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THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby (*not present*)

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga (*not present*)

AUGUST 21, 2012, 1:00 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

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PROCEEDINGS:

COMMISSIONER MCHUGH: I think we can call the 23rd meeting of the Massachusetts Gaming Commission to order. It is one o'clock. Welcome and greetings to those of you who are here and those of you who are watching on the web as well.

The first item on the agenda is the approval of the minutes of the meeting of August 8 and August 14. Those meetings -- Those minutes, I should say, have not yet been prepared. I was on vacation last week and have not yet prepared them. So, we will defer that item until the next meeting. The August 8 meeting was a brief public meeting that we had out of our very successful Western Massachusetts forum. Then of course, the August 14 minutes were the minutes of last week's meeting.

The transcripts of both of those meetings are up on our website. So, the full transcript is there for those who wish to see what took place. And as I say, the minutes will follow for next week.

That will take us to the third item on the agenda, which has a number of subparts. The first of which is the Executive Director search update.

1 Commissioner Stebbins, do you have some updates for us
2 on that?

3 COMMISSIONER STEBBINS: Sure. As you
4 both know, we hired JuriStaff out of the Philadelphia
5 area to assist us with the Executive Director search.
6 They are culling candidates. I've had a chance to speak
7 with a few of them already over the phone to do an initial
8 interview.

9 The next step would be once we are past
10 these initial phone interviews, to invite potential
11 candidates to Boston for some more thorough and specific
12 discussions. I do think that most of the candidates
13 that we have talked to so far are not from Massachusetts.
14 I think to your point, Commissioner McHugh, you have
15 talked about the need for us -- As we are trying to learn
16 about them, we also need to try to make a sales pitch
17 to them as why this is an exciting opportunity as well
18 as a great State to live in.

19 So, we are proceeding along those lines.
20 JuriStaff is sending me write-ups on potential
21 candidates, a couple a week. And we are choosing to
22 make, again, those initial phone call interviews and
23 then from that group we will invite a handful to Boston.

24 COMMISSIONER MCHUGH: We decided last

1 week that the posting would remain open until September
2 7? Is that the target date that we are using?

3 COMMISSIONER STEBBINS: Yes.

4 COMMISSIONER MCHUGH: That is great.

5 We'll proceed to get some good candidates and do a sales
6 pitch as to convince them to join us here. Anything
7 else on that item?

8 Let's go then to the additional hires.

9 We have other hires in addition to the Executive
10 Director. That is the main one we are looking at, but
11 the general counsel, staff attorney and Deputy Director
12 of the Investigation Enforcement Bureau. Speaking of
13 the first two general counsel and staff attorney, I
14 ought to split those in half.

15 The general counsel will be posted, I
16 hope, by early next week. I am in the process of
17 drafting a job description, which we will have to
18 approve no doubt at the next meeting. And then we will
19 be able to post that sometime next week. That is a
20 critically important component of the team.

21 The staff attorney search is well
22 underway. JuriStaff is handling that as well. I have
23 gotten five resumes and summaries that have been
24 filtered through JuriStaff now and anticipate getting

1 five more by tomorrow. So, I will have a total of 10.
2 And then we can process those quickly. I hope to have
3 somebody onboard in the very near future. Of course,
4 that person, whoever we select as a finalist will have
5 to pass the background investigation that everybody
6 else has to pass.

7 In addition to that, we are contemplating
8 hiring or inquiring about the possibility of hiring some
9 legal support in the form of perhaps a paralegal and
10 perhaps some others who could help us both with the
11 regulations and with the racing issues and with other
12 things we are attempting to do. That is where we are
13 on the legal side.

14 The Deputy Director of IEB, Commissioner
15 Cameron?

16 COMMISSIONER CAMERON: I can speak to
17 that, Commissioner McHugh. Just completing a job
18 description for that position. I've had extensive
19 conversations with our gaming consultants and others
20 about the skill sets we are looking for in that
21 particular position. I think in a similar mode we
22 should be able to discuss and finalize the description
23 next week and also post that position.

24 COMMISSIONER MCHUGH: Great. Anything

1 you would like to add, Commissioner, to that? I should
2 note as is obvious now that I think about it, that
3 Commissioner Zuniga and Chairman Crosby are not present
4 today. Both are out of town. So, the quorum is meeting
5 without them and they will be back at the meeting next
6 week.

