

MGC - Commission Meeting

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P R O C E E D I N G S

>> Captioner standing by.

>> CHAIR JUDD-STEIN: Good morning. We are calling to order Meeting Number 275 of the Massachusetts Gaming Commission on Thursday, August 15th, 2019, at 11:00 a.m. at our offices here at 101 Federal Street in Boston.

We're going to begin with item 2. Just before we commence, Mr. Grossman, as many you are already aware, the Commission required the point of an independent monitor as one of several conditions in our written decisions regarding Wynn's suitability review.

Soon after the issuance of the decision in order in April, an internal procurement review team was convened to conduct a competitive bidding process to identify and select a highly qualified and experienced entity to fulfill this important requirement.

Before these presentations get under way, I would like to take a moment to commend the procurement team's hard work, diligence, and most of all, collaboration. This was an intense and rigorous process requiring extensive time, expertise, and focus of each member.

And I'd like to express my appreciation personally for those efforts to Commissioner O'Brien, thank you, Todd Grossman, Deputy General Counsel, Loretta Lillios, Chief Enforcement Counsel and IEB Deputy Director, and Derrick Lennon, Chief Financial and Accounting Official.

And finally, a special thank you to Agnes Beaulieu, the Finance and Budget Office Manager and our Chief Procurement Specialist for being at the table every day, every minute behind the scenes to make sure we complied fully with the procurement process. Thank you to all.

MR. GROSSMAN: Good morning, Commissioners. As the Chair has just articulated and of course you'll recall the Commission's April 30th decision relative to the suitability of Wynn Mass, LLC, did include a condition that required the Commission to appoint an independent

monitor at the company's expense and with the company's full cooperation.

Generally speaking, the independent monitor is expected to conduct a full review and evaluation of all policies, organization changes adopted by the company as described in the Commission's decision and as represented by the company to the Commission as part of the Commission's review process.

The monitor will then periodically report to the commission relative to the effectiveness those policies and the changes. To that end, as was described a procurement review team internal to the Commission was assembled for the purpose of selecting an independent monitor.

A comprehensive procurement process on behalf -- was conducted and on behalf of the review team, I am pleased to report that the law firm Miller & Chevalier chartered has been selected as the presumptive successful bidder to be appointed as the monitor. Miller & Chevalier is a Washington, D.C. based law firm with broad experience in monitoring and associated activities.

The team will be led by Alejandra Montenegro Almonte. Ms. Almonte and her core team are here today. I won't get too much into their background and

experience. I'll leave that to them to describe. As described in the packet materials, the review team found their experience to be impressive.

Before we move on to them, I would like to make a few quick comments about the process that led us here today. You have been provided with a memorandum which is included in the public packet that describes the procurement process and as the Chair described, the team was made up of the 5 members, including the Chair, Commissioner O'Brien, Mr. Lennon, Ms. Lillios, and myself.

Additionally, Agnes Beaulieu contributed tremendously with her insight and assistance throughout the process. The team reviewed 19 written submissions and scored each based on four categories. They were the experience of the petitioner, the quality and thoroughness of the response, diversity of the team, and the overall cost.

The top 5 applicants by score were invited here to present their proposals to the review time. In this regard, we enjoyed an embarrassment of riches of sort as all of the five bidders were well suited and we knew were capable of doing exceptional work.

There was one that emerged as the clear choice for us and that was the group from Miller & Chevalier which

impressed us with the breadth of their direct monitoring experience, the understanding of the purpose of this particular monitorship, their handle of the relevant subject matter, diversity of their team, and their overall disposition.

Additionally, though not the highest or the lowest cost relative to the other bidders, the review team concluded that the fiscal terms proposed by Miller & Chevalier were reasonable for the quality of services to be provided.

Overall, they stood out at the right choice to implement this important condition of the Commission's April decision. With that, we are here today asking that the Commission ratify the review team selection of Miller & Chevalier and to authorize the execution of a contract so that the monitorship may commence.

I think it will be helpful for the Commission to identify and discuss the role of a contract manager to help oversee this particular contract. With that, I'm happy to answer any questions you may have about the process and anything else . Otherwise, I'm happy to turn it over to Ms. Almonte and her team.

>> COMMISSIONER ZUNIGA: As this process unfolded, was there anything that the procurement team felt that was perhaps something of great importance that was

perhaps not contemplated initially or was there the responses all spoke for themselves in the presentations as you mentioned, just rose to the occasion?

>> MR. GROSSMAN: Certainly there were themes to emerged, experience conducting actual monitorships was something we valued. We took a close look at potential conflicts of interest and any other associated type issues and determine that had this particular applicant did not have any conflicts that were of any concern to us.

And that they had actual monitoring experience. So those were two of the things that I think we would agree emerged as important factors for us.

>> COMMISSIONER STEBBINS: I apologize if I kind of missed your ending note. But as we move forward, ultimately if we approve this, this firm, is there an opportunity to think about some things in the contract -- you know, relative to reporting requirements and reporting schedule. Do you expect those types of details would be worked out within -- in the scope of the contract?

>> MR. GROSSMAN: I do. The form that the contract is taking at the moment, it has not been executed, though, we have been working on it. It would be to require them, or whoever the successful bidder ends up

being, to submit it a work plan to the commission for approval within 30 days of the execution that would articulate all of the proposed elements of the monitorship.

Some on a higher level than others, not necessarily getting into the weeds on everything that's planned. But that would be a way that we could have a clear understanding of exactly what the plan is. The plan, it is expected, will be consistent with that which has already been described to us in the response to the RFR during the presentation we received -- some of the information you've received today.

The basics are already known, but certainly there will be an opportunity to hash out some of the particulars. And it's important to note the expectation is the work plan will be somewhat of a dynamic plan that would certainly evolve during the course of the monitoring activities as things, issues emerge or don't emerge, for that matter.

>> COMMISSIONER STEBBINS: Thank you.

>> COMMISSIONER CAMERON: Look forward to listening to the members that are here today, but I think the process was laid out very clearly and articulated every step of the way, so I thank the team for that work.

>> MR. GROSSMAN: Thank you.

>> COMMISSIONER O'BRIEN: Before we dive into, I -- a lot of work went into it and I want to thank Todd and Loretta and a lot of work went into not only the submissions, but the call backs and the vetting of the candidates.

>> COMMISSIONER ZUNIGA: I would note there was a real important diversity within the procurement team to have the finance, the legal, the IEB and the Chair, Commissioners' input. I think it was very well put together and a great outcome, I expect.

>> CHAIR JUDD-STEIN: I would also note that -- I would note it will be a matter of public record that we enjoyed while the riches -- not only with respect to the five outstanding applicants that we interviewed, but also a multitude of excellent, excellent responses.

It was very -- the process was robust not because it was difficult in terms of -- to choose a qualified applicant for your consideration, it was because they were all outstanding in so many ways.

So we thank all of those who participated in the process and took really to heart the seriousness of this appointment, and also recognized what we were trying to achieve in terms of scope and tone. We very much appreciate the responses, thank you to the broader community.

Also, I think I should add that the team also participated in crafting the procurement to, again, ensure that the process followed all of the rules that Agnes knows so well.

>> MR. GROSSMAN: Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Thank you. Welcome to Boston.

>> Thank you.

>> CHAIR JUDD-STEIN: And I understand that you stayed last evening.

>> We did.

>> CHAIR JUDD-STEIN: We like that the city is showcasing itself for you with pretty good weather. A little foggy this morning --

>> Escaping a D.C. summer, so thank you very much.

>> CHAIR JUDD-STEIN: That's exactly right. I was in DC recently during that hot spell.

>> Yes.

>> CHAIR JUDD-STEIN: Just remember to please speak into the microphone. Don't be shy about that so that folks that are watching can hear you.

>> Certainly.

>> COMMISSIONER O'BRIEN: And the green button needs to be pushed.

>> Absolutely. Good morning, Alejandra Montenegro Almonte and I want to thank Madam Chair and the Commissioners for the opportunity to be here. It is an honor for the team to be considered especially what we understand to be remarkable candidates for this process. I want to thank the procurement committee.

The process I'll have to say was incredibly smooth which we very much appreciate the experience with the committee. I would like to begin by having the team introduce themselves. Every person here is going to be an integral part of this process and I want you to have the benefit of hearing from them personally.

>> MS. GOKCEBAY: Hi, my name is Nicole Gokcebay, prior to working at Miller & Chevalier, I worked on high profile commercial litigation in Ireland arising out of the economic crisis at the time. These matters were very much in the public eye and I have an appreciation and many lessons learned how to handle those situations.

I've also assisted nightclubs with licensing applications in the European side of things. And upon joining Miller & Chevalier, my practice is focused on assisting companies on conducting internal investigations. Thank you.

>> MS. PAPPAS: Good morning. My name is Katherine Pappas. I've been with Miller & Chevalier for 6 years.

Prior to that, I've clerked for two years in D.C., one with a trial judge and one with an appellate. I've worked on both criminal and civil litigation matters and focused on internal and government investigation.

I've interviewed employees every level of international companies, analyzed and witnessed credibility, but also whether companies have violated company codes of conduct. Much of the work is compliance focused, engaged in root cause analysis and advised steps to take to avoid recurrence, and because the work is often very sensitive, I have advised on privileged concerns.

>> MS. SULTAN: Good morning. I'm happy to be here today. My name is Ann Sultan. I began my legal career actually practicing as an attorney in Massachusetts working on general corporate matters including () and financing.

Since joining Miller & Chevalier about six years ago, I have focused on internal investigations and compliance matters. We also do it in a very compliance focused way so even when we're delving into the weeds of fact patterns, we're looking at root causes as Catherine said and systems we can help improve compliance.

I have worked with multinational compliance companies on evaluating and assessing their compliance

programs including the way they go on to assess and evaluate their own programs.

>> MR. PUGH: Good morning, my name is prison Pugh. Thank you for your time. I'm also happy to be a member of this team. I lead our firm's complex civil litigation practice and I'm on our firm's executive committee.

I'm a Forder U.S. Assistant Attorney in Chicago, and also have a little over 20 years of performance experience, on the government side and also for private sector. I have 7 years of combined monitorship experience, one of them is public EOC versus wire OC dealing with harassment in a variety of types and was appointed by the district court. The second was Waterfront Commission of New York dealing with other types of issues. Lastly, I just say I look forward to serving the public here. So thank you.

>> MS. MONTENEGRO ALMONTE: Again, I'm Alejandra. I'm currently the Vice Chair of the International Department at Miller & Chevalier. I focus my practice on compliance and internal investigations. Compliance side, I work with multinational companies of all sizes really doing much of what we're going to be doing here, evaluating the structure of a compliance program, the design, implementation, testing the effectiveness.

When companies ask us to assess what we have in place, we come in and help to design programs from the ground up. In our internal investigation space which is the second half of my practice, we really do have -- what I consider a bit of a unique approach because it is informed by our compliance baseline.

We come in not just to understand individual misconduct, but really understand what went wrong. Was it a design in the compliance program that perhaps was not properly implemented? Was it a policy or procedure that perhaps needed to be modified for circumstances not anticipated? Or was it truly just a complete breach of the company's values and expectations? That's what we'll be doing here.

We understand, of course, there has been alleged misconduct that has given rise to us being before you today. We will have that in the back drop, but more importantly, we're going to look at what the compliance structure of the company has in place today for its risk profile, its reality, business reality, and of course your expectations.

Prior to joining Miller & Chevalier, I spent 6 years in-house. Five of the years was as General Counsel for a company operating around the world and across in the US, including Massachusetts, highly

regulated entity.

As General Counsel in conjunction, of course, with the Vice President of human resources, I had primary responsibility for enforcing the human resources policies and procedures of our company.

In that capacity, I investigated numerous sexual harassment allegations across the organization, across our operations at all levels. I trained on sexual harassment policies and procedures, how to mitigate and avoid sexual harassment at the company.

I conducted audits of the policies and procedures, again, to make sure they were fit for purpose and to be sure they were properly implemented and to advise the company high level executives on the reality of sexual harassment within our organization.

And finally, probably most relevant, I recently completed a role in monitorship at Miller & Chevalier had. I served as deputy to one of my partners in that matter. The evaluations in that monitorship were at the very high end of the company.

It was very high profile, and we understood navigating that monitorship we had multiple stakeholders but at the end of the day, the role was really to preserve the public trust. Also an enforcement agency overseeing the monitorship, and also ensuring the laws

and the policies and procedures of the company were being upheld. That's the profile that we bring to this project. We treat it with the utmost seriously. Again, we're very honored to be here.

And I do want to walk you through a little bit of our overall approach. We've talked about our individual experiences -- please interrupt with questions as they come up, what our approach is generally to compliance programs.

We start from the baseline understanding that in order for a compliance programs to be effective, it really has to be tailored to the reality of every organization. No two businesses have the same business reality. No two businesses have the same risk profile.

So the very first step as monitor is to understand this particular company, to understand its inner workings, its dynamic, employees, so we can assess what its actual risk profile is and from there, bring a critical eye to the structures that are in place to ensure whether or not the risks that we identify that perhaps the company itself has identified are being properly addressed and mitigated.

We also -- I think it's important, when we think about compliance, we're not looking at specific elements. We don't come with a checklist. We take a

very broad approach. And we want to understand how the different parts of the company work together to ensure a culture that is focused on compliance.

We want to make sure that the program is embedded so it's not just the compliance function, not just the legal function that is promoting a culture of compliance within the organization, but that it really comes through all aspects of the company and that's where prison's experience as monitor, my experience as a General Counsel, we understand what it means to really drive compliance and more importantly, to get buy in from all stakeholders that the program that is going to be in place when the monitorship ends is going to be survive the term of this monitorship.

So that leads a little bit to what the goals of the monitorship are. Of course the goals will be informed as dynamic as our work plan as we continue our discussions with you. But at the core is to ensure that the policies, the procedures, and the practices, the corporate structure are designed to detect when there's any wrong doing, especially with sexual harassment, to prevent it, and critically to respond to it.

A program is worth the paper it's written on if it's not something that is swiftly implemented when misconduct is detected. Of course, we want to ensure

it's actually mitigating the risks that we will be identifying, and that it truly protects the welfare of the employees of the organization, that is at the heart when we talk about human resources. That really is what we are talking about, protecting the welfare safety, security of employees, its patrons, and all involved.

You know, it's interesting. We talk a lot about internal controls in other types of compliance programs and other types of investigations, but I think that this is something that's important to this project as well.

Not only internal controls around payments to third parties, payments to employees that are separated from the company and ensuring that those payments are reviewed and approved and authorized within the proper government structures of the company. But also, again, ensure there is a system of internal controls that supports the human resources policies. What do we mean by that?

So taking, for example, alert line calls, a sexual harassment call comes in, there has to be an actual system that tracks how that sexual harassment allegation is responded to, is monitored, how it's actioned, and that data must be collected and stored for a program to really be able to be tested for its effectiveness.

How were those incidents reported and managed by

the management and board itself, Preston will speak to this. It's not just a tone at the top issue, it's a conduct at the top. What are the most senior parts of the organization, not just by words but by action, demanding of the rest of the company?

We will be looking to ensure that the company has a compliance program that really does -- not just ask, but really promote, affirmatively promote a speak up culture, that it's transparent and really uncompromised implementation of the policies and procedures. So it's not just some employees bound by the policies of the company, but all employees regardless of rank.

We want to make sure when the monitorship ends, it survives. We will spend so much time on the effectiveness and implementation of this program so when we leave, you have the confidence of knowing the program that has been reviewed and will continue to develop and will survive that monitorship, and the core goal of ours is to maintain public trust in the company, commission, and in the process that we're hopefully going to be privileged enough to walk through. Prison, do you want to walk us through the work plan review? We won't get too much into the weeds, but a high level overview of what we'll do --

>> MR. PUGH: So thinking about what Alejandra

said, from your seats, one of the important things to note is our jobs as monitors is to work our ways out of a job, right? To make sure as Alejandra said, to make sure the program work as it's supposed to, makes the public proud and there's a confidence. There's certain things that we're going to start the process with.

One of them, of course, is working with the Commission to solidify a work plan, a detailed work plan. We will do that. But some of the larger hall marks include reviewing facts underlying the decision in order.

We've had, obviously, the pleasure to read through the facts that were presented in the RFP package and we're familiar with that. But of course, there's probably additional things that we need to know, right?

So we look forward to having the opportunity to do that. Alejandra talked about the importance of the compliance policy and also the structure, right? And operations of the company and to what extent do the structures and operations of particularly the human resources function support real enforcement of this compliance program, right?

Making sure that it is not just a paper program, but it's, in fact, one that is lived. And there are some themes that we will look for. One as Alejandra

mentioned is high level commitment. We know that high level commitment is important and the tone from the middle is also critical.

It's not just the folks at the top saying we're going to do the right thing, but the day to day managers, what are they looking for? Are they making sure that both employees and even third parties, customers are treating their employees as they're supposed to, right? Or is there harassment that is kind of given a wink and nod as may have happened in the past in the industry.

We're here to make sure that the company is doing what it can to make sure that it doesn't happen. Training and guidance, and making sure -- we had the pleasure to speak with you before, but to make sure that the training and guidance is context specific, right, is appropriate.

Maybe there's some employees where you want to talk about the right things in an E-mail but there's some employees that don't even touch on that and how do you ensure that the communications are what they're supposed to be.

One of the keys, this really goes across the spectrum of compliance, not just harassment and compliance, but all of the fields, making sure that

people who step on the wrong side of the rules are truly disciplined as they're supposed to be because there's nothing that will gut a program like the people who are given a second chance where a second chance really should not have been afforded, right?

And then we'll continue to monitor and test over the time that we are here. There are, of course, certain things that we'll look for. We're quite familiar with the EOC's guidelines on harassment and things that they look at from a federal level and they're well publicized.

We think those are instructive for those field, and as you see on the screen, by the way of baseline reporting and recommendations, we'll look for those things. We have this team as a whole, it has the experience in compliance of understanding what the best practices are.

