and
15 objectivity are essential, and I trust that
16 that is the way the Commission's
17 investigation will proceed.

18 We have the advantage here of the
19 Wall Street Journal article. It provides, in
20 my judgment, in my professional judgment, a
21 reasonable roadmap of proceeding at least at
22 the beginning of this investigation, as has
23 been noted, that it confirmed the settlement
24 of the seven-and-a-half million dollar

1 dispute settled privately relating to
2 allegations of sexual misconduct, but that
3 its significance and utility at this point in
4 time goes beyond that. The journal
5 referenced that it had contacted over 150
6 people in the course of its investigations,
7 and it reported to the world thereafter, and
8 here I quote, "dozens of people interviewed
9 described a, quote, decade-long pattern of
10 sexual misconduct."

11 Now, beyond just that
12 generalization and conclusion and beyond the
13 confirmation of the settlement of the
14 seven-and-a-half million dollar claim, that
15 the article also identified named sources.
16 So this wasn't just a situation in which a
17 newspaper or other media is reporting
18 unconfirmed or unstated, unidentified
19 sources. For example, that they quoted --
20 they identified an individual by the name of
21 Jorgen Nielsen who was described as the
22 former artistic director at the Wynn of a
23 Wynn salon. It identified a Dennis Gomes or
24 Gomes who was a former Golden Nugget

1 executive at Las Vegas who was involved in a
2 lawsuit with them, with the Wynn
3 organization, in the early 1990s. He is
4 deceased, but the journal followed up and
5 interviewed his wife, whom they identified
6 and that she confirmed the substance of what
7 her deceased husband had alleged
8 contemporaneously.

9 A woman by the name of Shawn
10 Cardinal who was Elaine Wynn's former
11 personal assistant was also named. And
12 finally, a Doreen Whennen, a former senior
13 Wynn executive who allegedly criticized the
14 manicurist, who was behind this or is
15 involved in the seven-and-a-half million
16 dollar settlement, criticized the
17 manicurist's supervisor for having filed a
18 report to the human resources department at
19 Wynn.

20 Now, the journal noted that
21 Ms. Whennen had declined to be interviewed
22 for the article, but yesterday, I did my own
23 Google search and found a more recent article
24 about Ms. Whennen which it was reported that

1 in connection with the pending litigation
2 between Mr. Wynn's former spouse and Mr. Wynn
3 that she had -- that notes that she had
4 contemporaneously prepared memorializing the
5 report from the supervisor existed, and
6 furthermore, that her notes of that report
7 have recently been ordered disclosed by the
8 Nevada court that is presiding over the Wynn
9 litigation. And interestingly, that
10 litigation, according to several articles
11 that I read, is scheduled for trial in April
12 of this year.

13 And so to Ms. Wells and all of us
14 who are part of the Commission, I will repeat
15 what I said before. I urge that we
16 collectively, the Bureau specifically, be
17 scrupulously fair but equally scrupulously
18 diligent. Speed, thoroughness, and
19 objectivity are key. And I look forward as
20 one of the Commissioners to the results of
21 that investigation and your further reports.

22 CHAIRMAN CROSBY: Thank you,
23 Your Honor. I have a couple of questions.
24 This has been alluded to many times, but just

1 to clarify the fact that jumps out of this
2 story is the \$7.5 million settlement.

3 MS. WELLS: Right.

4 CHAIRMAN CROSBY: Reiterate to me
5 your understanding of why that was not
6 apparent to us during the investigation.

7 MS. WELLS: Correct. So what we
8 have discovered is that was, in fact, a
9 private agreement; there were steps taken to
10 keep it private; there were no court records
11 at the time for investigators to discover;
12 and that it was not disclosed by any
13 qualifier. Now, whether or not that was
14 appropriate will be looked at as part of this
15 investigation. So that sort of summarizes
16 the landscape at the time.

17 CHAIRMAN CROSBY: Yeah. I get
18 that. I've also got a question for General
19 Counsel Blue. I forget what the citation is,
20 but one of the criteria for suitability or
21 the lack thereof is pattern of acts which
22 maybe did not get prosecuted but a pattern of
23 behavior which indicates. Would you explain
24 what that is again, how that section works?

1 MS. BLUE: So Section 12 that we
2 talked about in the overview talks about the
3 things that the IEB and the Commission would
4 look at to determine suitability. Section 16
5 talks about the things that can keep someone
6 from being suitable. One of the parts of
7 Section 16 and one of the possible ways
8 someone would be deemed unsuitable would be
9 if they had a pattern and practice of
10 misconduct that did not result in a
11 conviction but nevertheless was there and was
12 able to discern and it was of some activity
13 that caused concern to the IEB and the
14 Commission.

15 So there are a number of matters in
16 Section 16, but the one that you're referring
17 to is the pattern or practice of misconduct.