7 Okay. Item 3C is discussion of internal
8 policies. There was a broad discussion last week. I
9 don't know that there is anything the three of us can
10 add to that discussion. I know that Commissioner
11 Zuniga is undertaking some revisions in light of that
12 discussion and will come back with the final version or
13 at least another draft of the internal policies in the
14 near future in light of those comments from last week.

15 That takes us to item 3D, which is the
16 report from the Director of Administration. This is
17 Director Eileen Glovsky's first report. She has been
18 here now for almost a month and doing a terrific job
19 helping us to stay organized and on track on a variety
20 of different tracks.

21 MS. GLOVSKY: In the interest of brevity,
22 I won't go into everything I've done over the past month.
23 I think I would like to talk about where I am now and
24 what is happening going forward.

1 We do have one procurement that is out for
2 the brand identity and website information that I know
3 that Director Driscoll has spoken about in the past.
4 The final date for receiving submissions for that is
5 tomorrow, August 22 at 5:00 p.m.

6 Once we receive those, we will sort of
7 commence reviewing the submissions that we have gotten
8 and move forward. I think our time schedule is making
9 -- commenting on the apparent successful winner of that
10 procurement on September 4.

11 We are looking at the RFI draft. A draft
12 has been put together and our expectation is that we will
13 have probably additional conversation about that next
14 week. But there is a very solid draft for the RFI
15 research agenda that we are looking forward to putting
16 out, which I think will really be beneficial to the
17 Commission in getting the information necessary to move
18 forward with determining how best to do the research
19 that is stipulated in the statute.

20 COMMISSIONER MCHUGH: For those who are
21 unfamiliar with the terminology, the RFI is the request
22 for information. And we are looking for information
23 about how to proceed essentially.

24 MS. GLOVSKY: Yes.

1 COMMISSIONER MCHUGH: Plans to proceed,
2 approaches to do this.

3 MS. GLOVSKY: Yes. There are a lot of
4 things that the Commission is responsible for based on
5 the statute. But the best way to get that information
6 and to make sure we have raw data to do longitudinal
7 studies as we go forward is something we need additional
8 information on in order to determine how we report.

9 An RFI is something that is typically done
10 in order to have people who might potentially do the
11 research or academicians who are familiar with it to
12 offer their comments to assist us in making decisions
13 on moving forward.

14 The certification forms that we released
15 a week or so ago that come with \$400,000 in checks, I
16 just wanted to reiterate that it is the position of the
17 Commission at this point in time that we need original
18 documents in our hand before a check will be accepted
19 or before wiring instructions will be provided.

20 There is a lot of information on that
21 certification form that needs to be filled out
22 appropriately. We are most comfortable verifying that
23 it has been done so with a wet signature prior to
24 accepting any funds.

1 There is a meeting tomorrow that I'm
2 really looking forward to that will be with the gaming
3 consultants and our project management consultants.
4 It's a big part that I know that I was brought in to work
5 on. And we are really going to be at a place where we
6 can start to coordinate a visual view of how we are going
7 to be managing the process of setting up the Commission
8 and all of the things that the Commission has to do.

9 When we think about project management
10 generally, we think about a very specific project,
11 getting the regulations out or getting the applications
12 done. What we are looking to use the software that has
13 been purchased, NetPoint, which I did get installed on
14 my computer this week, is to really present something
15 that has the potential to be a long-term, multiyear,
16 multi-faceted view of all of the things that the
17 Commission is going to have to do over the next three
18 to five years.

19 Obviously, we are not going to start out
20 with the entire breadth of that, but it will be about
21 the continuation of standing up the Commission, of
22 accepting applications, about making decisions with
23 that. But we will also be integrating into it hires
24 that we expect to make so that we can make sure we can

1 make the hires at the appropriate time to match the work
2 that is going on.

3 We will put in the procurements that are
4 going to have to be done to make sure that we time the
5 procurements appropriately. I think the benefit to
6 both the Commission and the public as we move through
7 this process will be the ability to see the whole of what
8 has to go on.

9 This is really trying to do a start-up
10 company but make it a Fortune 500 within 12 months.
11 That is not an easy task. And there are many things that
12 have to be done. And the ability to map that out so that
13 everyone can see what has to go forward I think will make
14 the process a lot easier.