For example, from other agencies, that can be applied in the human resources field, very familiar with the Department of Justice's policies, very familiar from having worked for the EOC and we're looking forward for the opportunity to help you.

>> And we'll have communication with the Commission during this process. We will, of course, have a baseline report in six months that will out line our

initial findings. We expect like with any monitorship and compliance review, that there will be a number of recommendations that we would make at that point.

Our work plan will reflect a proposed cadence of communication and that will be communication with the Commission, the contract manager, what makes sense based on key markers in the work plans that we're giving you meaningful information and not just, you know, short status updates.

>> COMMISSIONER STEBBINS: I appreciate that. Obviously just thanking about reporting and I appreciate your thoughts and kind of a cadence and a schedule to -- I'm sure this has certainly been on the minds of my colleagues and the review teams.

If something comes up that's timely and we need to know about, we're not waiting for a prescribed reporting period. We want to know it now so we can try to address it.

>> MS. MONTENEGRO ALMONTE: That would be something we would commit to you and be asking from the company. If there were allegations relevant to human resources policies within the purview of the monitorship, we would want to know that so we have benefit of course not coming in and descending upon the company to what the company should be doing in reviewing allegations, but to

monitor the process of that review and of that investigation and follow up.

>> COMMISSIONER STEBBINS: Thank you.

>> COMMISSIONER ZUNIGA: You mentioned the baseline. I'd like to just speak a little -- talk a little bit about it. This is -- in our opinion, also by many actions that they have taken, a company that's different from when the allegations -- when the activity happened.

There's new executive team. There is new procedures, one I'll suspect you'll be analyzing. And can you speak -- and a new VP of HR at a corporate level, many other things.

A lot of which took place in great way as a result of the investigation of our own IEP. And the company responding to that. How much in your baseline are you looking at the history out of necessity for which we have a lot of documentation, and you mentioned that you read some and might read more.

And how much now is the assessment of the community company when you look at that baseline?

>> MS. MONTENEGRO ALMONTE: The short answer is we will be assessing the current company, and we've reviewed -- the company put forward a white paper that explains the many changes they've made to the company in

specifically the compliance program.

We do have to look -- not to reinvestigate by any measure past allegations, but we do want to ensure that the measures that have been put in place now do directly respond to the allegations that were made previously.

And that goes to we're understanding what the risk profile of the company was, what it is now, and ensuring that the policies, procedures, and other structures within the organization would really be designed to prevent the recurrence of that past conduct.

And I think more importantly, and this is something we talk about when we talk about culture, there have been changes at the very top of the organization and very often when we come into a monitorship, that has already happened. But what we see is there is a little bit of a tail for the changes at the top to permeate throughout the organization.

So much of what we'll be doing is not just testing the effectiveness of what's new, but how is that commitment being communicated across the organization, how has the culture throughout truly changed and Preston's message about tone in the middle.

I would take that through the very top and very lower levels, is there truly a belief that the culture has changed so people understand what the expectations

are for their own personal conduct and how they ultimately fit in to the survival and sustainability of the compliance program.

>> COMMISSIONER ZUNIGA: You know, this is a related question.

[Laughter.]

While it's fresh in my mind, you talk in your presentation about the need for an importance of efficiency.

>> MS. MONTENEGRO ALMONTE: Yes.

>> COMMISSIONER ZUNIGA: But the public also knows the costs of this monitorship are going to be born by the company, and the costs by the Commission are born by our licensees, and that freedom we take very seriously and responsibly.

So can you speak a little bit about the balance that by definition you are probably going to have to strike relative to how much to dive into details, when to raise a yellow flag to say we need to reassess our estimate. Can you speak to that, to your experience?

>> MS. MONTENEGRO ALMONTE: Sure. Absolutely. In I think our collective decades of experience really does drive the type of efficiency in these projects. We understand what stones need to be turned and which don't. We take that into consideration in the

compliance program.

In internal investigations, what very often what you might perceive as against our interests is the more hours we bill to law firms to get paid, right? We don't operate under the model that we need to have a scorched earth to be satisfied that we know what we need to know.

So we would look at the core elements of the compliance issues that goes into the information in our purview. We're not going to look at policies outside of that. Based on what we know, the estimated fees are based on what we know has been publicly available.

We think that's a good measure for what the work there take if there are, for example, new allegations that surface, if there's multiple ongoing investigations or new investigations that surface while we're actively involved in the monitorship, I would expect that could change the scope of our work and therefore, extend our fees potentially.

But we would come to you well before we know that there might be an impact on our estimated budget. Does that answer your question?

>> CHAIR JUDD-STEIN: If I could add, I believe, Todd, you're at the disadvantage of not having a microphone, but Mr. Grossman has explained that part of the contract will include -- and you'll correct me if

I'm wrong, internal controls for us to be able to really monitor invoices to confirm that Miller & Chevalier's invoices reflect the work plan.

And to the extent that the scope needs to expand, one of the factors that was part of our evaluation was their ability to be able to come back to open meeting and be able to inform the entire commission of such expansions, working and being subject to the open meeting is a structure that not all of our respondents had some familiarity with.

Because of your work, you did have familiarity with that. So there will be internal controls to monitor budget expansion, as you heard, a reporting channel that will allow us to be informed without getting in the way of their independence.

>> MR. PUGH: I'd like to put a final point on that issue. Miller & Chevalier takes price in our efficiency, and we're well known, in addition to that, with Alejandra having served as the general counsel and I've served in-house as well, we've been purchasers of legal services, and we know when they've gone too far and when not and that's how we run our practices.

>> COMMISSIONER CAMERON: Good morning and thank you for being here. It looks like you really put a terrific team together. Just reading your bios, it

really looks like a team that can work efficiently. I was pleased to see the extent of the monitoring experience and I know that the team valued that.

I think that piece is really important and having come from an organization that I dealt under a consent degree, dealt with federal monitors for a five year period, understand the role and it's a different role than advising a client, say, on compliance.

>> MS. MONTENEGRO ALMONTE: Yes, it is.

>> COMMISSIONER CAMERON: You can expand upon how you see that role as a little bit different than your normal course of business which is advising clients appropriately?

>> MS. MONTENEGRO ALMONTE: It's independent, right? It's one hundred percent independent. As an attorney representing a company, you're giving advice anticipating perhaps that in the future you might have to advocate and defend that compliance program.

It never compromises your counsel and the advice that you're going give. Here there's 100 percent independence. There's no personal skin in the game. I don't want that to be misinterpreted. But at the end of the day, we're evaluating the program based on your expectations, based on legal requirements that apply to it.

Our experience, of course, ensures that we'll give practical recommendations. But it's to protect, again, the public interest and your goals and objectives of ensuring that your enforcement authority is being followed.

>> COMMISSIONER CAMERON: You mentioned a couple of things that I thought were important transparency and effective communication. Again, back to my experience with monitors, those who communicated effectively really did -- it helped with the buy in of organizational change.

>> MS. MONTENEGRO ALMONTE: Yes.

>> COMMISSIONER CAMERON: So I was happy to see that in your response that you really talked about you're independent, but you really need that communication in order to be successful.

>> MS. MONTENEGRO ALMONTE: We want at the end of the day for this to succeed and the company to have a compliance program that works. We will have failed if that hasn't happened at the end. That is the goal.

>> COMMISSIONER STEBBINS: Couple of questions, also to Commissioner Cameron's point, I did like a lot of what you provided about the approach, specifically working with the company to make sure that there are no surprises when your reports are finalized, everybody is

in communication, there's no kind of strict adversarial relationship with the entity that you're monitoring.

>> MS. MONTENEGRO ALMONTE: Yes.

>> COMMISSIONER STEBBINS: I also was impressed with the level of monitoring compliance work that you've done with respect to HR policies. I think your experience in some of the harassment issues in the workplace help me get a better sense when you talked about one of the scope requirements, how that work translates also into incorporating best practices which might come from your experience with other entities or might come with just general familiarity of what's current out there in the business best practice world.

Give me an idea of how you've had that experience in the past. Not just look at what they're doing and making sure it conforms with the law but finding new opportunities to integrate what's new in the business world in terms of best practices.

>> MS. MONTENEGRO ALMONTE: Sure. I think a lot of that comes from what we do every day, working with companies across all industries implementing compliance programs and these other spaces.

And we frankly learn a lot from our clients, their own creativity. We give the recommendations, how they implement it is theirs. For example, one of the areas

companies struggled with is how to test the effectiveness of the training. You have the employees go online and do the training and how do you test effectiveness? I put questions at the end of every module and see how employees score.

We've had companies take it further and they, for example, will have trivia weeks or months that are drawing from trainings that have been given in the past quarter at a company to see how their employees are really internalizing.

My own company had a -- when we're talking about incentivizing -- Preston talked about enforcement and discipline, a large part of what we look at is the upside, which is how do you incentivize your employees to act by your policies and uphold your company values. One of things my company did was ever quarter we had a values award, and they would nominate who they thought best represented the accountability value, et cetera.

What we've seen other companies do on their own and what we've been able to recommend to companies to implement, what we've brought to those companies we would bring to this company and bringing those recommendations to them and also of course reading legal opinions that give us a sense of what agencies are expecting and trending towards in best practices.

>> MR. PUGH: At this point we're in a particular time, the EOC has seen, alongside the Department of Justice, compliance is no longer new, right? They're now kind of seeing what works and things that have been tested and now this has been boiled down to how do we make these programs more effective.

The fact that the EOC has reconvened its task force I think on harassment is a testament to it. And those are things on our sites. We know those things may not necessarily define all of the things that you want to see from this with this company, but they're a good backdrop that helps us understand what the best practices are.

>> CHAIR JUDD-STEIN: Any further questions for our guests? Commissioner O'Brien, did you have any comments for our guests or anything? I know that you participated on the procurement team. I know that we thank you for coming today.

>> COMMISSIONER O'BRIEN: Don't take my silence as apathy. I lived it live and it was part of the initial presentation and for me, one of the most important thing was prior monitorship because there's a distinction between advising as a client and acting as a monitor.

I was very impressed with the depth with your firm and the depth of the team that you put together which is

no small part, why you sit before the Commission today. I think the other questions, the Commission was asked and I think that we fully vetted before -- and I don't think there's anything additional I want to bring forward other than what's already been presented.

>> CHAIR JUDD-STEIN: I think I would add that in addition to the focus on HR matters, we also focused on corporate compliance and best practices and you bring extensive experience and depth in that field and your team reflects that. I also should note that your additional team members are included in the packet.

It's not lost on me that the Chair of the firm is part of that depth and she has extensive independent monitorships. I have to acknowledge her, Catherine Cameron Atkinson because she did what I think was very generous, she had that direct experience, she's there for a resource for you but then she sent the team that she knew could accomplish this and could win the respect and the award.

So to the Chair of our firm, I really congratulate her for having the wisdom to send such an impressive team. With that, I think we've got business to do and I think you heard from Mr. Grossman, we are looking to -- I understand that we are looking for a vote from our legal team here in this case. Do we have a motion?

>> COMMISSIONER CAMERON: Madam Chair, I'm happy to move that the commission ratify the selection by the procurement review team of Miller & Chevalier -- am I saying that properly?

>> MS. MONTENEGRO ALMONTE: Yes, it's the Tennessee pronunciation.

>> COMMISSIONER CAMERON: Okay -- as the independent Wynn Mass, LLC, as described in the Commission's April 30th, 2019 suitability decision and the Commission enter into a contract with the firm outlining the terms of engagement. We'll take these one by one, these motions? It's the first motion.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any further questions? Those in favor?

(Ayes).

Opposed? 5-0, Catherine, thank you.

>> COMMISSIONER CAMERON: Madam Chair, I believe you're interested and also would be very strong as the contract manager, I would love to designate to move that we -- move to we designate you staying. But I assume that's the job that you -- I shouldn't assume. I should be asking if you would be interested in that position for the Commission.

>> CHAIR JUDD-STEIN: Yes. I'm interested. I'm

wondering if there should be further explanation of that role. Should we invite Mr. Grossman to explain that? Not to displace many you, but Mr. Pugh -- he can sit -- let's displace the executive Director.

[Laughter.]

It's a little bit of a dance. But I did not understand the -- quite properly, I was not aware of the motion, so I think it probably merits some discussion given that there's a motion.

>> The contract manager serves, in my estimation, as -- in the first instance as a conduit between the vendor, in this case, Miller & Chevalier, and the Commission.

Understanding that the Commission itself can't make itself available on a moment's notice to resolve any issues that may arise, questions about travel, things of that nature, "We're going to go talk to this person," "Is that okay," stuff like that, it's important that there be a person who can respond quickly and be nimble, but still has the availability, every other week or however often the Commission meets, to come in and report as appropriate as to what types of issues have arisen.

Secondly, it's important -- and the Commission can do this as a whole, but it would be helpful to have one

person assigned to ensure that the work that is being done is within the confines of the work plan as the Commission will ultimately approve and to really be focused on that individually, and certainly the contract manager can consult with other Commissioners, consistent, of course, with the Open Meeting Law and not violating any of those principles.

But to have one person focused on that seems like an important thing to do to have a look at any invoices that come in, to keep a watchful eye, not that it will go astray on the billing and things of that nature. So that's how I would envision the contract manager role to unfold in a situation like that.

>> CHAIR JUDD-STEIN: And I think that it's unusual because typically we would have our executive staff and operations team take care of these matters. But because this is part of a decision that was made by the Commission as part of an adjudatory decision, I think that was why it was recommended that it stay with a member of the Commission.

When we discussed this, to be fully transparent, I thought that made great sense, but I also recognize that I am able to speak with a fellow Commissioner and I pledge that if we do hear from our awarded monitor, even if it is something about travel, I would also turn to

remember Commissioner O'Brien to let her know about the inquiry.

With that said, if there was a particular specialty about finance or something, I could, without violating open meeting rules, always check with -- to speak with Commissioner Zuniga and also use the judgment of Commissioner O'Brien as appropriate with respect to Open Meeting Laws to say this really needs to come before the Commission. It's a matter of that.

And with that also said, we also have our decision. The company when Mass resorts has the ability to raise any concerns with matters that arise with this very important relationship that they'll be developing and navigating with you, that would also be the kind of contact that would come through the Commission.

And the reason is that would absolutely ensure that everything is conducted in the open meeting setting rather than what is normally conducted as operational. Is that fair?

>> That's right.

>> CHAIR JUDD-STEIN: Okay.

>> COMMISSIONER ZUNIGA: I'm very comfortable with the involvement that you described given the fact that you were involved all the way in the beginning of drafting the RFP.

The two of you -- you, Chair, in consultation with not just Commissioner O'Brien, but the rest of the staff and as I mentioned earlier, brought a real important diversity of skills with direct and finance and Agnes and as well as Loretta and Todd. So I'm very comfortable if you so choose -- if you so accepted to designate you as a contract manager understanding that's the position you will take.

>> COMMISSIONER CAMERON: Why don't I put that in a motion. I move that the Chair be designated by the Commission as the contract manager for the position of providing supervision over the monitorship. Shall be authorized to make decisions necessary to make sure that the monitoring activity remains fluid.

But will utilize her best judgment to determine whether any particular issues should be brought before the Commission for review. I further move that the Chair be authorized to execute the contract between the Commission and Miller & Chevalier after consultation with the legal department.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any further questions?
Commissioner Stebbins, all set?

>> COMMISSIONER STEBBINS: All set.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? I believe -- do I need to abstain, or is it part of the job?

>> You can abstain.

>> CHAIR JUDD-STEIN: I am in favor of this arrangement.

[Laughter.]

>> COMMISSIONER STEBBINS: She's available 24/7.

>> MS. MONTENEGRO ALMONTE: Noted.

>> CHAIR JUDD-STEIN: Thank you very much and I look forward to the partnership.

>> MS. MONTENEGRO ALMONTE: Thank you very much.

>> CHAIR JUDD-STEIN: We've been requested for a 5-minute break before the next presentation. Again, thank you for your patience to our guests, and we appreciate it. So five minutes.

(Brief recess was taken.)

>> CHAIR JUDD-STEIN: Austin, I'm not sure if I said a proper good morning to you, so thank you. We're now turning to item 3 on our agenda. We've reconvened public meeting number 275. Good morning. Ombudsman Ziemba, here you are. I'm looking for you over there. I'll turn it over to you.

>> OMBUDSMAN ZIEMBA: Thank you very much, Chair and Commissioners. Today we have presentations from

Town of Plainville and Plainridge Park Casino. And first is Town of Plainville.

Executive Director Bedrosian has attended on behalf of the Commission and I know many other Commissioners have had the opportunity to either see the facility recently or during its construction.

So with that, let me turn it over to Jennifer Thompson, Plainville Town Administrator, Jeff Johnson, Chairman of the Board of Selectmen, Mark Bertonassi, Building Commissioner, James Alfred, Chief of Police, and Justin Alexander, Fire Chief, to begin their presentation.

>> MS. THOMPSON: Thank you so much for having us. This is such a wonderful story to tell and we're honored to be here. We thought we would walk you through the process of how we got these beautiful buildings and give you wonderful pictures to look at.

I know many have seen it in person. And if any of you have had -- we know many came down during the construction. You can certainly take a tour and look and can certainly host meetings there which we have a beautiful meeting room which the Chair saw on Monday.

It's always open to the commission. So thank you again for having us. Plainridge Park Casino as you know was the first facility in Massachusetts to receive a

license. They opened in 2015 with 1,250 slot machines. They made \$250 million investment in Plainville and the Commonwealth and since then it's had a tremendous economic impact in Plainville and the surrounding community regions as a whole.

They're the largest tax payer in town and created over 500 jobs in the region. Jobs from the facility and also the construction from the construction of the casino and the municipal complex. Very significant positive impact in the Town of Plainville as a region and as a whole. One of the first things we did was negotiate your community hosting agreement, as you know.

Prior to opening, we sat down with Plainridge and negotiated the agreement. First is the taxes they pay, 2.5 million a year in real estate and property tax, goes up 2 and a half percent every year.