18 CHAIRMAN CROSBY: So it doesn't
19 have to be a conviction. There can merely be
20 behavior that the IEB and then eventually the
21 Commission believes is unsuitable. Any other
22 questions or --

23 COMMISSIONER STEBBINS: Sure. Just
24 one quick one. I want to go back to

1 something the legal department raised and
2 Director Wells seeing again. We're not sure
3 where the timeline might be, but obviously
4 there's certainly encouragement for
5 expediency and thoroughness. But one thing
6 that occurred to me is our request for any
7 particular documents, information that we
8 solicit from the licensee, would it be your
9 expectation that you would inform the Board
10 if you got pushback or denial of those types
11 of requests?

12 MS. WELLS: That is correct. So
13 cooperation is a component and it's required.
14 So any lack of cooperation would be reported
15 back the Commission.

16 COMMISSIONER STEBBINS: Thank you.

17 CHAIRMAN CROSBY: This is a really
18 important point, and you've now made this
19 point a couple of times. But it's important
20 to note that issue one, no doubt, would be
21 this payment, this settlement, and all the
22 associated events and allegations around it,
23 but it concurrently is how the company
24 responds to that. That is a measure of the

1 suitability of the company and the principals
2 in the company. So that's an important point
3 to remember.

4 And on the same line, we have
5 adopted a mantra that many of you will have
6 heard that we are committed to have been our
7 processes at this Commission be
8 participatory, transparent, and fair.
9 Commissioner Macdonald and I both spoke to
10 the issues of fairness here, and they are
11 utterly critical. Transparency is equally
12 huge in this situation, and to the maximum
13 extent possible, we don't want to be in a
14 position where we're operating with knowledge
15 that the public can't have. No doubt, there
16 will be pressure and some of it will be
17 legitimate pressure from the various
18 qualifiers and institutions that you're
19 talking to, but I hope you -- and I know you
20 will, but please take it from us as well that
21 we're going to look on disfavor to keeping
22 things off the record. The public has the
23 right to know, the people in Massachusetts
24 have a right to know what the hell happened

1 here and no punches pulled, good, bad, or
2 indifferent. And for us to try to be in the
3 position where we're having to hold back
4 something will be something that this
5 Commissioner will look unfavorably on. I
6 mean, there are laws, there are rights under
7 the law to certain kinds of
8 confidentiality -- we respect that -- but a
9 tremendous presumption of transparency to the
10 maximum extent possible.

11 MS. WELLS: Correct. Mindful of
12 the underlying allegations do involve sexual
13 harassment and sexual assault, so we have to
14 be mindful of protections regarding that kind
15 of activity.

16 CHAIRMAN CROSBY: Right. And I
17 fully get that. And I'm saying we will and
18 should comply with whatever the legitimate
19 constraints are. But, A, those are gray,
20 they become gray; and, B, we just have to
21 have an operating presumption which is to the
22 maximum extent possible. We want the people
23 of Massachusetts to know everything we know
24 about what's going on here.

1 Anything else?

2 COMMISSIONER ZUNIGA: Can I mention
3 something you highlighted at your initial
4 remarks, and it may go without saying. But
5 it's tempting to think of multiple scenarios
6 in all of this, and I think we should really
7 resist any of that. The theme here emerging
8 obviously is one of fact finding first, and
9 we can schedule a meeting just like this on
10 very short notice and come back as many times
11 as we need to and hear updates if that's the
12 relevant course at that time.

13 CHAIRMAN CROSBY: Right.

14 COMMISSIONER CAMERON: And I just
15 think it's important to give the Bureau time
16 to complete their investigation. That's
17 critical. Typically, you won't have an
18 update because that may affect a critical
19 piece of the investigation which is ongoing.
20 So I just want to be a little bit mindful of
21 investigative methods and give the Bureau
22 time to complete their investigation.

23 COMMISSIONER ZUNIGA: Absolutely.

24 CHAIRMAN CROSBY: All right. Is

1 there any other business on the table?

2 Director Bedrosian, anything else?

3 MR. BEDROSIAN: No. Other than I
4 think my job now is to provide the IEB, legal
5 division, and our staff with the resources
6 they need to get this done.

7 CHAIRMAN CROSBY: You know, and I
8 would point out that we do have a casino to
9 open in Springfield in about seven months.
10 So we'll keep our -- we have a few things to
11 be doing here. Anything else? Do I have a
12 motion to adjourn?

13 COMMISSIONER MACDONALD: So moved.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER ZUNIGA: Second.

16 CHAIRMAN CROSBY: Further
17 discussions? All in favor? Aye.

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER CAMERON: Aye.

22 CHAIRMAN CROSBY: The ayes have it
23 unanimously.

24 (Whereupon the hearing was adjourned at 2:41 p.m.)

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SPEAKERS

MASSACHUSETTS GAMING COMMISSION:

Ed Bedrosian, Executive Director

Catherine Blue, General Counsel

Karen Wells, Director IEB

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C E R T I F I C A T E

I, Amie D. Rumbo, an Shorthand Court Reporter,
do hereby certify that the foregoing is a true and
accurate transcript from the record of the
proceedings.

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

Proceedings recorded by verbatim Stenographic
means, and transcript was produced from a
computer.

WITNESS MY HAND this 31st day of January,
2018.

Amie D. Rumbo



Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020