15 That's all that I have. Are there any
16 questions from the Commission?

17 COMMISSIONER MCHUGH: No. I don't have
18 a question, but I think this piece that you have just
19 described is something we have been trying to get from
20 the very beginning.

21 One only has to take a look at the statue
22 and all of the responsibilities that the Commission has
23 in order to understand how many moving parts there are.
24 To get something that not only will help us but the

1 public and everybody who is interested in the activities
2 understand where we are at any given moment in an overall
3 sense is really very important and will be a great
4 accomplishment. So, I look forward to this
5 commencement of this process tomorrow and the ultimate
6 results of it.

7 MS. GLOVSKY: Thank you very much.

8 COMMISSIONER MCHUGH: Thank you.

9 Director Glovsky's report really takes care of both her
10 report and item 3E, which is the project management
11 consultant status report. That is PMA is the project
12 management consultants. They were here several weeks
13 ago to give us a brief demonstration. They will be part
14 of the activities tomorrow as we move forward with that
15 planning process.

16 Let's turn now to Racing Division, item
17 4 on the agenda, Commissioner Cameron for an update and
18 then discussion of where we are on the Director of Racing
19 search.

20 COMMISSIONER CAMERON: Thank you,
21 Commissioner. I will start with the Director of Racing
22 search.

23 As we mentioned last week, we have posted
24 for the position. And to date, we have a handful of

1 resumes for the position. We have posted it in all of
2 the appropriate places so we are casting a net wide
3 enough to reach all that may be interested.

4 As Commissioner Stebbins pointed out, I
5 think it is important to let people know that this is
6 a great city and it has got a lot of value if someone
7 were interested in coming here. We intend to keep that
8 process open until after Labor Day. At that time, we
9 will be starting the resume review.

10 In addition to that, an update in general,
11 we did have our first meeting of the Racing Committee,
12 which is a legislated piece. And the responsibility of
13 this committee will really be to determine the split of
14 the monies that will be going into racing. All five
15 representatives, the Governor's representative, the
16 Treasurer's representative and the two Horsemen's
17 Association representatives met in our office
18 yesterday. We had initial discussions on strategy, how
19 to accomplish this task in a timely manner. So, we will
20 be doing some research and meeting again next month in
21 our office.

22 In addition, we did have a request. I did
23 have hearings last week. And I will be reporting on
24 those next week and be offering some tentative decisions

1 at that time. We had one request for a settlement with
2 regard to a previous tentative decision. One request
3 we made of the appellant and his attorney was that we
4 want those in writing. If we are going to consider a
5 matter, we really need to look at the facts in writing.

6 So, we will be extending the timeframes
7 so that they understand they will have enough time if
8 they choose to put something in writing or if they choose
9 to appeal the decision.

10 That is the report on Racing. That is the
11 status report to date.

12 COMMISSIONER MCHUGH: Insofar as the
13 extension is concerned, Commissioner, do we need a vote
14 perhaps to ensure that the statutory deadlines are
15 extended and that they have the additional time to do
16 that?

17 COMMISSIONER CAMERON: We can certainly
18 do that. Commissioner McHugh, my recommendation would
19 be that we hold -- we allow the appellant until the 14th
20 of September to move forward in either direction with
21 a written settlement offer or paperwork for an appeal.

22 And I have spoken to Mr. Kilb, the Racing
23 Division staff attorney on this matter. It would be my
24 recommendation that we amend the 30 days and provide an

1 extra two weeks, which would take us until September 14.

2 COMMISSIONER MCHUGH: Discussion of that
3 motion?

4 COMMISSIONER STEBBINS: No. I second
5 that motion.

6 COMMISSIONER MCHUGH: All in favor? I.

7 COMMISSIONER STEBBINS: I.

8 COMMISSIONER CAMERON: I.

9 COMMISSIONER MCHUGH: That motion is
10 carried. So, that appellant has an extra two weeks to
11 file whatever it is that the appellant wants to file.

12 The Director of Racing search will remain
13 posted until when? Did you say that --

14 COMMISSIONER CAMERON: Just after Labor
15 Day we are going to close that, Commissioner.

16 COMMISSIONER MCHUGH: Great. Let's go
17 then to item 5 on the agenda, which is the project work
18 plan and the consultant's report. I see we have two of
19 our esteemed consultants here.