And the second piece which is really germane to our talk today, is the community impact fees. Years 1 through 5 after the full opening, they pay the town 2.7 million per year. In years 6 through 10, that changes and we shift to 1.5 percent of the gross gaming revenue.

After that, years 11 and beyond, it switches to 2 percent of gross gaming revenue. As you can see, it's a true partnership, public/private partnership and we in

the Town of Plainville are committed to their success, as I know the gaming commission and the Commonwealth is as well.

These community impact fees, the Town of Plainville made a very, very smart decision very early on and that was to put those fees into a gaming -- we call it the gaming capital stabilization fund. It was actually special legislation that the town filed, and those funds go into a special account to be used for capital expenses and there were a few reasons why we did that.

So years ago, the Town of Plainville, this is a lovely picture of our old town hall. The Town of Plainville had a landfill, and we had a host community agreement with the landfill and received revenues from the landfill every year. What the town did for decades was they took that money and used to fund the operating budgets of the town, so they were able to keep taxes pretty low.

I think the Chief will tell you for a decade, the taxes were never raised in the town because they used the funds from the landfill to supplement the operations of the town. What happened was the landfill closed and that extra source of revenue was gone and the town was face would a significant fiscal crisis when that happened because they no longer had that revenue coming

in.

So, you know, people were laid off, positions were cut, and I would say over the last decade, there really hasn't been any investment in the infrastructure in the buildings in the town because the town just simply didn't have the money to do it.

So we were very careful that we didn't want to create that. We didn't want to create revenue going into the operating budget just in the event that the casino some day is not there. So we wanted to use the lessons that we had from the landfill and create some tangible and material things that would last maybe long after the casino is gone if it's not there 50 years from now. And we also had a significant need for capital investment especially in the buildings, which you'll see of.

These were the existing facilities. This was the town hall. The picture on the left was actually my office had I started with the town, but also the room where the board of selectmen met. And the room is not much bigger than that actual picture if you've ever been there.

I'm sure the folks in Plainridge that are here went to many meetings in that room and it was incredibly limited and not acceptable for handicap individuals.

Second floor of the building, again, no elevator access for those with disabilities.

And this is a picture of our HVAC systems and my building Commissioner is here for a couple of reasons. One, because he had to deal with these buildings, and two, because we decided to use this as the owner's project manager on the new facilities which we'll talk about in a little while. He more than anyone can tell you what the struggles were dealing with an outdated HVAC and heating system, or lack of a better word is probably a better way of saying it.

>> COMMISSIONER ZUNIGA: Looks like there was only one setting in that HVAC setting.

[Laughter.]

>> That setting was "sometimes."

>> Yes. The left is the public bathroom and we only had two bathrooms, men and women, and they were shared by staff and public, and there was no separate bathroom for the staff that were working there. There was no functioning kitchen or breakroom.

We had a fridge stuffed in a serving room, employees didn't have a place to wash their dishes when they brought their lunch in so they would wash them in the bathroom sink or throw them away. That's our very

sophisticated electrical panel in the old town hall.

This was my office about two months before we actually moved into the new facility and the ceiling had collapsed. We had a flood and some pooling of water on the roof and I walked in on a Monday morning and this is what my office looked like. The ceiling had collapsed.

And in the public safety facility, it was in the same type of shape but it had some unique challenges above and beyond what we had in the town hall. As you can see on the picture on the left, the facility was not ADA compliant, and people using wheelchairs and canes had a lot of difficulty getting into the buildings. Excuse me. The.

The picture on the right is we ran out of space in terms of where to store the apparatus. I'll let the Fire Chief talk about this a little bit. This is actually a facility across the street from the fire department. If you wouldn't mind, Chief, just explaining what you had to do.

>> MR. ALEXANDER: Right around the time that the casino opened, volume went up so we changed our staffing level. But in order to house the additional staff, we had to put the trucks outside and that doesn't work well with water in the winter.

Unfortunately, across the street from the station,

the picture on the right, we were able to relate that space. Cost about 15, \$1,600 a month, and we were able to put a little bit of the auxiliary apparatus across the street.

Often you had to move 2 or 3 different trucks out to get the truck you wanted because they were stacked in front of each other and you had to get the gear on across the street and walk across the street, a dangerous crossing, and it would add minutes and minutes to our response time. Fortunately, thanks to this situation, we don't have that problem anymore.

>> MS. THOMPSON: These are pictures again of the public safety building on the right, it's what they had for storage. If you walked through that building, it was any other crevice they could find that was the storage. The picture on the left is one of the views from the cells inside of the police department, and the few that you're looking at, it's I believe to the administrative assistant's office.

>> Good morning. Yeah. So the view that you're looking at is my secretary 's office which is lit up from the pictures being taken from the cell doors. So every morning when we'd take the prisoners out to go to court, I'd have to stand in front of the secretary's door for safety.

The facility was very small. She got to meet an awful lot of interesting people over the years. She served for the town for 38 years and she's retiring this year. She's very happy to be in the new facility where I don't have to stand in front of the door and guard here.

[Laughter.]

>> MS. THOMPSON: Thank you. Storage was obviously a challenge in both buildings. We didn't have adequate space for any of our storage needs. The left is some additional storage that I think the fire department added, a lot of just auxiliary pieces and sheds that we had to use, that's, I think, the HVAC system in the public safety building. And you can see just on the left using whatever we could for space in terms of storage.

On the left is what we had for a training room. You can see how limited that would be for roll call and both departments try to get their employees into one space was a challenge. The cells were not compliant with current regulations. That's the picture on the right.

On the left, those are the other -- the other issue that we had in public safety was gender separation. We didn't have proper gender separation for our female

officers, so the Chief rent add modular building. I'll let you go ahead and tell that story.

>> MR. ALFRED: So we had to rent a trailer basically and then have a hallway built from the existing building into the trailer so we could have two separate locker rooms, one for the men and one for the females which we didn't have for years. We actually had a bulletin board to separate the boys and girls, so to speak, and now we're all crowded into one small room, we outgrew that as the town grew, especially over the last few years.

So that was the only thing that we could do for some type of facility for both, would be a modular trailer.

>> MS. THOMPSON: And then the picture on the right is the public restroom in the public safety building. And obviously the town -- I was hired in 2015, right after the casino opened and most of you know Joe Fernandez who was the town manager before I and he really worked incredibly hard with the gaming commission and with Penn to get the casino to come into town and was instrumental to getting that capital fund set up.

And he retired and I got to reap the benefits of it, so thank you to Joe. But we got together a year after the casino opened and talked a little bit of what

we were going to do with those funds. And obviously as you can see from the pictures, there was a clear need to do something with those buildings, and so what did we want that too look like.

So in 2016, we went before town meeting for appropriation for an appropriation for a feasibility study and a design. We didn't want to wait a year to get the design going. I think we kind of all thought the best location is -- it was the Old Wood School, right behind the library, and it was a school that had been vacant for 12 years.

We built new schools and it was town on land and it seemed like the obvious space and you have to go through the process and make sure you're considering all of your options. There was a lot of discussion on the town on whether we could renovate that school. I think all of us at the table knew it was going to be not only challenging, but not cost efficient. A vacant building for 12 years has a lot of challenges with it, you know. But we had to go through that process.

There were people in the town very tied to that school because they had gone there or sent their children there, but there was a desire to see if we could save it.

But certainly, I think we all knew in the back of

our minds that it probably wasn't going to be able to stay. In 2016, we got that appropriation at that town meeting to move forward with the feasibility in the study and we used the funds from the host community agreement to fund that. So no tax dollars were used for the feasibility study or the design.

And this is one of the slides we presented at town meeting. The first section you'll see the old Fox Market, it's a building that if you've been to that district of Plainville, that was really the grocery store and the downtown. And Jeff Kinney who is an author and lives in town.

>> COMMISSIONER ZUNIGA: My favorite author --

>> MS. THOMPSON: He has done a wonderful job. Purchased the property and rebuilt it to look like the original market and it's a beautiful book store and cafe and they have events there. If you haven't been there, it's a wonderful place to visit.

So that's one of the corners -- we'll call it an anchor of the downtown. And we wanted to look at whether or not rebuild the municipal complex next to the library, added these two buildings in the same proximity of the library to kind of generate that downtown feel and that centered district feel that we're trying to accomplish there.

That's what these slides kind of represent. We showed what the market used to look like, what Mr. Kinney did, what the public safety looked like, what it could look like, and the town hall. It's interesting these aren't our buildings, just kind of what we envisioned, but they ended up looking similar to these.

We looked at the location where the library was. School was right behind it. We knew that we owned the land so we wouldn't have to purchase it. The proximity to the town center, we wanted to look at a building that would compliment the library if we were going to go there and create that sense of community in the town area.

These are some pictures of the Old Wood School and what it looked like. As I said, 12 years can have certainly some effects on the building. And these are just inside pictures. That's a classroom on the right. That's the ceiling on the left.

The flooring, you know, we had asbestos, and all kinds of things that you would expect from an old building. That's just the front of the building and those are different sections of the stairs on the right. Let me just go back for one second. So we evaluated the building. What we thought came true and the architects made a recommendation that the building be demolished

and that we move forward with building the buildings on that land.

And a year later, we presented at town meeting a plan and a rendering -- this is a rendering of what the buildings might look like, and we proposed a new municipal complex at a cost of \$34 million which includes demolition of the old school.

What was different than what was proposed before, was paying for all of the through the host community funds. Borrow the 34 million and make the payment on that note through what we received from the community host agreement. It was a remarkable experience because we were the first to have ever have done it.

It was embraced by the town. We were able to build a municipal facility without using one dollar of tax dollars which was amazing. We didn't have to raise taxes to do it. It was a unanimous decision at town meeting and we were actually applauded on the decision. It was the people at this table who are really responsible for that.

This is a picture of the rendering that we did present at town meeting, and it shows you the library is on the right and right across from it you see the new town hall and the back is where the school used to be, they also have an auxiliary building out to the right

because it was much less cost to construct that particular area rather than make it part of the existing -- the public safety building. So we did that to save money.

Again, that was just another picture of what wanted to create this kind of Boulevard entrance as you walk in. And we tried to keep as many trees as we could keep and there's certainly more growing in.

But we really wanted to create this park feeling in between the building that members of the community could go to and if they are doing business at town hall, visiting the library, going to the public safety building, they might also want to just sit on a bench and enjoy the area and the complex.

And this was the ground breaking. Commissioner Cameron was there and it was wonderful to have her. It was a wonderful day and everyone involved in the process there and we moved forward with construction.

These are just some pictures of the school as it was being demolished and you see the pictures of the footprint starting to come to life on the right. And on the right is the town hall being constructed. On the left is the public remember safety building being constructed.

And then we had these beautiful buildings. So on

the right is the Boulevard entrance that I talked about when you enter into the complex, the public safety building is ahead of you, library on the right and town hall on the left.

On the left is the new town hall building and on the right is the public safety building. And I mentioned to you that we chose to have the building Commissioner serve as the OPM on the project, onus project manager.

So if you know anything about construction in Massachusetts, if your projects are going to be over a certain amount, you have to have an onus project manager on the project that is looking out for the best interests of the town. A lot of people go outside and hire an outside firm to do that.

We felt it was important to have someone in house who was invested in the project with their feet on the ground and their eyes on the project and that's why we chose Mark. It was without a doubt the best decision we have ever made. We also had an assistant OPM on the job. When Mark couldn't be there, he was there. In my opinion, it made a tremendous difference in terms of the quality that we received on the job.

The other thing we did is the Fire Chief and the police chief and their staff were very involved in the

design of the building and the construction. They went to the meetings throughout the week in the process because they're the ones who were going to live in that building.

While the architect was wonderful, they don't know what it's like to be a police officer or work in the town hall building. It was important for us to get those key people involved and now that we're in the building, it made a world average difference. So --

These are our new meeting rooms -- you saw what the beginning existing room was like. This is the room where the board of selectmen, planning board, all of the boards meet as well as members of the community who need to have meetings can use that space. On the right is the training facility for public safety.

>> CHAIR JUDD-STEIN: I just didn't know if you wanted to mention the craftsmanship of the board's desk, if you will.

>> MS. THOMPSON: That's a great story. So obviously when you're building buildings and you're using public funds, you want to make sure that you're doing everything that you can to be cost efficient.

So we had gotten a price for that credenza, so to speak, where the boards will sit behind, and I think the price was around 50 or 60 thousand just for that one

piece. And, you know, it's all solid wood and it's beautiful, but when we got the price, again, being kind of involved hands on, we were like that seems like a lot of money to spend on something like that.

And someone had the idea of reaching out to the prisons, the correctional industries in Massachusetts, to see if they did something like that. And they did. So the Department of Corrections actually had their correctional industry folks make the credenza, the two desks that you see in front of it, and the podium, and I think we got all four of them for \$11,000. And they did a remarkable job. As the Chair mentioned, when you see it in person, the attention is absolutely beautiful.

As I mentioned, the left is the foyer and the entrance into the public safety building, the right is the picture of the booking area, and I think that picture is coming in from like the Sally port, right, Chief? On the left, there's actually a port that you can drive in and out of, not have to back into, and on left is the meeting for the police that they use for the roll call and any other meeting that the Chief needs to have, can actually fit them all in one place now.

Another thing we did is prior to opening, we held open houses in the town hall -- before we moved in, we invited the public to come in and see them and we had an

amazing turn out. It was wonderful to see people come in and remark at how beautiful the buildings were, how happy they were that we weren't raising their taxes to build them, and it was just a wonderful thing.

That's people coming out of the public safety building, that's the apparatus floor on the fire side, and those are some folks getting a tour of the dispatch area, some folks getting a tour of the dining and kitchen area of the public safety building. On April 2019, the 4th, which is actually the anniversary of the Town of Plainville, we had our ribbon cutting and Director Bedrosian came down and spoke, we had a ton of officials there, Joe Fernandez was there, Penn National was there, and it was a wonderful, cold, but wonderful day. And these are some additional pictures from the ribbon cutting.

And last but not least, we want to thank the citizens of Plainville who supported us, thank the gaming commission who has been incredible and supportive of us and the picture was the truck --

>> COMMISSIONER ZUNIGA: It's a great looking truck.

>> MS. THOMPSON: Being the first to kind of get the license, you kind of think of all of the things that you're going to need. And none of us have ever worked

at a town that had a casino before and one of things that we didn't really at the time was Plainridge was building a parking garage and that none of the trucks responding to emergencies could fit in the parking garage.

So if you had a car fire or medical emergency, they had to kind of deal with it from the outside. Feel free if I'm not explaining correctly, but when the gaming commission came out with the grant funding and mitigation funding, it was perfect for us because it was something we just didn't think of as we were going through the process. So we're very grateful that the Commission looked at our application and helped us with funding for that truck.

>> COMMISSIONER ZUNIGA: By the way, I understand also that that truck allows you to get into other areas in town where you couldn't otherwise, is that correct?

>> MS. THOMPSON: Yes. So certainly thank you to the board of selectmen and the permitting committee which did all of the work that I'm telling you about. I mentioned Joe Fernandez, and of course I can't end the presentation without thanking Penn National.

Just a little bit of a plug for us is that we -- I know for me personally, I've been in municipal government my entire career, and people talk about why

aren't there more public and private partnerships? We're very fortunate in Town of Plainville that we have a partnership with Penn National.

They have been incredible to deal with and we have virtually no issues. And Jeff probably here's it the most if you do hear complaints and everyone is happy that they're there and it's just been wonderful to do with. Anything we can do to help them and help them stay competitive, the town is there to support them.

>> The residents are very please would everything we've done with them and we'll be working with them in the future. The future is something Jen didn't mention, but those beautiful buildings, one of the things I'm most proud of is they're designed to deal with the Town of Plainville for the next 50 years.

It's feels big when you walk in, open and airy and that's great. But it also feels like as Plainville grows, we're going to grow into those building even better, and I don't have to go back to the townspeople in 5 years and say, "We need to build an addition," or something like that.

It's well planned and great design. Thank you, Madam Chairman, for pointing out that wonderful desk area, table area in the meeting room. I think the Commission would look great sitting in behind it in one

of the fall meetings.

[Laughter.]

>> COMMISSIONER ZUNIGA: Well, there will be a recent hearing where we usually come to Plainridge for the racing hearings.

>> COMMISSIONER CAMERON: I don't know, we may miss the senior center with the dancing in the back.

[Laughter.]

>> COMMISSIONER ZUNIGA: We might need a before and after picture.

>> CHAIR JUDD-STEIN: Great presentation. Thank you very much for sharing. Obviously the town used money wisely.

>> COMMISSIONER CAMERON: I know in dealing with Chief Alexander and Chief Alfred, I frankly have never been in nicer police or fire facilities. The older pictures look like some of my old offices, and it brought back memories of what things used to be like in public safety.

[Laughter.]

So really tremendous, you know, partnership, as you say, and I look forward to -- I toured right before you opened. So I need to get out again now that folks are there and to see it really working full-time as it should. But great presentation. Thank you.

>> MS. THOMPSON: Thank you.

>> COMMISSIONER CAMERON: Really impressive.

>> COMMISSIONER STEBBINS: Great presentation and just a special shout out to Jennifer because she has always been willing to take this good news story on the road. She was very excited to come to Boston a few months back, talked to a group of real estate appraisers and helping them understand the positive impact that a gaming facility can have on the community. Thanks for everything. I keep spinning this great news story out.

>> COMMISSIONER ZUNIGA: It's a great story and I'm glad that you take the time to lay it out the way that you do and congratulations because these buildings look fantastic.

>> COMMISSIONER CAMERON: Chief Alexander made such an impassioned presentation about the need for that fire truck. It's nice to see it on the screen.

>> CHAIR JUDD-STEIN: I want to thank you again for the tour on Monday. The communications Director accompanied me and the facilities are so very impressive. The training facilities that the public safety building -- they're state of the art and you also have extensive meeting space.

I was very pleased to learn that not only are the residents of Plainville getting the benefit of that

first responders, the firefighters and the police officers, but also that those facilities are shared regionally.

Right now we know that it's very important that regionally there's public safety strategies being put in place, and we appreciate the benefit that you receive, they're very -- sort of very clever, very smart negotiations and the host agreement actually worked in a way that really advantaged your can community and the surrounding communities and beyond.

I really appreciated your time and I'm so impressed how the dollars were leveraged. I'm glad to have officially met you today, Jennifer. Any further questions?

>> COMMISSIONER ZUNIGA: I'm just curious other aspects of economic development, interest in people going into town or some kind of additional commerce coming into the areas that you described around the center of town?

>> So we've seen an uptake in interests in the area around Plainridge. For instance, there's a large development that is shared between Wrentham and Plainville just on the opposite side of Interstate 495. It's opening up this wall with a couple of hotels and restaurants and an assisted living facility and storage

facilities and other businesses there. So that area has picked up interest.

And we also have seen some increase on 1A which is the main drag through town. Actually, I had a big hearing just last week on a proposal for a new business there, so we have seen a pickup. The other thing that's been good is the racing, the horse racing business is doing very well there now. Whereas, if you went back 5 or 6 years ago --

>> COMMISSIONER ZUNIGA: Oh, we did.

>> It was really struggling and it's doing much better now which is good for Plainville and the surrounding communities. They recently added a new Clara Barton Cup for Phillies and had a big Spirit of Massachusetts event a couple of weeks ago. It was actually owned by a local horse which I thought was a great thing. And that was a great thing not just for Plainville but also the towns around us.

>> COMMISSIONER ZUNIGA: It's great to hear. Thank you.

>> CHAIR JUDD-STEIN: The only thing that was missing was, of course, the live video that I failed to get. I saw Chief Alexander --

>> MS. THOMPSON: We will get that to you.

>> CHAIR JUDD-STEIN: Chief Alexander demonstrated

how to go down the fire pole. If I had had jeans on, I would have accompanied you. I cannot believe I did not take a photo, and apparently it's been redone so I look forward to seeing that.

>> MS. THOMPSON: Thanks so much.

>> CHAIR JUDD-STEIN: And, again, thank you to all of the service of your teams. Thank you.

>> Thank you.

>> MR. ALEXANDER: Thank you.

>> CHAIR JUDD-STEIN: Thank you to Plainridge Park Casino, Mr. George, and your patience. And I'm sure that you, too, were excited to see -- again, I'm sure a presentation you're familiar with.

>> Thank you, Chair and Commissioners. Next up is the quarterly report for Plainridge Park for the second quarter ended June 30th of this year. Today we're joined by Lance George, General Manager, Mike Mueller, VP of Operations, and Michele Collins, VP of Marketing.

Before I turn it over to Lance, I'd just like to give a brief status update to the Commission regarding the potential extension of bus service to the Plainridge Park facility. While the service has not been established, we know that Plainridge Park continues to work with local partners to see how the service can be established. So with that, let me just turn it over to

Lance.

>> MR. GEORGE: Thank you, John. The only thing I remembered about the grand opening was how incredibly cold it was. I think I was sitting next to Mr. Bedrosian and I think I was shivering right on him. I did bring some cheating glasses because I'm in the habit of borrowing John's in past meetings, so I went the extra mile and bought a pair.

>> CHAIR JUDD-STEIN: We have a few extra pairs up here, too.

[Laughter.]

>> I get it. Revenues, a busy slide. A lot going on here. I'll draw your attention to a few of these numbers, Q2, comparison of the second quarter, decline of 3.7 percent approximately in revenue. Solid performance in the months of April and May with a more significant decline in June.

Obviously a portion of June's performance would have been impacted by the opening of Encore. In a broader sense for us, the landscape has certainly changed. In a span of less than 12 months, three casinos have opened around Plainridge.

We have got Tiverton to the east, MGM to the west, and as previously mentioned, Encore to the north. Encore, in particular, is a beautiful property and we've

anticipated our customers would visit. With that said, the impact to date in revenue has been in line with what we expected.

All in for the second quarter 2019, combination of taxes paid to the Commonwealth and fees paid to the horse men at 49 percent, approached 21 million with gaming revenues over 42 million. Successful quarter for us. We continue to be pleased with property revenues.

>> COMMISSIONER ZUNIGA: Just looking at the prior slide, just glancing up and down the quarters, these are all quarters where MGM was open. Perhaps just picking up speed in the first one, the first quarter of -- no. The third quarter of 2018.

>> MR. GEORGE: Yes. Q3 would have been the first impact of MGM.

>> COMMISSIONER ZUNIGA: So is it fair to say there's been maybe less impact from MGM opening or is it too early to tell? I'm just comparing to Encore.

>> MR. GEORGE: Certainly we expect that the impact will be of Encore will be greater than what we expect with the impact of both MGM and Tiverton. Yes. A lot of resales, again, a lot going on here. I'll call your attention to a few of these numbers.

Consistent with property revenues, lottery sales saw a modest decline, approximately 5 percent, Quarter 2

for 2019, total sales of over \$885,000, a large number. Encouraging results in lottery sales continue to be a great story for us.

As I always mention, if there's any changes or marketing initiatives -- there were no marketing initiatives to help drive that number, no change in the number of machines or outlets and no change to those locations, just a continued good story for us. We sell a lot of lottery tickets.

Spending and procurement, next two slides go hand in hand, what is in-state spending, and the other breaks it down a bit further. So for Q2, 2019, 53 percent or approximately 900,000 of the eligible spend occurred in the state, and the remainder is split amongst several other states which can be seen broken down to the right.

The 270,000 quarter over quarter increase to the in-state spending category has been primarily driven by a few larger projects in which we were able to identify Massachusetts vendors. Those vendors specifically, Ostrow Electric, Curry Buildings, and DDS Industries.

Continued work and diligence on behalf of the procurement team, led to solid results for us for the in state spending category.

>> COMMISSIONER STEBBINS: Lance, I've got to stop you there because it's 53 percent for the second

quarter. Your first quarter was 56 percent. If you look at second quarter 2018, you were spending 89 percent Massachusetts and your 2018 end result was about 26 percent in Massachusetts. So I'm worried our trend is going a little bit in the wrong direction.

>> MR. GEORGE: Okay.

>> COMMISSIONER STEBBINS: And that might be on account of national contracts or obviously, you know, the places where you're spending money, the list, you know, stays pretty consistent. I think it might warrant having a conversation with you and Eli and helping us understand where these trends are going because I'm worried they're not going in the right direction.

If you were trying to hit the 26 percent again for 2018, you'd have to have a pretty remarkable turnaround in terms of in-state spent over the next two quarters. I'm not sure that's what's planned, but I think we need to sit down and get a clearer picture on how this is unfolding.

>> MR. GEORGE: Happy to do that. Certainly.

>> COMMISSIONER STEBBINS: Thank you.

>> MR. GEORGE: One additional slide, probably a breakdown of local spending here which we typically do approximately 77 thousand or roughly 8 percent of the in-state procurement dollars for Q2 in the surrounding

communities and those dollars spread amongst all of the communities. This number remains largely consistent with Q1 results, up approximately \$16,000.

I know that the last year, I believe, I believe last year the year in Q2, we had a bigger number in the local spent. That comes down to a number of large capital projects. We had a roofing project, we reroofed all of the paddocks, and we brought to life an old building and that was \$150,000 alone spent in the town of Wrentham with Bristol construction, and that's why you see that drop year after year.

Vendor diversity, the overlook here as well as comparing to our goals for Q2. Overall, represented by the first set of bars, 28 percent of our spent fell into the category of a MBE, WE, VE, or a VBE. This number eclipses both prior year at 24 percent as well as our goal of 21 percent.

To the right of this is the detail behind the total which shows a solid increase in the WBE category largely driven by a few in-state vendors, notably Ipswich Shellfish, Milhinch, Industrial Supply, as well as Kittredge Food Service Equipment.

Targets were achieved for both NBE and VBE as well with a modest decrease in the VBE category. And then finally this is the last slide on vendor diversity

comparing Q1 of 2019 to Q2 of 2019. Overall, the property continues to meet or exceed in its category finding greater success in the WBE category for sure.

While we've been consistent in achieving these goals in NBE and VBE categories, we are certainly focused on improving those results. We hope to return in a few months with increased percentages in both of those categories for you. With that, I'll turn it over to Mike.

>> MR. MUELLER: Good morning, Madam Chair, Commissioners. In reviewing our Q2 employment numbers, we had 461 employees. 308 of those were full-time employees with 141 part-time. The 308 made of 67 percent of our staff while the 141 part-time made up 31 percent of our staff. You can also see a 3 percent for seasonal which is generally our racing employees.

Our diversity hires came in at 26 percent of the total workforce. Our veterans remain steady at 5 percent of the workforce, and our Massachusetts based hires made of 61 percent of our workforce while our local hires were 33 percent. Our male to female breakdown in terms of our staffing is 49 percent male and 51 percent female as of the end of Q2.

>> COMMISSIONER STEBBINS: So I think, if I'm not mistaken, you're doing well on diversity and your

veterans goal. I think you're exceeding Massachusetts in local. You're pretty close in male/female, almost right on target as well. I always like to go to your website. You have 21 job postings currently. So it's still ongoing opportunities.

>> MR. MUELLER: Still opportunities to increase the local hire. Going to the next slide, compliance. In Q2, our security department checked 18,820 IDs at the entrance podiums. Of those ID checks, 512 people were turned away. In breaking down the 512 individuals, 26 were minors, 129 were under age, and 355 had either expired or invalid or no IDs. There were also two fake IDs that were identified during this period.

Finally, in this area there was one minor and underage that was found on the floor. The minor was on the floor for a total of 12 minutes, came through multiple entrances, did not game nor did they consume any alcohol and we were quick to finally escort that person and those people with off the floor. Any questions? Okay.

>> COMMISSIONER ZUNIGA: I'm curious just to see -- just in case so you know, so the people who are turned away because they're underage or minors, did they claim they didn't know or they were just trying -- they said Rhode Island is a different age?

>> MR. MUELLER: Well, I think there's a mix, and there's also the fact that the established casino in Rhode Island has a different age than we do. So there may be some people that don't have the knowledge if they're trying to come to a different facility. Okay. Michelle?

>> MS. COLLINS: Good afternoon. I wanted to give you an update of our women leading at Penn. What we did in July is we had a panel discussion where many the women across the portfolio had a discussion in regards to the work-life balance. They had representation from those that were married, those with children, those that are single, and Kim Regal was on the panel. So it was exciting to get to see her again and really talking about the challenges that we all face.

And it was interesting to see some of these statistics, how we never truly unplug. And some of these stats I put up there just to share that Americans spend 117 minutes per day on their phones and an additional 90 minutes on their tablets, and one of the stats that's near and dear to me is the 85 percent of us who will be on our phones while our children or husbands or spouses are trying to speak with us.

So it really, you know, shed some light on what we can do and how we can make some changes. So the tasks

we have for homework for the group is take a minute by minute of your day and write down what you do. It's a big task, but in the end, the idea is to identify where the opportunity is to actually unplug for a little bit more each day. So it was -- we learned a lot about one another, and I think it's things that we forget to be mindful of.

I like the quote on here that says, "If work/life balance exists, you must build it." It really is in our control to do it.

>> COMMISSIONER CAMERON: With the support of company. Did these participants talk about some ways that, you know, that could improve or just suggestions?

>> MS. COLLINS: Yeah, I think the big one was clearly with summer time and all of us take vacations, so you're out of commission for about a week, and it's making the rule to your self that you check your e-mail twice an a day. Once when you wake up and once before bed, but not in between -- because otherwise you're not getting the full vacation. Tools that you have to do and you yourself have to be okay with doing it.

Okay. Again, we've had another quarter of community and local contributions. Here is our Relay for Life participation. We earned about \$27,000 for Relay for Life and we helped them exceed their goal for

150 thousand for this season.

One of the things we've changed this year that we didn't do in the past is we have contribution boxes at the gaming floors at the exits where a lot of times customers will have a TITO ticket for 50 or \$0.85, not going to end up spending and stuff it in their purse, instead they can put it in the contribution boxes and since we've started in February, we've raised an additional \$6,000 just from the guests putting in their change, essentially.

>> COMMISSIONER CAMERON: Wow, great idea.

>> MS. COLLINS: We've continued with many the sponsorships that we typically do utilizing what we have in our surrounding community for entertainment destinations. The Fenway concert series. One of the new ones we're doing this year which we're excited about is we we've wanted to do something different utilizing the outdoor racing area and so what we did is work with Beasley Media Group and doing a concert series. Just 3 concerts.

The first one, not a lot of people showed up but we've shown now that it works well in the location and we have the venue outside of the racing with the bar where we serve drinks and hot dogs and burgers and what not. The second one was the Journey tribute band and it

was very exciting. You start to try things you haven't done before and was really successful so it opens it up to next summer to expand and target that demographic in a better way.

The last one is going to be in September and we're excited because it's Wrentham native Ala Brown performing. So she has a following and it's just exciting to bring in a local artist.

>> COMMISSIONER ZUNIGA: That's great.

>> COMMISSIONER STEBBINS: That's great.

>> MS. COLLINS: Additional marketing highlights, the outdoor concerts. And we've also been working on our my choice roll out. That's the Penn wide universal park that allows our guests to go from properties to properties.

Now the portfolio is over 40 properties, and we're really interested in cross property visitation and getting people to come to this area by utilizing the partnerships with the sports teams and different concerts and everything that goes on as well as with the golf, right? There's so many things we can bring people in to do.

With the Stanley Cup, we partnered with the St. Louis property and we brought a group there and then they sent a group of their customers here and as you can

see from the picture, we were all very excited to be promoting the Bruins, and it's unfortunate, but what we can do is blame Steve O'Toole because what he admitted to us is they don't win when we wear a jersey. If he had told us that --

>> COMMISSIONER ZUNIGA: There we go.

>> COMMISSIONER STEBBINS: We just broadcast that all across --

>> Thanks, Steve.

>> COMMISSIONER CAMERON: I'm actually happy to see Lance in a Bruins jersey. What's next? What do we think?

[Laughter.]

>> MS. COLLINS: That concludes my portion of the presentation if anyone has any questions?

>> COMMISSIONER CAMERON: Everything looks strong. I think you're paying attention to all of the issues and all of these sponsorships and local community activities are just great so congrats on the effort there.

>> MS. COLLINS: Thank you.

>> COMMISSIONER STEBBINS: As you know we just gave a community mitigation grant to Foxboro to work with Plainville and rent them to look at tourism strategies to really make that part of the state and that region

more of a destination. So that's all -- all of this ties into that which is great.

>> MS. COLLINS: Paige has done a great job with that.

>> CHAIR JUDD-STEIN: Thank you very much. Thank you, John.

>> Thank you.

>> CHAIR JUDD-STEIN: To our Plainville visitors, thank you, safe travels. Plainridge, thank you very much. I appreciate you coming up in your later morning start. Thank you. We're going to -- I think, have one vote. We'll hear from Director Wells before we break for lunch.

>> MS. WELLS: I know I won't be too long. I know attorney Krum is here if there's any questions on the Junket.

>> CHAIR JUDD-STEIN: Thank you, Karen. Safe travels. Now we have our Investigations and Enforcement Bureau Karen Wells addressing junket licensing and reporting requirements. Thank you.

>> MS. WELLS: Attorney Teresi was working with me on that. She was unavailable today and she'll be collaborating for me and she'll be back probably on the next meeting. Encore Boston Harbor requested some movement on using junkets to bring customers into their

casino.

And as a preliminary matter, I wanted to clarify for the Commissioners and for the public that when we're talking about junkets in this context, we're not talking about the same thing that we were talking about during the Wynn and the MGM suitability determinations. We're talking about junkets and Macau.

And this is a statutorily defined term, but when we're talking about junkets in Macau, and sometimes we talk about gaming promoters or gaming promoter rooms, those are really mini casinos within a casino. So in Macau, you'd have an individual operator running his or her own little casino, offering credit, operating the games, et cetera.

When you're talking about junkets here in Massachusetts, you're really talking about almost an organized tour group, like bringing people into the casino and coordinating sort of getting there in the rooms and everything like that.

So it's not the same thing at all as what we were talking about when we were thinking about junkets and Macau. And that difference, I think, is important. So today, we're looking for two things from the Commission. One, the IEB is asking for a determination on the level of licensure required for what I call an independent

operator or a solo practitioner junket operator.

Not something who works for a company, enterprise, LLC, or the LLC or company itself. We currently have a licensing level for a junket enterprise, sort of that highest level, BED, the applicant entity form. And employees of the enterprise or the casino itself that are working as junket operators would be licensed as a junket representative at the gaming level, the GEL form.

So we kind of have a hole in the licensing levels. We'd like to know what the Commission would like to do for the level of licensure for an independent operator. And Ms. Krum can explain what happens -- usually what the expectations are at Encore Boston Harbor for that kind of operator.

The second thing we're looking for is some feedback on the Commission on the regulations. Attorney Teresi has been working on the regulations and she'd like to draft those and come before you at the next meeting with a verge to start the promulgation process.

We wouldn't need a vote on that, but it's helpful to get some feedback before the drafting and knowing are what the policy directive is from the Commission during the drafting process.

So first as to the level of licensure, I think to start out, if we could bring Attorney Krum up and

assistant Director Band is also in the room. He also has 30 plus years of gaming experience in New Jersey so he can sort of help out with the experience there.

But if Attorney Krum could explain how EBM intends to use the experience of the junkets and the relationship of the solo practitioner, I think that would be helpful to give you level of comfort on what the right licensure should be.

>> ATTORNEY KRUM: The way we'd intend to use them is we'd enter into a contract with either the entity or the individual. So essentially it would be an independent contractor relationship where they'd be bringing in people. We would not allow them or under the regulations nor could we permit them to give credit. So they would be essentially bringing in people, introducing them to our team, sort of hosting them.