20 MR. CARROLL: Good afternoon,
21 Commissioners.

22 COMMISSIONER MCHUGH: Good afternoon Mr.
23 Carroll, Mr. Gushin. Nice to see you.

24 MR. CARROLL: Robert Carroll, Fred

1 Gushin appearing on behalf of the consultant team.

2 By way of an update, we have had
3 significant progress on a variety of different areas.
4 We are currently delivering the RFA Phase-2
5 regulations, at least the entitled sections that we will
6 be working on to fill out the substance of those
7 regulations. Obviously, they will be tying into the
8 Phase-1 at different points. And there is additional
9 work that will be done as the process continues to roll
10 out where there is some supplement that will be
11 necessary. For now, we had identified those areas that
12 we know that good regulatory practice demand must be
13 included in this phase.

14 Secondly, we are working on a number of
15 items that really are part of the strategic plan, which
16 is going to be delivered shortly. I'll itemize some of
17 those items: the timeline, the table of organization,
18 the budget, the RFA Phase-2 process which is not only
19 the regulations but the actual procedural aspects of it
20 and also again how that will integrate into the Phase-1
21 qualification steps. All of those areas are being
22 prepared for full discussion with the Commission.

23 As you are well aware, tomorrow we will
24 be meeting with individual Commissioners and staff and

1 Eileen as well to go over with the project management
2 consultants a lot of the detail that would set forth all
3 of the matters that are going to have to be addressed
4 relatively quickly as things are moving ahead.

5 We also will be documenting the options
6 and making recommendations around auditing, the scope
7 of the minimum controls, the rules of the game, gaming
8 equipment, memorandum of understanding with the various
9 agencies, both which is required under the statute and
10 others, which we think will be of great assistance for
11 efficiency and memorialization of relationships.

12 There will also probably be a great deal
13 of discussion about the regulatory versus the criminal
14 enforcement. Jurisdictional issues are going to have
15 to be fully addressed. We've had many of those
16 discussions already, but there will be many more in the
17 future.

18 We will be finalizing the RFA Phase-1
19 Massachusetts supplement form. There are some
20 specific legal issues we will be discussing tomorrow in
21 regard to some elements that we feel that the statute
22 requires. One having to with full disclosure of
23 contributions and so forth that may relate to the local
24 process. We want complete transparency as the

1 Commission has directed. We think some additional
2 steps may be required there.

3 Finally, the sections of the strategic
4 plan itself that has been worked on all summer. Fred,
5 if you want to address anything in that.

6 MR. GUSHIN: Just from a process point of
7 view, things are coming together. Each section of the
8 report presents certain issues, which we will be
9 reviewing with the Commission and ultimately will be in
10 the strategic form for final action by the Commission.

11 Again, that's a matter of process we are
12 looking to get a first draft together by on or about
13 September 10. Then have more substantive discussions
14 going forward. And the Commission ultimately will have
15 some options in the report and will make hopefully a
16 determination as to which way it wants to go.

17 Because just take the issue of regulatory
18 enforcement versus criminal enforcement, the decisions
19 made there will have an impact on the table of
20 organization. As we are going to discuss tomorrow, we
21 have three options for consideration. It might be a
22 hybrid ultimately decided by the Commission in that
23 regard.

24 So, each of these issues has an impact on

1 how enforcement is going to be carried out. There's
2 budgetary considerations with respect to each of these
3 issues and we'll be having those discussions. There is
4 no right answer or wrong answer. Different states have
5 -- Different jurisdictions have approached these issues
6 differently. The variables are your statute, what is
7 required under Massachusetts law. It's irrelevant
8 what is required under other laws of other states. We
9 have to apply what is in this law.

10 COMMISSIONER MCHUGH: To what extent
11 does the strategic plan have to be completed before we
12 can figure out where the Phase-2 regulations go? In
13 other words, what is the relationship between those two?

14 MR. GUSHIN: We have been working here on
15 a hybrid basis. The strategic plan will be a basic
16 document and present a blueprint. But as you know, we
17 have accelerated the Phase-1 process. We are talking
18 about other processes. So, we are not letting time
19 elapse without moving forward on a number of things.

20 I think the way we have evolved it here
21 is a good process. It has allowed the Commission to
22 move forward rather than waiting for the strategic plan
23 to be completed and reviewed and adopted by the
24 Commission. So, that process in this jurisdiction

1 seems to have worked very well. That is how we are
2 looking at going forward.