But as independent contractors, not as employees.

>> COMMISSIONER O'BRIEN: Recruiting them how?

>> There are people who operate this way. They either have an LLC corporation and they employ individuals. That would be one way of doing it. Alternatively there are individuals who we would contract with directly and they, themselves, operate their own business.

>> COMMISSIONER O'BRIEN: I guess my question was

more what types of incentive, et cetera, drive the people in? What do they use to recruit them in.

>> So we would pay them commissions.

>> COMMISSIONER O'BRIEN: But what types of things do they offer the clientele to get them in?

>> They'd have to work with the host at our properties -- much the same way that our host works with clients directly, they work with a host and our property to incentivize the client.

>> COMMISSIONER O'BRIEN: Can you be a little more specific, complimentary room, complimentary meal?

>> There's many ways of doing that, sometimes it's a free meal, free stay, spa treatments, there's a host of things to provide to them based on the level at play.

>> COMMISSIONER STEBBINS: We're specifically talking about the individual representative or trip organizer or -- the term "junket," kind of strange.

>> It's a bad term.

>> COMMISSIONER ZUNIGA: It's in the statute.

>> COMMISSIONER STEBBINS: In government, we think a junket is something that's even more nefarious. What's kind of the mix of folks? I mean, are they an individual, sole proprietor, LLC, this is what I do, it's my business, versus you find somebody involved in a large group and there's a certain contract award you pay

to that individual saying, bring your golf group here or -- I'm trying to get an idea of how much attention we really need to pay to these groups.

If it's not a huge chunk of the individuals, can we help the junket go through more of the license of a vendor as opposed to a gaming employer or a one time contract. I'm trying to get a sense of what the blend is.

>> So a lot of these individuals do this in other jurisdictions and they have essentially gaming clients that they know -- either very good friends with, have a community, developed a certain clientele. So they've got an established clientele in certain jurisdictions and essentially we'd be tapping into that to have their clientele come to our jurisdiction as opposed to other places. So they do tend to focus on gaming clients.

>> COMMISSIONER STEBBINS: Okay. But are they a sole proprietor, an established business, or just somebody who does this on the side and they're going to get paid and, you know, what they get paid shows up on their taxes?

>> So the answer is both. Some of them have established businesses where they actually have entities and they run it through a business. Others of them work in different fields and this is something that they do

on the side as an individual.

>> COMMISSIONER ZUNIGA: Could you share the typical arrangement with a junket? Commission based?

>> It's typically a commission based, have a standard junket agreement, call it an independent contractor agreement, but it's a standard contractor agreement that has all of the protections in it for us as well. We make them go through a background check from our perspective as well.

>> COMMISSIONER ZUNIGA: And they promise to bring in some number of clients at some level of play. What if that doesn't pan out?

>> It's just a commission based contract so if it doesn't pan out, it doesn't pan out. And they're under no obligation to necessarily deliver. Not holding them -- you've got to deliver X amount of people per year.

>> COMMISSIONER ZUNIGA: They really resemble your marketing professionals.

>> That's correct.

>> COMMISSIONER ZUNIGA: The people on staff offering promotions, you're just leveraging their presence by using contractors who are going to be doing that for you.

>> That's correct.

>> I agree exactly with what she's saying. I've seen it where it's also been commission based where the players they've brought in that lost, they've got a percentage of that, seen it that way. But a lot of times, bringing a group, professional athletes, have a following, bring a whole group with them.

Then there's hosts that have left the business that have a large clientele base, they will make the same arrangements with casinos. They're just doing this privately with the casinos where they used to work.

>> COMMISSIONER STEBBINS: How do other jurisdictions deal with licensing -- obviously you guys only operate domestically in Nevada. How does Nevada deal with some of these independent contractors? Not the established business, but the professional athlete who has a following?

>> I'll have to get back to you on that. I'm not sure how Nevada does that. I don't think it's as highly regulated at some other jurisdictions, though.

>> COMMISSIONER STEBBINS: Okay. Yeah, I think that would be helpful information to have.

>> COMMISSIONER ZUNIGA: What's the level of licensure of people who offer marketing at --

>> The hosts?

>> COMMISSIONER ZUNIGA: Yeah, the hosts. So the

GEL or --

>> Well, the supervisor would be a key standard because -- I think the one --

>> CHAIR JUDD-STEIN: Karen, your microphone, please.

>> MS. WELLS: I think any kind of individual with supervisor responsibilities would be at the key gaming standard. But I think the line level of employees would be at the GEL because marketing is something that we definitely want to keep an eye on.

>> COMMISSIONER CAMERON: Director Wells, you're recommending key gaming standard for this particular position.

>> MS. WELLS: Correct.

>> COMMISSIONER CAMERON: Can you elaborate on why IEB believes that's the right standard for this position?

>> MS. WELLS: So I would say that it falls in between the gaming employee level of licensure and the type of information that we would request and the key executive which films out the multijurisdictional personal history disclosure form and the Massachusetts supplement.

And the difference between the GEL, the gaming employee license -- the key standard does also take a

dive into the finances and given that this is involved with marketing and solo practitioner would not have the supervision of an entity that's licensed or a casino that's licensed, we just don't think that's quite enough of a look into the finances and some of the background information.

So we would be more comfortable with that higher level of licensure. The multijurisdictional form itself that key employees fill out has generally the same information at the key standard form, but the key standard form is somewhat streamlined.

I would say the one area where we don't ask for a lot of information that multijurisdictional asks for is information on like relatives, parents, children, and other levels that are asked about in the multijurisdictional. I don't really think that you really need that for this solo practitioner. But the general information at that level is captured.

We discussed it internally with legal and with the gaming agents and think that -- with the licensing division also, and that seems to be the appropriate level given that there's no supervision, no other entity or casino that's overseeing this solo practitioner type employee -- well, I guess it's not an employee. It's just the junket operator. So that seems to give us a

level of comfort because there is marketing involved in all of this.

>> COMMISSIONER CAMERON: I know in this particular position, you are concerned about finances. And it's my understanding that the two higher level licensing background investigations both have a very strong financial component.

>> MS. WELLS: Correct. And they are assigned to a specific financial investigator and there's a whole network analysis, tax review, that kind of thing. And even Commissioner Stebbins mentioned, if you're getting this money, you're supposed to report it on your taxes, that's the kind of thing that would be appropriate to check that everybody is doing the right thing.

>> COMMISSIONER STEBBINS: A key gaming employee standard has to pay a thousand dollar driver's license fee or application?

>> MS. WELLS: I'm not sure off the top of my head, but there's some kind of fee.

>> COMMISSIONER STEBBINS: Somebody doing this -- not an official business set up, are they going to want to go through this process and this expense to be able to offer this to you and enter into that business relationship?

>> So we have reached out to a number of well known

operators we've previously worked with and we've found that they are willing to participate in the process.

>> COMMISSIONER ZUNIGA: You mean if it included a fee? Because I think that's something -- are we contemplating charging the same?

>> MS. WELLS: I would assume so but I'll defer to the Commissioner what you want to do.

>> COMMISSIONER ZUNIGA: Because the charge goes back to the company on the key gaming standard.

>> MS. WELLS: That's up to the company.

>> Yes, on the employee side. But obviously, if this was a vendor, they would pay it.

>> MS. WELLS: Yes, so it would be like a vendor.

>> COMMISSIONER STEBBINS: Yeah, I'm kind of just struggling trying to make the difference between the person who is the sole proprietor has the business set up to do this and the individual who doesn't do this full-time, one might be charged a thousand dollars to go the key gaming employee standard group, you know, how do we treat the other one if they're --

>> MS. WELLS: Well the BED would be comparable for that application.

>> COMMISSIONER STEBBINS: But this is a thousand dollars one time a year and this is one thousand dollars a one time shot. I want to be sure we're treating

everyone fairly --

>> MS. WELLS: I'm not sure when you say a fair --
I think a key employee is three years.

>> COMMISSIONER STEBBINS: Well a key employee is a
thousand dollars once.

>> It's renewable so you pay it again.

>> COMMISSIONER STEBBINS: For a key gaming --

>> COMMISSIONER ZUNIGA: 3 or 5 years, I think.

>> MS. WELLS: My understanding and -- but the
Commission had sort of that -- I think there was 5 years
initially and then renewals of 3 years which is by
statute. The renewal time is by statute, I believe.

>> I know that because Bob DeSalvio is coming up.

>> MS. WELLS: Exactly. Like West Mass is coming
up. So all of these folks that we licensed three years
ago are coming up again.

>> COMMISSIONER ZUNIGA: Okay. I'm comfortable
with the recommendation, I think it strikes a balance.
I see the notion that operationally or functionally,
rather, these would resemble a GEL and we do a lot of
investigation on the GEL meaning the lower level.

But because you pointed out this is a sole
proprietorship, might not be necessarily in an advisory
structure within the whole company, it might merit this
additional look. I don't think going towards executive

or higher where the BED has to be filled out really has to be filled out with the information that comes on that form. I would want that to be a bit of a barrier in terms of getting some of these people, you know, engaged.

I think it helps the casino to have them engaged.
So --

>> CHAIR JUDD-STEIN: Mr. Curtis is here. I think he just arrived. If we have clarification needs.

(Away from mic.)

>> It's five years.

>> CHAIR JUDD-STEIN: On the microphone.

>> It's 5 years on the initial and then 3 years going forward after that.

>> CHAIR JUDD-STEIN: Every 3 years renewal, correct?

>> Correct.

>> COMMISSIONER STEBBINS: And a thousand dollars every time they pay for the renewal?

>> Yes.

>> COMMISSIONER ZUNIGA: What about the GEL? I'm just curious.

>> GEL is \$300, and the initial is good for 5 years. And the renewal is 3 years after that, and that's \$300. And the executive, which we hadn't talked

about, but that's a thousand dollars, too, same parameters plus costs, investigative costs.

>> CHAIR JUDD-STEIN: So what I'm hearing is you don't want to see the application fee become a barrier to engagement but I'm not -- I'm hearing consensus that this is the proper gaming licensing level.

>> Yes.

>> CHAIR JUDD-STEIN: But can we monitor the application fee --

>> COMMISSIONER STEBBINS: I think Karen is trying to take something existing and fit it to this unique individual and at the same time, I'm certainly comfortable with the form that she's suggesting giving her team the background and the information that they need to properly investigate folks.

My only challenge is balancing the individual who is just doing this as kind of a part-time thing versus somebody who this is their explicit business, may not rise to the level of a junket enterprise operator, but we're treating everybody fairly and consistently.

>> COMMISSIONER ZUNIGA: But why would it be any different if you're doing it as a side -- part-time or full-time? If you are a sole proprietorship --

>> COMMISSIONER O'BRIEN: Yeah, the financial risks that we're eliminating with the background is the same

regardless --

>> COMMISSIONER STEBBINS: I understand. But it's treating an individual who does this not as their primary form of business, unless I'm looking at the information wrong, versus somebody who does this as a sole proprietor, has an established business, that doesn't rise to the level of the junket enterprise -- if I'm a sole proprietor, I'm not getting to the enterprise level.

>> COMMISSIONER ZUNIGA: Enterprise comes when you have employees. And then you have employees, and then you've formed a company, essentially, an enterprise, and then you have the two levels of licensure for the company which they will be required to fill and for the individuals which they would also be required to fill.

But if you have a sole proprietor, just one person, whether they're doing this full-time or part-time, I'd say it's the same level of investigation that they're discussing. Presents the same level of risks whether they're starting because they just left the casino and they have many clients they can bring or they've been doing this and it's a full-time position, we would investigate and charge the same.

I would actually just through conversation I started thinking about the fee. I suppose -- and, yes,

I would not want that to be a barrier. But I suppose the company could enter -- could figure that out by themselves.

>> Yes, and part of the Commission.

>> COMMISSIONER ZUNIGA: I figure it is, you would incorporate it in your arrangement or bear the costs yourself which is essentially incorporating it -- for licensure which is what you do for other employees. I did bring it up through the conversation Chair. I don't think it would be one in which we might effect the marketing, if you will. It would be up to the company to figure that out.

>> CHAIR JUDD-STEIN: And the application fee reflects the level of professionalism we expect -- as I understand it, there's really a gap in our regulations. We didn't anticipate the solo practitioner that tends to be the model that you're encountering.

>> That's correct.

>> COMMISSIONER CAMERON: I'm convince that had this is the right level of licensure.

>> Okay.

>> CHAIR JUDD-STEIN: And we're going to address reporting separately?

>> MS. WELLS: Yes, but it's helpful for me to have a vote so that I'm sure this is the way to go for the

license sure, but for the reporting it won't make sense to vote on that so it would --

>> CHAIR JUDD-STEIN: I would like to discuss voting before.

>> MS. WELLS: However you want to do it is fine with me.

>> CHAIR JUDD-STEIN: But you do want to vote?

>> MS. WELLS: Just only the level of licensure, not in the reporting requirements.

>> CHAIR JUDD-STEIN: I suppose they are independent. To the extent, though, that in any way the reporting requirements inform your thoughts about the licensure, we can go into that discussion.

>> COMMISSIONER ZUNIGA: I think they're separate. It's part of the same conversation, but I think that solving and agreeing, it sounds like there's a consensus emerging that the key -- that the level of licensure is what we would anticipate. I think it's fine.

>> CHAIR JUDD-STEIN: Right. And in order to advance your work properly then, do we have a motion with respect to the licensing level?

>> COMMISSIONER ZUNIGA: Madam Chair, I'd be happy to move that the Commission approve the recommendation of the IEB and legal department, that individuals operating as independent gaming representatives with a

sole proprietorship be licensed as key gaming employees as more fully detailed in the memorandum from IEB Director Karen Wells.

>> COMMISSIONER O'BRIEN: I would remove the sole proprietorship because you could actually keep the LLC and still function in this way, and I think it would be the key gaming employee standard that would apply to that regardless, whether you would incorporate it or not; is that correct?

>> MS. WELLS: Well, what we would do is if the enterprise was an LLC, pursuant to the regulations that are in place, the LLC, you'd submit the BED for the LLC. But as the executive for the company, that person would fill out the key gaming standard. Like it's a scope of licensing issue similar so what we do with our gaming vendor primaries and gaming vendor secondaries.

>> COMMISSIONER ZUNIGA: So then Commissioner O'Brien is correct that it doesn't necessarily apply just to the sole proprietorship?

>> COMMISSIONER O'BRIEN: You could have somebody who does not incorporate who chooses to take the risk to not be an LLC who could still function as an individual representative.

>> MS. WELLS: Right. And that person would be the key gaming standard.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER ZUNIGA: All right. I withdraw my motion, and let me make it again. I move that the Commission approve the recommendation of the IEB and the legal department that individuals operating as independent junket representatives be licensed as key gaming employees as more fully described in the memorandum from Director Wells and Associate Counsel Carey Teresi dated August 8, 2019, as included in the packet and that the IEB begin to accept license applications from independent junket representatives while the Commission is promulgating regulations regarding these representatives and their reporting requirements.

>> MS. WELLS: And that is key gaming standard.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any further discussion on this matter, and then we'll return to reporting? Okay. All those in favor?

(Ayes).

Opposed? 5-0. Thank you, Catherine.

>> MS. WELLS: The second matter for discussion this afternoon, the memo in the packet outlines what other states do for reporting requirements for casino

junkets, and on page 5, there are some bullet points regarding recommendations as to what should be in the regulations for reporting requirements.

Those include the origin of every junket arriving at the premises, names of the participants, arrival, departure time of the junket, license number of the junket and enterprises involved in the junket and the amount of complimentary services provided to each junket participant.

This would be something that the casino would keep on file that we could reviewed if we so desired at any time. And in addition, the IEB is recommending requiring the licensee to submit copies of the junket requirements to the IEB so we can review those.

In addition, we're also recommending that the regulations prohibit both 1 junkets extending credits to patrons, which already indicated they have no intention of doing that any way, and two, markets excluding to specific persons.

We've had some discussion internally -- attorney Teresi working with Mark Vander Linden getting person how to craft that if that's the direction that the Commission is now giving us.

So it would be helpful -- I will report back to attorney Teresi on the thoughts for these parameters for

the regulations, the other two recommendations about credit and self-exclusion, and if there's anything the Commission would like the staff to incorporate in the draft regulations which you'd get a chance to review and change if you see appropriate.

But I want to make sure that we get on the right page before we give you the first draft.

>> COMMISSIONER O'BRIEN: I would say your list, the self-exclusion prohibition -- as far as the last bullet, I assume it means the actual type of complimentary services --

>> MS. WELLS: Right. They would give a list of what's going on.

>> We already have complimentary reports that we make.

>> Give us a quarterly report --

>> COMMISSIONER O'BRIEN: Right, not just the dollar amount.

>> MS. WELLS: And there's not sort of an end run around the requirements the casino has to do. The junket operator has to do the same thing.

>> COMMISSIONER ZUNIGA: I would just -- I'm in agreement with the list as well as the two that you pointed out. I would just put up a finer point on the self-exclusion list.

There is also a no marketing list which may actually be larger or, you know, a bit bigger than the self-exclusion list. I think we should -- it should be because it's essentially a marketing function that the list to check is also -- will also include the no marketing.

>> MS. WELLS: So the prohibition would include the no marketing list --

>> COMMISSIONER ZUNIGA: Right, not just the self-exclusion list. Okay. I am also curious, is there ever any kind of complimentary service that the junkets themselves provide to the --

>> Sure, they might provide transportation. I think that's probably the most common. I can't think of anything else --

>> COMMISSIONER ZUNIGA: Ultimately, everything will be captured by all of these lists.

>> Everything comes from us, right.

>> COMMISSIONER CAMERON: So in reviewing other states, you really put together what you thought were best practices in Director Ban's experience of what are the correct items --

>> MS. WELLS: Correct. And I think what we'll do is monitor this while it's in practice. But like anything else before this commission, if we see

concerns, we'll bring it back before the Commission.

If we want to see something else or something is not giving us the same level of comfortable that we think we should have, we can revisit it. It's not like it's a one and done situation here where six years from now you can't undo it. We just wanted to know if you had any concerns.

>> CHAIR JUDD-STEIN: I just wanted to clarify a point that we discussed, Director Wells, that the IEB will receive a copy of each junket agreement including those with the solo practitioners. And then the other information will not directly flow to IEB, those put forth in the bullets.

>> MS. WELLS: Right.

>> CHAIR JUDD-STEIN: But you, through IEB, occasionally audit this kind of information. And am I hearing, too, that we would get in the quarterly report the complimentary services?

>> From all of licensees.

>> CHAIR JUDD-STEIN: And that would include in here. So that information does flow directly to the IEB through a quarterly report?

>> MS. WELLS: Right.

>> CHAIR JUDD-STEIN: That's helpful to know. And you're not looking for any further guidance in a vote?

>> MS. WELLS: Yes -- no. Just if there were any other further bullet points, other things you wanted us to add that we hadn't thought about. But if you're in agreement with the parameters that have been set here, that's what the legal department will put into the regulations and will bring that, I think, to the next meeting.

>> CHAIR JUDD-STEIN: That's great. The one item that we have now authorized you to proceed with this licensing level in effect and I think it's always best that this would be a matter of policy for enforceability, a regulation, we would proceed into the normal course of a regulatory promulgation. But keeping it on a good cadence going forward.

>> And while she couldn't be there today, I'd like to thank associate General Counsel Teresi for all of the work she'd done with this.

>> CHAIR JUDD-STEIN: So we're missing Carey today but understanding her work.

>> COMMISSIONER ZUNIGA: Readily available, can be produced in reports, not going to be onerous --

>> MS. WELLS: No , we can produce all of that information readily. All right. Thank you very much. I appreciate it.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Thank you. I believe this is a good time probably for all of us to grab a bite to eat. We'll resume -- it's now 1:30. Does 2:15 seem too generous? Would you prefer 2:00?

>> COMMISSIONER ZUNIGA: That's fine.

>> CHAIR JUDD-STEIN: 2:00 would work for us if that works for all. Okay. Thank you. We'll resume back at 2:00 p.m.

(Brief recess was taken.)

>> Captioner standing by.

>> CHAIR JUDD-STEIN: All set? We're reconvening our public meeting number 275. We're going to start now with item number 5 on our agenda. Thank you, the research and responsible gaming report from Director Mark Vander Linden.

>> MR. VANDER LINDEN: Great, thank you, Commissioners. Good afternoon. So what I'm bringing before you today is the FY20 gaming research agenda, and I will ask for your guidance and hopefully a vote affirming this agenda.

Chapter 23K section 71 directs the Massachusetts Gaming Commission with the advice of the Gaming Policy Advisory Committee to carry out an annual research agenda. There's 3 core functions of what the research agenda is intended to accomplish.

One is to broadly understand the social and economic effects of expanded gaming in Massachusetts, second is to carry out a study of problem gambling and prevention and treatment programs in Massachusetts that addresses harmful results before any casinos open up in Massachusetts, and finally, also rather broad, collecting scientific information about neuroscience, psychology, sociology, and public health impacts of gambling.

The research and responsible gaming act is important to understand the effects of gaming in the Commonwealth. More importantly, the findings are intended to guide the interventions and policies that impacts the positive impacts of gambling in Massachusetts and also functions to minimize gambling related harm.

The memo I'm giving you has several pieces to it under the FY20 research plan. One is a general description of each project that would be included in this plan, second is a very specific of deliverables and activities included, and finally there's a reference of section to 23K which the deliverable relates to as well as a budget review of what the FY20 research will cost.

The FY20 plan begins to integrate the gaming research strategy that was conducted or completed over

the past probably about year and a half right now. That research strategy was, I think, an essential component much as the responsible gaming framework has guided the Commission in its efforts regarding responsible gaming.

This gaming research strategy will provide the same, the strategy as a multiyear document that will provide us with valuable information about how to change it not from a research agenda to a research program.

It highlights key areas in which we haven't necessarily focused on in the past but are important for us if we really want to accomplish this overall goal of understanding the effects of gambling in Massachusetts and integrating some important pieces of that.

And finally, it really calls upon us to do a -- to get the information out to the important stakeholders in a timely manner which is a challenge of any research, but the concept of knowledge translation that is taking the mountain of data that we have and maximizing its utility to key stakeholders so they can make an informed, much like we ask for gamblers in Massachusetts, making an informed choice or decision that is based on evidence rather than on feelings and anecdotes.

The research agenda, this FY20 research agenda was approved by the Public Health Trust Fund Executive

Committee in May on May 22nd. I brought it to the Gaming Policy Advisory Committee on July 11th with no recommendations for changes at that time. The gaming policy advisory -- sorry, the Public Health Trust Fund Executive Committee did approve this budget or this research plan in May.

The total cost of this research plan for Fiscal Year 2020 is \$2,350,000. That is \$130,000 less than the FY19 approved budget and \$230,000 less than the FY18 approved budget for research, specifically.

The exact, more detailed budget and the cost for each project is on page 5 of the memo that you have. So on page 2 -- from page 2 to 4 really, it outlines, as I said, each of the specific deliverables, the tasks that are involved in that deliverable, and the statutory and practical significance.

I can go through each of these deliverables, or I can talk to you just kind of generally about what the significance and importance of each of the projects that we have are. Why don't I do that, and if you have specific questions, we can dive into that.

So on the top of page 2A, you can see that we have six months worth of work outlined with the SEIGMA people from UMass Amherst. That's only a 6-month plan because from January 1st to June 30th, the second half of the

fiscal year, we have this work out for reprocurement at this point. So the exact work will be largely defined through this procurement process.

There are a number of deliverables that are coming our way in the first six months. Because of the nature that this is an -- had been an ongoing project, we have a lot of deliverables in the first six months where we're being delivered the data and that it would be intended that the successful bidder would take that data and begin integrating it into their work.

And farm, an important task in the coming month or two would be the Springfield targeted survey. This is a survey of a thousand individuals in the Springfield area, adult individuals, I should say, using addressed based sampling design, builds on a baseline done before MGM spring field opened up.

The significance of this is to try to get a handle and understanding of what changes have happened when you open up the MGM casino in Springfield, what are the changes in gambling behavior, participation, attitude, and more importantly, what are the changes in problem and at risk gambling.

That information is valuable because obviously we take that information and it begins the basis of what is our public health approach or strategy to address that,

and that is done in partnership with our partners at the Department of Public Health and other state agencies.

>> CHAIR JUDD-STEIN: Mark, just so I understand, again, this is just raw data that will be collected by our current research, UMass --

>> MR. VANDER LINDEN: Yes.

>> CHAIR JUDD-STEIN: And the RFP goes out and the data that's being collected -- when you issued the RFP, was part of the expectations for the response that the respondent's ability to actually use this data -- or do we just assume that they can use that data? Was it universal research standards or specific to the RFP?

>> MR. VANDER LINDEN: We own the data that is collected. By contract, it is our data and then so that data would be transferred to the --

>> CHAIR JUDD-STEIN: I understand the ownership. But because I'm not an academic or researcher, how the data is collected or because it's simply raw data, it will be the data that will be acceptable to whoever actually is awarded the RFP?

>> MR. VANDER LINDEN: Correct. That's correct.

>> CHAIR JUDD-STEIN: Okay. Thank you.

>> COMMISSIONER ZUNIGA: There's also in case of the respondents are interested, they also would have -- not just access to all of the data, but all of the model

that that's underneath to calculate the algorithms that are underneath to calculate incidents, for example. It's not just data, but also the methodology.

>> CHAIR JUDD-STEIN: The methodology. That helps, thank you, yeah.

>> COMMISSIONER ZUNIGA: Also helps anybody to respond who wants to take this on.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. VANDER LINDEN: So you'll see that a lot of the activities in the first half of the year that will be carried out by UMass will be focusing on Springfield and the surrounding areas to understand what the impacts are, and that includes the MGM patron and license plate survey. For example, they've been to the -- the research team has been to MGM in two waves at that point, one back in February and then again last month. So they have this data and they will be reporting on that.

That is invaluable information because it begins to answer questions about what is the origin of the patrons that come to the casino, and it answers key questions about repatriation of dollars coming to Massachusetts or bringing persons from outside of Massachusetts into Massachusetts to spend their dollars gambling.

It includes the -- a new employee survey which for

MGM as well as PPC and Encore. The Encore construction report, this would be another example where we -- the SEIGMA team is collecting the data, they will organize it, the analysis and construction spending impacts will be done through the reprocurement.

>> CHAIR JUDD-STEIN: Sorry to interrupt again. In terms of the new employee survey, we discussed it a little bit. I'm not sure how we left it, Mark. My impression was to better understand the economic impacts on the employee, and so you're getting kind of baseline information on the new employee, and will there be an opportunity to be able to survey those new employees who continue on in service to find out if their anticipated impacts actually come to fruition. Will that become part of the agenda down the road so we can actually --

>> MR. VANDER LINDEN: So we can track employees from when they're hired to when they're through?

>> CHAIR JUDD-STEIN: Yes. Because you're doing a new employee survey now at MGM. You probably did one before in the first round. Yeah. And now I'm wondering if we can track -- have we started at Encore doing new employee --

>> COMMISSIONER ZUNIGA: Yes, we have.

>> CHAIR JUDD-STEIN: There's an opportunity to start new employee tracking there.

>> MR. VANDER LINDEN: Right. If I can get back to you -- I know there's complications tracking these employees long-term but I don't want to give you a wrong answer. I want to understand that completely --

>> CHAIR JUDD-STEIN: Because of privacy issues, et cetera?

>> COMMISSIONER ZUNIGA: Yeah, and well we have not done a repeat of the same licensee on the employee survey. What you articulated is we're coming on the employee survey now on the third time around but only because it's the third casino.

Actually, this is a good thought to have in terms of future research agenda, not the one before us relative to how much follow up of a prior employee survey should be done in the facility.

You know, I think it's good. It's important. There's a high turnover in the industry that, you know, it's in my mind, it's good to see the trend. They tell us that those very high turnovers decrease over time and that would be a testament to a good operation in terms of good people.

But we have not planned, at least at this point, correct me if I'm wrong, a follow up survey on let's say Plainridge on the employees, correct?

>> MR. VANDER LINDEN: Have not --

>> COMMISSIONER ZUNIGA: We have not planned that. It's a good thought that keep in mind.

>> CHAIR JUDD-STEIN: Yeah, and Mark is reminding me on how we left it that there is potentially some legal barriers to getting that information. To the extent that there aren't barriers, it might be helpful to know how, in fact, being an employee at one of our licensed facilities impacts them economically. One presumes favorable that they're staying, but that might not necessarily be the case. So just the economic impacts in terms of how you measure --

>> MR. VANDER LINDEN: Right. A follow up, and Commissioner Stebbins and I have spoke about this in the past. It does collect information about what was the person do just before they started working at the casino. Were they employed? Were they underemployed? What was their motivation to specifically seek a job at the casino?

A lot of people say it was the excitement and the idea of working in a casino. It would be interesting to see if that remained true for them one year out. I think that's a fantastic question. I can follow up with what are the potential barriers of doing that and perhaps that's something that through the next phase of the research can be a focus in moving forward.

>> COMMISSIONER STEBBINS: I think there's also some coordination with Jill and how she's trying to format reporting mechanisms from our licensees as to breaking people out by senior level management, mid management, levels, and right now I think to Enrique's point, they're going to snapshot because we're still in some kind of turn over period.

But I think you can track diversity numbers in those ranks if there's numbers moving up, but looking at how the numbers stabilize a little bit -- but without, again, immersing ourselves in trying to get to the individual, which I agree would be helpful because it does help us better understand why somebody might have stuck with a job or left the job or what they enjoy about the job, but aligning those two pieces.

>> CHAIR JUDD-STEIN: Yeah, and even more fundamentally, Commissioner Stebbins, I was thinking maybe shift work accommodates child care costs in a way that their earlier jobs didn't so therefore it's actually an economic impact, I'm able to save more because my spouse is able to be home at nighttime while I do a night shift because I didn't have that opportunity in my prior job.

Just those kinds of child care costs, transportation costs, is there an advantage or is

disadvantage? They may say I'm getting promotions, but the costs are still actually staying high so that I don't really feel the advantage of the increased salary, although I feel career advancement. Who knows. But just something to think about.

>> MR. VANDER LINDEN: No, this is a great conversation to have.

>> CHAIR JUDD-STEIN: I know.

>> MR. VANDER LINDEN: To get a handle on what's important for the Commission to understand, too. So I will report back. So moving on to the next project would be the Massachusetts Gaming impact cohort. This is a project that was funded by the Commission back in 2014, I believe, 14 or 15.

And we are in this -- the next year, so this will be a 12-month project that will be conducting wave 6 data collection, so, again, the cohort is following the same group of individuals over the course of time to begin understanding what is a change in their gambling behavior.

The unique part about the Massachusetts Gaming impact cohort is it is oversampled with individuals that would be considered at risk or problem gamblers. To me, this is one of the more important projects we're doing because it contributes to an understanding of what are

the predictors of risky gambling or problem or disordered gambling, and that information is incredibly important when you're designing policy and practice implications.

So we're expecting Wave 3 -- the Wave 3 report to come before the Commission very soon. So that means Waves 4 -- and Wave 4 is actually going to be shortly behind that one in terms of a deliverable that's coming to the Commission, and Wave 5 is under analysis right now.

Moving on to the public safety research, as you know, this is our work with crime analyst Christopher Bruce. He's juggling a number much different projects right now including the MGM 8-month public safety impact report, so that's building on the 4-month report that was presented to the Commission as well as the baseline.

He is also finishing up work and as in the analysis and writing up of the Encore or Everett baseline report, looking at approximately 5 years' worth of public safety data prior to the opening of Encore, as well as the Plainridge Park Casino report. So he never ceases to amaze me with what he's able to do with the time that we have him and the quality of work that he does.

>> CHAIR JUDD-STEIN: At risk of asking another question, I know he does have a lot on his plate, but

I'm wondering if we have a more definite time line on any of these deliverables. For instance, do you think we'd have that baseline for our Encore meeting which is scheduled September 12th? By chance, just their quarterly report? Are we anticipating that or no?

>> MR. VANDER LINDEN: We're running into some -- as he has a lot on his plate, we're running into some coordination and logistical things with Christopher. He has a teaching position at a university in Maine and September is a tough time for him.

The work that he produces is incredibly valuable, and we want to retain and respect the balance. At this point, we're hoping that the meeting with the police Chiefs, Everett and the surrounding communities, sometime at the beginning of October. And at the same time, that report will go through the research review committee so that we will be able to -- if everything moves as predicted, we'll have that later in the month in October.

>> COMMISSIONER CAMERON: I think we're going to get him in here for several days in October in which using that time wisely, we have meetings scheduled or about to be scheduled with the surrounding communities in Springfield, the surrounding communities in Everett, in Plainville, and an additional meeting in trafficking.

So we have him in for four different meetings.

Trying to figure out do we have him in for two days at a time -- we've been working on that for a number of days. We think that's ours and his best use of time, and then we will shortly after that -- I mean, I think all his work will be done. But those meetings, just to make sure the Chiefs are comfortable, the trafficking is different because that's much more of a different -- an initial kind of a kick off thing.

>> MR. VANDER LINDEN: Right.

>> COMMISSIONER CAMERON: So I think October is a better timeframe.

>> CHAIR JUDD-STEIN: Is there one that you anticipate being first? Is it going to be Plainridge or Encore or you don't know yet?

>> COMMISSIONER CAMERON: Well, you know, part of the issue was summer vacations, getting folks available. So I think it will depend on who -- how many Chiefs we can get at which meeting and at what time.

>> CHAIR JUDD-STEIN: So it's really driven by that as opposed to a set of guidelines?

>> COMMISSIONER CAMERON: It is. And do we need him twice or can we do all of those four meetings in a couple of days and be on the road for a couple of days. We're working out these details and he sent us some

availability. Right after those meetings, we should be able to present because the work is done but it's just the final meetings that need to happen.

>> MR. VANDER LINDEN: And right on the heels of that, he begins working on the next report specifically for MGM and Encore.

>> CHAIR JUDD-STEIN: And Encore will be an initial 3-month report?

>> MR. VANDER LINDEN: Yeah. It ended up being a 4-month report for MGM, just the way that it worked out. The intention is to get a snapshot of what happened right after the casino opened and especially if you think about are there any issues out of the gate that the Commissioner and the local law enforcement need to really be paying attention to that are data driven?

>> COMMISSIONER CAMERON: Agreed.

>> CHAIR JUDD-STEIN: That's great work. So we're looking forward to getting it.

>> MR. VANDER LINDEN: Yeah. I am, too. And, you know, it's the tension between getting the data as timely as we possibly can get it and at the same time have the rigore and our -- give our researchers the kind of the breathing room to do it right and the rigore of the review process.

And I have to say in the six years that I've been

working here, that is the tension that we experience on almost every single deliverable. And what I can stand by is the findings and the results that are presented to you and to others that we can really stand behind those findings.

>> COMMISSIONER CAMERON: And, you know, Christopher is very good. If he seeings something in real time, he will report that. So we're not waiting four months to find out if there's something that needs immediate attention. So that piece is very valuable from a public safety stand point.

>> CHAIR JUDD-STEIN: Thank you for that clarification. It's important. Thank you.

>> MR. VANDER LINDEN: Yeah. Okay. So then moving on to the community engaged research arm of the research programs, I'll call it now.

So the community engaged research is to more deeply understand the impacts of casino gambling. The topic and issue that's researched is driven by the community. So it would be a question that the community would have. We hold on to the same research rigore, so while it's driven by the community, we expect there to be a connection with a research team in order to carry out the actual research.

Great examples of that, of research that's been

done to date is work that we did with the Bedford VA, the report that was generated from that work that was driven by an agency called JSI looking at African American perspectives on gambling in different regions of the state.

And finally, a research deliverable that was just complete and I hope to bring to the Commission is looking at gambling behavior among persons who live in the Boston Chinatown neighborhood, and specifically more shift workers that work in that neighborhood.

In Fiscal Year '19, we awarded three new contracts, one looking at the Hispanic and Latino communities in greater Springfield, going back and funding additional research in the Boston Chinatown neighborhood with the Boston Chinatown Neighborhood Association, and looking at gambling impacts and behaviors in older adults, that research being led by the Mass Counsel on Compulsive Gambling and in cooperation or partnership with those agencies serving older adults in the southeastern part of the state.

This is great research. I think it's a great compliment to the broader research that's being carried out by this point by the SEIGMA team, but this sort of statewide and regional approach. I think it's really important to have those types of questions come up and

for us to be able to have a funding mechanism to answer questions from local communities.

>> COMMISSIONER ZUNIGA: Yeah, let me -- that's a great summary. But let me spend a minute to add to that because even though there's been already some research emerging out of that process, it's a fairly new in the arc of our research project here, it's a fairly new aspect, the strategic plan in the packet identifies as a key feature of where we should be going with -- or, you know, community input, not just a group of researchers or Commissioners coming up with what should be studied, that's fine.

But there's a big supplement which is what is the community really interested in learning or debunking or verifying. Not only that, there's usually in the three studies that you mentioned and the ones that we will be seeing also get to something that big surveys don't quite get to, and those are things more on the qualitative side of, you know, different groups, how different groups are affected differently which, again, was the genesis of the three subgroups to begin with.

The very early, the big baseline study, we were not able to ascertain too much about certain groups because of the sampling size. So there was a lot of questions relative to margin of error and what not. With funding

this type of research for different groups, allow us to really begin to at least understand why are some communities hard to reach about surveys or what aspects, how they think about gambling and what not.

So as you correctly say, it's a great supplement. It's one that I think we should continue as the years progress. We should see a little bit more of.

>> MR. VANDER LINDEN: Yeah. Thank you. The next element of the research program is the data transfer storage and excess project, and this is something we've been working on for quite some time. How to -- this relates, I feel, like to some of the knowledge translation work that we have -- we have, in Mass, a lot of data through this research program and through the commitment that this gaming commission has made.

Let's continue to maximize that. Let's make sure that individuals, researchers, have access to that data so they can do their own analyses. And it only strengthens our research program and strengthens the field that just by -- that does not have a lot of funding to it.

We have a great resource here, and it's trying to figure out a system which we protect the data that we have, but at the same time, make sure that it's available for research purposes.

This also fits in another -- another piece that fits under this would be the section 97 data that it's a statutory requirement that we gather player card data and actual play behavior from each of the casinos, and that, in turn, becomes accessible for researchers for research purposes.

This is a project that we've been in partnership with the Department of Public Health on. They have the types of safeguards and mechanisms in place to ensure the safety of this data. And then, again, much like we want to make sure that the findings that we have are solid, we want to make sure that the data that we have is protected.

And the final piece of it is research review. A group that I could not -- we could not assure the quality of the research that we have without a committee that independently reviews the deliverables that come to my inbox, asking them a very highly qualified group, to review, provide feedback, guidance to our research teams, that's sort of the final step before we release it publicly.

So that is the FY20 research plan. I believe, as you ask, it relates and supports the statute. It's guided by the gaming research strategy, and it builds upon some of the amazing work that has been done to date

in Massachusetts around gaming research.

>> COMMISSIONER ZUNIGA: I think you may have alluded to it or perhaps certainly from the me no here, you can derive that as you remember we're going through the procurement of the C map portion which completed its sixth year under contract recently, a couple of the activities highlighted here are effectively the tail end of those deliverables. Some of the funding here is reserved for whomever picks up that part of the project depending on the respondents, et cetera.

And there's other aspects that are not being reprocured, notably, the magic project which you highlighted here some of the other -- under a different timeframe. It might be reprocured at a later time or next year, perhaps.

Same with some of the other community remember driven research and what not. So I just wanted to highlight that for you, a clarification.

>> COMMISSIONER STEBBINS: Mark, I like everything that you've walked through. I think what's interesting is you look at your strategy which you also included for us and the great work that went into that. What's interesting to me is watching how -- I think you even refer to it as "driving the knowledge out to other stakeholders," other people who can utilize the

information.

>> MR. VANDER LINDEN: Right.

>> COMMISSIONER STEBBINS: I think there's a lot of components, you know, the patrons survey, you know, the new employee survey, there's a lot there that I think would be of value to the local tourism bureaus, the economic development officials.

I think it should even get to some of the public safety stuff that Commissioner Cameron tracked, sharing that with the community advisory committees so they can think of steps to take with the community mitigation funds -- it's doing the research, but as you pointed out, it's just as important to share that information out to the number of stakeholders that want to see it as well.

>> MR. VANDER LINDEN: Right.

>> COMMISSIONER ZUNIGA: I should note that not in this document, but quite possibly for next year, next Fiscal Year or perhaps -- well, yeah, quite possibly next Fiscal Year, we should be thinking about the redo of the big general population survey which is -- it's a coming attraction, if you will, that will certainly have a big cost component if it's somewhat similar to what we did the last -- the first time around. But we will ascertain all of that with some of the results that we

get from that procurement that we are doing.

>> COMMISSIONER CAMERON: I think the recommendations are appropriate. The research plan is certainly in keeping with following what we've done. But obviously looking to improve at every step.

>> MR. VANDER LINDEN: Yeah.

>> COMMISSIONER CAMERON: Makes sense to me.

>> COMMISSIONER STEBBINS: We need a motion to approve this?

>> MR. VANDER LINDEN: I do.

(Away from mic.)

>> COMMISSIONER STEBBINS: Madam Chair, I'd move that the Commission approve the FY2020 Research Plan as described in the memo from Director of Research and Responsible Gaming Mark Vander Linden, dated 8/15/2019 included in the Commission pack ET.

>> CHAIR JUDD-STEIN: Is there a second?

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any further questions, discussion? All those in favor?

(Ayes).

Opposed? 5-0. Thank you very much. Very, very helpful.

>> MR. VANDER LINDEN: And I have some follow up, and I will be presenting back to you.

>> CHAIR JUDD-STEIN: Thank you. We are moving on to item 6 in the agenda, administrative update. A little out of order today, so thank you for hanging in there.

>> MR. BEDROSIAN: Thank you. Good afternoon Commissioners. I will not be all that long. Commissioner Stebbins asked for an agenda setting meeting for an update on racing. And I think you-all know this, but let me give you the details.

On August 1st, the legislature passed Chapter 47, the acts of 2019 which extended the current horse racing and wagering statutes, General Laws 128C until January 15, 2020. The good news was that on that particular day, August 1st, there was no disruption in racing or simulcasting, either PPC or for simulcasting, any of our other licensed simulcasting venues.

Those acts, Chapter 47 of 2019, extended the current legislation in its form with one exception, and that's the exception that Suffolk Downs hold a live racing day 1 to 15 or to simulcast. That requirement was deleted.

Otherwise, all the other aspects of the racing remained intact which will stay that way until January 15th unless the legislature happens to do something before then which does mean -- and I might be

anticipating something here -- that applications for next year will be due by October 1st with action by the Commission by -- on or by? By November 15th, 2019, this year.

So a little bit of an interesting situation because if people decide to put in racing applications, obviously PPC we would assume would. Whether there will be other folks doing that, we have yet to see. I think we have done something in the past where we did -- the Commission thought about a placeholder status. So these are things we need to think about. We might get a little more granular as that dates get closer.

In the meantime, we will work with the commission and the staff to think about how we can help the legislature and their responsibilities in the fall. We want to do everything we can to participate in that process.

>> CHAIR JUDD-STEIN: And one of the proposals did ask for that and just didn't end up in the final.

>> Exactly.

>> COMMISSIONER ZUNIGA: The requirement of holding one day of live racing to continue simulcasting is no longer in these two?

>> The extension.

>> COMMISSIONER ZUNIGA: So Suffolk Downs could

technically go between January 1st and January 15th?

>> Exactly.

>> COMMISSIONER CAMERON: And will?

>> Right now it's basically a two week period.

Again, it will have to be some type of legislative action, presumably.

>> COMMISSIONER ZUNIGA: There's no live racing in January 15th.

>> Exactly.

>> COMMISSIONER ZUNIGA: Any way, it will only be simulcasting who will be interrupted if the legislature decided not to act until the last day, correct, or even after?

>> CHAIR JUDD-STEIN: The legislature did request information pertaining to employment numbers pertaining to simulcasting. I don't know if the Commissioners received that, but it's not lost with the legislature -- am I saying that -- yeah, simulcasting. I kept on saying -- simulcasting, there are jobs associated, and I think it's 200 if I remember correctly.

>> Yeah, it was broken down into part-time and full-time. What did we say, 2 facilities? 3 facilities, right. Rain and PPC.

>> COMMISSIONER ZUNIGA: Yes. And there's also all of the live racing at PPC jobs that somehow get a little

bit lost in the shuffle, in my opinion, because everybody's thinking about, you know, Suffolk Downs or might be. But the disruption comes also to Plainridge if this was to be expired or what have you.

>> Sure. Absolutely.

>> COMMISSIONER STEBBINS: I think the Chair made a good point about one of the versions had asked about the impact on simulcasting. Even though it was stripped out, I would still like us to be proactive and share that information. We've never shied away from communicating with the legislature, information that we felt was valuable, you know, the employment as well as taxes and everything else.

There's a financial piece to this that impacts not just the Commonwealth, but some of the communities, and I don't think we should hesitate or shy away from giving another push to the horse racing bill that we've put in front of the legislature on a number of occasions to -- again, we don't want this industry to be forgotten or lost at this point.

I think made a great point and see what we get for applications. But I prefer to maybe be a little bit more proactive than a little bit reactionary. And following up on the impact of simulcasting would be a great way to push some information out there for the

benefit of the lawmakers to make the appropriate decisions.

>> CHAIR JUDD-STEIN: And to be clear, during the last several months, there was a lot of very well coordinated communications up to the legislature through our office and through the good work of John Ziemba, Catherine, others.

And with respect to the legislative process and the calendar, the decision making did come very, very late. However, we did communicate our concerns, and they were received and I think they were graciously received. I think they appreciated the input from the gaming commission.

And I would say that we had full cooperation from the governor's office at that last hour, too, so that would could make sure -- Catherine was able to provide importance guidance at the end to know what time was critical.

So as much as it did seem very last minute, and it was for our folks, there is a lot of magic that goes on in the legislature that I suspect many us will never understand, but the good news is it didn't impact horse racing, right, for this year.

I only say that because I want to make sure that given our ability to communicate together right now,

that John and Catherine were making calls continuously. Ed was involved, and we were working to make sure -- and Alex, of course. She's not here, she's on vacation, so that we could preserve that racing day. Gayle, of course, was informed as well.

>> COMMISSIONER ZUNIGA: You know on that note, you were mentioning, Commissioner Stebbins, the notion of -- you called it the bill or -- yeah. Have we proposed or have we pushed? I'll remind everybody that we were required to do that by statute by the original 23K. We're supposed to look and recommend improvements to both the live racing and the simulcasting statutes. We proposed 128D, if I remember correctly.

I wonder if there -- if there would be -- or in your conversations or if it would be beneficial to have those conversations in that context.

That after all of these one year extensions, it occurs to me that the original proposal that would fix or allows the discretion to fix all of the moving pieces of the history of the racing statutes, I wonder if that's getting enough attention.

My guess is it's not when it comes down to the last week or days, but my hope is that now with a few months, that we could have that reminder or those discussions to say here's the broader context, here's the research that

we did, here's where we proposed the certain things that simplify all of these take outs into one, et cetera, et cetera, in addition to things like what are the jobs that are associated with this industry?

Just, you know, to hopefully have a shot at something that would be more of a permanent fix rather than a simplification.

>> CHAIR JUDD-STEIN: Yes. And I do believe we should approach this in a comprehensive and strategic fashion, and Gayle has taken the leadership on horse racing and I hope she will continue to do that in conjunction with executive staff and I think the goal is to use the next several months in the fall to help inform the legislature and others who are stakeholders of at least what we think might be helpful.

And of course, without getting over our skis too quickly and too much, to work with the stakeholders to be helpful and also to advocate. I appreciate that we have real interest in preserving this industry and preserving these jobs both with respect to all jobs that are associated with horse racing.

So I think that Gayle, you know, I'm kind of remembering her original assignment on horse racing, and we just actually spoke briefly this morning about it, but she'll continue with her leadership role and will

stay on a good time line because time is short now.

>> MR. BEDROSIAN: And I think to all of the points t may be worth for executive staff also reviewing that legislation.

>> CHAIR JUDD-STEIN: That's right.

>> MR. BEDROSIAN: I mean, I think that was certainly during a different commission make up and also the context may have changed -- I'm not saying that the legislation isn't this agile. But the horse race development fund, maybe it's something that the legislature wants to address.

How does the legislature necessarily deal with that? Does it propose certain funding? I'm not talking about major changes, I'm talking about tinkering, making sure that everything's okay. I'm talking about one of the meetings in September or October, bringing back to the commission, is this exactly what you think is a good idea?

>> COMMISSIONER ZUNIGA: Absolutely. There's definitely assumptions we may have made then that should be revised or rethought or new ones. But my point is that it would be too much of a pity if we find ourselves January 10th in a similar situation.

>> CHAIR JUDD-STEIN: No.

>> COMMISSIONER ZUNIGA: I'm not suggesting it

would be for lack of anybody here trying. I'm suggesting and agreeing with many the points made here, especially you, Commissioner, about being proactive towards, you know, informing what I know to be a very complex history of legislative history on these horse racing and simulcasting statutes. And what I see only from the proposed legislation, even though a lot of it ultimately fails, of what the thinking may be up there.

They may be thinking there's a balance from the racehorse development fund, and maybe we should use something else. I think to the extent that we could describe what we first decide to do, what we might not be doing, and what it is, in fact --

>> COMMISSIONER CAMERON: Good point. It's not just our bill but a number of bills that the legislature has given its time to deal with and we will support in every way possible getting information if well think it's important or responding when they make requests.

>> COMMISSIONER ZUNIGA: Right.

>> COMMISSIONER CAMERON: I know there are a number of factors that could change the landscape, but we just don't know when the legislature now has time, and we will serve in that role I think as effectively as we possibly can.

>> CHAIR JUDD-STEIN: And, again, under strict time

line and we'll find out what happens in January. But we should at least be as helpful as possible. So it was excellent that Commissioner Stebbins asked for that update, and we'll proceed. But probably on a regular basis get updates as to where we are positioning in terms of time line.

>> MR. BEDROSIAN: So thank you. That is my short update.

>> CHAIR JUDD-STEIN: Nothing else? Do we have any other questions for Director Bedrosian at this time? Anything coming up in terms -- that you would want him focused on? Okay. Excellent.

>> MR. BEDROSIAN: Thank you.

>> CHAIR JUDD-STEIN: Thank you. Now we're moving on to our minutes. We are really in reverse order today.

>> COMMISSIONER STEBBINS: Madam Chair, in your packet you have the minutes from the full commission meeting on July 18th, 2019. I'll move for their approval, as always, subject to correction for any typographical errors or any other nonmaterial matters.

>> COMMISSIONER O'BRIEN: The only comment I had was the bottom of page 13, the discussion of the Hampden County District Attorney's Office. I did mention, and I'd like it to be emphasized, that I wanted a meeting

with the MDAA and various DA office stakeholders to work together when they're developing a system for tracking the cases.

>> CHAIR JUDD-STEIN: Do you want to say what that acronym is?

>> COMMISSIONER O'BRIEN: The MDAA is the Mass District Attorney Association.

>> COMMISSIONER CAMERON: I just was recalling that conversation, and I actually just answered my question in my own head. So thank you. I was going to ask you a question about that, but then I recall that exact discussion so it makes sense.

>> CHAIR JUDD-STEIN: And on page 12 and 13, I think it's just a matter of placement in terms of order. On the end of the last paragraph at the bottom of page 12, it mentions that -- I noted that I was singularly situated, and it does say I'm not likely to support the motion, but the motion hadn't been made.

I mean the motion had been made by Commissioner Cameron, but this suggests it came after my statement. So -- because I remember, Gayle, you had moved, and I indicated I wouldn't support. So I think maybe we can just put the motion right after the paragraph that starts "General Counsel Blue," if that's consistent and my memory isn't wrong.

>> COMMISSIONER STEBBINS: Okay. I'm good with that.

>> COMMISSIONER CAMERON: Makes sense.

>> CHAIR JUDD-STEIN: Any other comments about the minutes? Any edits? Very well done, as always.

>> COMMISSIONER ZUNIGA: Very well done. If it's any help, I signed off on all of the grants that we approved on behalf of Derrick who is out and I used the minutes to make sure they were in accordance with what we voted. They were all in great shape.

>> COMMISSIONER STEBBINS: Kudos to Char. It's not really me burning the midnight oil. It's her good work.

>> CHAIR JUDD-STEIN: Thank you, Char. Okay. So do we have a motion? Oh, you made it?

>> COMMISSIONER ZUNIGA: You will have a second.

>> CHAIR JUDD-STEIN: Thank you. All those in favor?

(Ayes).

Opposed? 5-0. Commissioner -- oh, the legal division, my apologies. We're now on to General Counsel Blue.

>> MS. BLUE: Good afternoon, Commissioners. We have 4 regulations before you today. They are in the final stage of promulgation. I have Deputy Counsel Grossman and other staff to come and speak to you about

the balance of them.

So the first one is the 205 CMR 6.35, this is the Pick (n) Pools. This adds an additional set of wagers to the racing regulations. This provides more product, as they say, to the wagers at the track. We have had the public hearing on this regulation. We did not receive any other comments.

So we believe it is ready to go to the final promulgation process. As you may recall, racing regulations are a little bit different. Once you approve them, we send them to the legislature where they have 60 days to provide any comments to us. If they don't approve comments at that point, it becomes final.

>> COMMISSIONER CAMERON: Madam Chair, I move that the Commission approve the impact small business -- do that first, the amended small business impact for 205 CMR 6.35 Pick (n) Pool included in the packet.

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: Any discussion? All in favor?

(Ayes).

Opposed?

>> COMMISSIONER CAMERON: I further move that the Commission approve the version of 205 CMR 6.35 Pick (n) Pools as included in the packet and authorize the staff

take all steps necessary to finalize the regulation promulgation process.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any questions? All those in favor?

(Ayes).

Opposed? 5-0.

>> MS. BLUE: The second regulation that we have is amendment to 205 CMR 102.02. These are definitions, particularly the definitions pertaining to Minority Business Enterprise and Veterans Business Enterprise. I have Jill Griffin here today who can explain to you the comment that we got.

>> MS. GRIFFIN: We received feedback from Plainridge Park Casino, and Plainridge is interested in and has raised practices in other jurisdictions of Colorado, Missouri, Iowa, Ohio, Mississippi, and Nevada. In those gaming jurisdictions, they accept all diversity certifications and affidavits from all states.

So they're suggesting that that could be an option for the Massachusetts Gaming Commission to use. Additionally, they raise some MBE certifications, the national minority supplier development counsel, other state certifications that they suggest that we include in our definitions to make those definitions broader.

I'm, however, recommending that we follow our state supplier diversity office procedures, and this is consistent with the practice that we did during construction with the exception of an update to the VBE category because now our state Supplier Diversity Office certifies VBEs.

>> COMMISSIONER CAMERON: You know, I was interested and we did have a chance to discuss this previously with Director Griffin, I did, any way, with regard to two things. One, what were our concerns/risks with using out of state documents?

And I know that you pointed out an important piece here in the Commonwealth is a site visit to -- and that really is an effective way to make sure there isn't fraudulent activity around this process.

So that actually made a lot of sense to me. But at the same time, it was important to me that we were not being onerous, but it wasn't discouraging folks. But you did have a chance to explain that the in-state certification has really be streamlined and not onerous individuals from another state who may have a certification elsewhere, they can download it, kind of save time in the process.

So I thought that was an important piece to the fact that we're asking you to do it here, but we've paid

attention to the process and it has been streamlined. And it isn't in your opinion overly onerous. Is that accurate?

>> MS. GRIFFIN: That's accurate. And I actually had an additional conversation with the Supplier Diversity Office. They reiterated that there is great variety from state to state in terms of standards. For example, New Jersey and New York don't do site visits. And that's where some of the fraud can come in.

Additionally, they raised that they are in the final stages of a memorandum of understanding with the national WBENC, the WBE certification entity. So folks who have that certification will soon have a very speedy process to get their certification through the Supplier Diversity Office.

They're open to other arrangements as long as they have a working relationship with certification entity and that entity has very strong standards and guidelines. So --

>> COMMISSIONER ZUNIGA: So in the example of New York and New Jersey, if a business from New York, let's say, who has been certified by the agents there wanted to use the streamlined process in Massachusetts and upload information, could they be certified by the SDO?

>> MS. GRIFFIN: So they cannot be certified by the

SDO without a site visit. So they would likely need to get certified not by their state entity that doesn't do the site visits, but perhaps by another entity. Perhaps by WBENC entity or the equivalent of the Greater New England Minority Supplier Development Counsel. But without that site visit, our state will not certify.

And they raised -- I asked for a rationale. They raised a recent situation that occurred. And they did give me permission without names of companies, of course, but in Massachusetts a site visit that occurred, they were investigating -- you know, the certification investigator was meeting with the -- one of the WBE owners, a woman owner. She owned 51 percent. But you also need to prove that you also have control of the business.

In this case, the woman was asked if she had a business card. And she said no, I don't have a business card. And they said that the investigator noticed that the husband's business cards indicated that he was president were right on the desk. So, you know, there's situations like that that they can uncover with a site visit.

>> COMMISSIONER ZUNIGA: So they were married and she was listed as 51 percent owner? And the husband was the president?

>> So in addition to -- I think most states have this requirement. In addition to owning 51 percent of the business, you need to show that you have control of the business and that you're actually involved in the business, making decisions and so forth.

>> COMMISSIONER O'BRIEN: I think that's the exact one that I would say why it's appropriate to amend it the way that you're amending it and leave it to the Supplier Diversity Office. And I think it's their () when they think it's appropriate to have reciprocity or not, and I think the site visits is an important example of why we wouldn't make exceptions like Penn is asking us to making in amending --

>> CHAIR JUDD-STEIN: I agree with that and I think to do otherwise, could put our own WBEs at a disadvantage because unless we can truly hold out of state vendors to the same expectations, for instance, Jill would be going and doing site visits, it would put a stronger onerous on our own businesses, doesn't make sense.

You're quite right, my experience working with them is extensive, and there has been extensive stream lining to ensure that vendors from out of state are given opportunities here and also to ensure the safeguards that you've pointed out in terms of the site visits.

That is a way to make sure that they are, in fact, truly either women minority business enterprises, that they do have the control.

>> COMMISSIONER STEBBINS: I would just add that it's important to remember this doesn't cost a vendor anything.

>> It's free.

>> COMMISSIONER STEBBINS: Massachusetts does provide this. I think we have a good mix of national certifications included. So if you aren't here in Massachusetts, you might have pursued certification through one of the national partners.

This also doesn't preclude any Massachusetts business from doing business with one of our licensees. It just doesn't allow them to be counted toward their minority women and veteran owned goals until they get some sort of certification.

We're mindful of the integrity of this process and making sure that counts and data and the good news stories that we expect are valid. And, again, this might actually give an opportunity for our licensees to up some numbers if the company they're doing business with doesn't have a certification, it allows them to start counting them.

And, again, this was one of the specific pieces of

23K that talked about our licensees having plans to do business as the minority owned women and veteran companies. It was that specific that I think it's reflected in this level of specificity that we give some guidance as to what the true credential is to help us meet the goal.

>> COMMISSIONER ZUNIGA: Yeah, I read also the comments from Penn, and I found them interesting. I don't suggest -- I don't agree that we should be as perhaps liberal as some of the states that they list as to simply just accepting anybody else because there is that potential or that risk. But it did make me think of what does an additional certification may mean, in terms of stream lined in terms of potential barriers.

If somebody was certified elsewhere and we came to know or the Supplier Diversity Office came to know that's a legitimate certification body because they do site visits and all of these other things. The way the current regulation stands is restricted to being certified by the Supplier Diversity Office here.

So I wonder, if there's at least any kind of language that we could insert in terms of being maybe as determined as by either us or the track record or allow for some kind of reciprocity with -- you know, allowing that if we are comfortable, that there's a body out

there -- again, after some period of track record, that there's somebody out there, wherever they are, because they're the Greater New England counsel.

They certified people from all of New England, for example. The additional certification step that's embedded here, just might -- I don't know that it will, but it just might serve as a barrier for somebody getting certified.

So I think, you know, the fact that -- the concern is greatly emulated by the fact that it doesn't cost to be certified as you pointed out by the SDL. It can be for other -- information can be uploaded which is great, that there's use of technology.

But at least the idea that I think is salvageable in terms -- or worthy of considering from one of the comments is that of reciprocity, if there would be other bodies that we would be comfortable with accepting their certification because there is either enough track record, enough regularity, or enough comfort level with how they do things.

>> CHAIR JUDD-STEIN: I think the problem with that, though, is the people with the expertise to determine if they're quote, unquote, comfortable is really OSD and not us. And I think the better way to do it is this, understanding they're moving toward things

like a national WBENC recognition and reciprocity and things like that.

>> MR. BEDROSIAN: And wouldn't you want certification to go both ways?

>> COMMISSIONER O'BRIEN: Right.

>> MR. BEDROSIAN: Not just letting -- you want Massachusetts companies to have the advantage of being -- reciprocity in whatever other jurisdictions?

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER STEBBINS: Jill and I have talked about once this is formalized, thinking about a communication that could go out to everybody who we know is already registered or licensed in our system saying be aware of this change, here's the actual access points to do this.

And I think to your point, in the process that we've learned from OSD if you currently hold the certification from another state, here's the process by which you can have that certification reviewed by OSD ultimately leading with the decision making.

But I think that something that maybe spells out how somebody can work around what might appear to be a barrier, do it not necessarily by the regulation but a pretty thoughtful communication out to people so we don't leave people on the outside. They still have a

process or are aware of what to do to become recognized by OSD. And, again, just using information they may have already provided the OSD.

>> CHAIR JUDD-STEIN: And I, again, would emphasize to do otherwise would mean that for our Massachusetts companies they would be subject to a more stringent review than what we might be requiring for out of state.

Because they would have to be -- unless we're going to waive certification processes for Massachusetts where there's no reciprocity obviously because it's our state, I don't think it would probably create a levelled playing field.

So I think Commissioner O'Brien has said it. They are the experts. They have made -- they work tirelessly to break down the barriers that I think that I understand you may assume are out there. The national certification process is an excellent one, where there're going to use enterprises that they trust to do the thorough job that they expect. So I recommend that we rely on the state 's experts to create consistency for our licensees.

>> COMMISSIONER CAMERON: I think it's a sound recommendation. Chair, are you ready for a motion?

>> CHAIR JUDD-STEIN: I am.

[Laughter.]

>> COMMISSIONER CAMERON: So I move the Commission approve the amended small business impact statement for 205 CMR 102.02, definitions included in the packet.

>> COMMISSIONER O'BRIEN: Second.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any further discussion? The only comment I would say is we appreciate Plainridge Park Casino weighing in our public comment process. So we thank you, PPC, for that. Do I have all of those in favor?

(Ayes).

Opposed? 5-0.

>> COMMISSIONER CAMERON: I further move that the Commission approve the version of 205 CMR 102.02 definitions as included in the packet and authorize the staff to take all steps necessary to finalize the regulation promulgation process.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? 5-0. Thank you. Moving on to 8C.

>> Mr. Grossman will present on the amendments to 205 CMR 143.02.

>> MR. GROSSMAN: Thank you. Good afternoon.

Mr. Helwig and I were last before you a couple of months

ago recommending this particular amendment. This pertains to essentially the physical security of progressive gaming devices. Mr. Helwig could certainly explain the technical components of this.

But the lay version of it is that when we first adopted this regulation, we did not account for the fact that a progressive gaming device could be integrated into the software of a slot machine. And we said essentially it has to be behind lock and key in a number of areas.

And so what we set out to do based on a number of inquiries that Mr. Helwig received from the licensees was to clarify this section to say essentially a progressive controller is considered secure if it's either integrated into the software or it's housed in a dual key controlled environment which we allowed previously.

Or some alternative that someone brings to us that we deemed to be equally secure. So that's the overview of this section. Essentially as you likely observed, this amends a section of GLI12 which is the uniform standard the Commission has adopted governing progressive gaming devices in general. And it just modifies what they have in there at their direction.

>> COMMISSIONER STEBBINS: Charlie just had a quick

question down on the bottom. It says, "No controller may be accessed until written notice is provided with the Commission." And then we'd say, "Whenever the progressive controller and/or bank controller has been accessed, written notification shall be provided to the Commission."

>> COMMISSIONER O'BRIEN: I think that came from the last time this was before us when I was concerned not having the second sentence would not let us know if a breach happened. So it was putting the onus on them that if something happened and they hadn't notified us, that they had to immediately notify. So I asked them to amend the language accordingly.

>> COMMISSIONER STEBBINS: Nevermind, Todd. I should have gone to the source.

[Laughter.]

>> MR. GROSSMAN: Thank you. With that, if there are no further questions, we would request a motion to adopt these changes and so we can finalize the promulgation process.

>> COMMISSIONER STEBBINS: Madam Chair, I move the Commission to approve the Amended Small Business Impact Statement for 205 CMR 143.02, progressive gaming devices included in the packet.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? 5-0.

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the version of 205 CMR 143.02 progressive gaming devices as included in the packet and authorize the staff to take all steps necessary to finalize the regulation promulgation process.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? 5-0. Now moving --

>> COMMISSIONER CAMERON: Thank you. Nice to see you.

>> CHAIR JUDD-STEIN: Thank you. Moving on to 8D.

>> COMMISSIONER CAMERON: The final regulation before you today consists of amendments to 205 CMR 152. This is the excluded persons list. These amendments do a couple of things. THEY conform the hearing process that was originally in the section with OUR overall hearing process in 205 CMR 101.

It also allows an appeal by both parties. If you remember initially under the excluded persons list, only the party could appeal it but the IEB could not appeal the hearing officer's decision, so now either party can

appeal. And then finally we've added language to allow the Commission to revoke condition or suspended the license of a licensee who does not take an excluded person out of the gaming establishment.

>> COMMISSIONER ZUNIGA: Sorry, what was the last --

>> The last one gives the Commission the ability to revoke, limit, condition, suspend, or fine a gaming licensee if it knowingly or recklessly fails.

>> COMMISSIONER ZUNIGA: Yes, it's paragraph 6.

>> CHAIR JUDD-STEIN: Are there any questions on this -- I think that counselor Lillios may have briefed you on this in the past. Thank you counsel Blue. Any questions for Catherine? Okay. Do I have a motion?

>> COMMISSIONER O'BRIEN: Madam Chair, I move that the Commission approve the amended Small Business Impact Statement for 205 CMR 152, individuals excluded from a gaming establishment, as included in the packet.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? 5-0.

>> COMMISSIONER O'BRIEN: And, Madam Chair, I further move that the Commission approve the version of 205 CMR 152, individuals excluded from a gaming

establishment, as included in the packet, and authorize staff to take all steps necessary to finalize the regulation promulgation process.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any discussion? All those in favor?

(Ayes).

Opposed? 5-0.

>> MS. BLUE: Thank you very much.

>> CHAIR JUDD-STEIN: Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Well, Janice, you performed quite remarkable timing. We're just a little bit off. But Commissioners' updates?

>> COMMISSIONER CAMERON: Yeah. I, along with Commissioner O'Brien, had a chance to meet with Sheriff () earlier this week. The sheriff and his staff took the initiative of conducting a problem gaming survey with inmates at the facility, and the sheriff reached out to us to collaborate to share the information first and then secondly to talk about ways that we could collaborate with the research that he has done. So I think we had a very interesting meeting.

I know Director Vander Linden who is not here now, but he discussed a number of ways the collaboration

could happen, the sheriff was very open to that, and I think it really could add to the research that we do. We also had a chance to tour the facility and see the good work that they're doing with different units, new ideas here in the Commonwealth. So that was nice to see.

But in particular, the work around the gaming study, the gambling study, was important work, an initiative -- kind of something that they took the initiative to do, and so that was a good meeting. Some of the staff members were here, too. Commissioner O'Brien, anything.

>> COMMISSIONER O'BRIEN: Just the purpose of it was to really get a baseline before Encore opened. And one of the things we noted and I think Mark Vander Linden would follow up with Sheriff () on is because we don't have online sports betting, now is the perfect time to get sort of what the market is now and see what, if any, impact it has.

Because of the type of money that might be required to go into Encore at this point might be a limiting factor on getting the impact that you may have anticipated on the population at the Mass Correctional -- so Mark was going to work with them to really try to get a baseline on that with the

understanding there's a real possibility that that would become something in the future.

>> CHAIR JUDD-STEIN: Did Mark say that the baseline study, the original Encore baseline study did address sports betting at all?

>> COMMISSIONER ZUNIGA: Yeah, there's behavior. We learned the type of gambling modalities that people engage in including illegal and online. And at the general -- it's time, as I was talking earlier, to do the redo. But, yeah, we have some --

>> CHAIR JUDD-STEIN: We have some information. But --

>> COMMISSIONER O'BRIEN: Getting otherwise what is a vocal population, particularly where the sheriffs come in, is there anything else they can do as part of the rehabilitation on --

>> He's looking at what are the stressors, causes of the events, things like that. Say more, but he has an independent purpose for it. But it would be interesting to know in a population like this, if there's a correlation or not.

>> COMMISSIONER ZUNIGA: Yeah, this is another one of those a general population survey will not have enough inmates or former inmates for it to ascertain any kind of real understanding of those subpopulations.

But as community driven research, as I was explaining on targeted population like the sheriff is doing or like with the collaboration, could really go a long ways towards understanding those things or those idiosyncrasies that could be different from other groups.

>> CHAIR JUDD-STEIN: Yeah, I know in New Jersey, they produced some early stats. Not with that population, but respect to the minority populations, nose with disabilities. I think that would be interesting. I think Mark is going to follow up.

>> COMMISSIONER CAMERON: He is. He was actually most excited about this work and, yeah, really the sheriff is very, very much committed to data driven research and analysis and using that to tweak programs. So this was a good initiative I think we all found worth while.

>> COMMISSIONER ZUNIGA: And on that note, Marlene Warner who has been the Executive Director of the Massachusetts counsel of compulsive gambling, has been telling us and the public health trust fund about the need to look at or the potential to look at people who have gone through the criminal justice system and their levels of gambling and at risk gambling behavior or whether it was the gambling that put them into the

criminal system.

So there is really an area for us to collaborate, not just with entities like the sheriff, and I'm really glad that they're being proactive in this sense, but there's other groups like the Mass counsel and the EPH who would be interested in understanding all of those.

>> CHAIR JUDD-STEIN: Any other questions? Any other updates? Do you want to update us on Europe?

>> COMMISSIONER STEBBINS: Oh, it was hot. It was fun.

[Laughter.]

>> CHAIR JUDD-STEIN: Well, we were jealous. Do I have a motion to adjourn?

>> COMMISSIONER STEBBINS: So moved.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: All those in favor?

(Ayes).

Opposed? 5-0. Thank you.

(Meeting concluded at 3:34 p.m.)

Kimberly Pruitt, FPR, RPR