3 COMMISSIONER MCHUGH: The Phase-1
4 process really worked beautifully. Through your
5 cooperation and the cooperation of the legal
6 consultants, Anderson and Kreiger, I think we did a
7 terrific job collectively getting that done.

8 That is all out now. I should say that
9 it was all sent to the Secretary of State last Friday.
10 It's going to be published on August 31. The public
11 hearing will follow on September 10. So, that phase we
12 are right on track to get the phase done and the RFA-1
13 applications issued by mid-October as we said some
14 months ago we would.

15 As I think about this in the abstract, and
16 I am sure this will unfold more as we move forward, the
17 Phase-2 regulations in a number of ways are more
18 complicated than the Phase-1 regulations are, and more
19 closely tie into, as you suggested, policy decisions and
20 where we want to go with the Commission's overall
21 approach to the regulatory process.

22 I take it we will be discussing at a fairly
23 early stage the relationship between those two and how
24 much of the strategic plan we have to have done before

1 we can really begin to think about the full shape of the
2 RFA-2.

3 MR. GUSHIN: Just from a timing
4 perspective, from approximately October through early
5 the first quarter of next year, we would anticipate
6 those discussions taking place so that publication of
7 these regulations -- We look at the Phase-2 process as
8 probably the most controversial process. In addition
9 to everything you have indicated, it has to be
10 bulletproof to withstand legal challenges. It has to
11 be transparent.

12 In other jurisdictions, there has been a
13 lot of legal suits that have been brought in the RFP
14 process, the selection process. So, it has to be a very
15 -- a process that will withstand the legal scrutiny that
16 has to be implemented in a way that will withstand the
17 legal scrutiny.

18 MR. CARROLL: Which also includes, if I
19 may Commissioner, also includes the clarification on
20 the process you will be following in making your
21 decision. The standards exist, but the process itself
22 requires an integration of both the Phase-1 and Phase-2
23 regulations and the compliance of the applicants.

24 We note that in the Phase-2 index if you

1 will at this point, there is a pretty good burden on the
2 applicant with compliance with various reports and
3 surveys and findings and things that they have to do to
4 bring forward to you. You set that timetable.

5 We have always been guided by the fact
6 that we want to move as efficiently as possible but also
7 as prudently as possible so that the maximum standards
8 of integrity are maintained. We are following that
9 through right through the Phase-2 regulations drafting
10 too.

11 COMMISSIONER MCHUGH: Is there going to
12 be room for discussion in this overall process as to what
13 we can achieve by policies as opposed to regulations?
14 It seems to me there is room for some policies.

15 MR. GUSHIN: There is no question about
16 that. Everything does not have to be regulation all of
17 the time. There's obviously precedent in other
18 jurisdictions. That balance is something which will be
19 discussed.

20 Do you need regulations on every aspect
21 of casino control, not necessarily. You need some
22 broad regulations which empowers the Commission. But
23 you might want to have what we call minimum internal
24 control standards, which would be something other than

1 regulations but Commission policy, which would be
2 implemented through the regulatory process.
3 Therefore, if technology changes or if issues change
4 then it is easier to change the minimum internal control
5 rather than go through changing the regulation, which
6 is time consuming. Kind of interplay.

7 COMMISSIONER MCHUGH: Right, the
8 interplay between those two. Will there be a third
9 regulation phase, the sort of operating regulations?
10 That won't be part of the Phase-2, will it?

11 MR. GUSHIN: There is an argument that it
12 should be because you want to put the potential
13 licensees on notice of what the regulatory process would
14 be in their jurisdiction. In our view, it's not
15 mandatory. But if it can be done over the course of the
16 next nine months, it would be reasonable to try to do
17 that.

18 COMMISSIONER MCHUGH: By that I mean the
19 kinds of things like the regulations that govern what
20 happen on the gaming room floor that kind of thing.
21 That would be reasonable if we could do it to have in
22 these Phase-2 regulations as well.

23 MR. GUSHIN: Right. I don't think it is
24 mandatory, but if we can get to that point or certainly

1 have some of the broader regulations in place on the
2 minimum internal control standards that will be
3 utilized in this jurisdiction. The relationship to
4 FCEN, Financial Crimes Enforcement Network, the
5 reporting of SAR-C and currency transaction reports
6 with the State as well so that the potential licensees
7 are on notice of what their obligations will be in this
8 jurisdiction.

9 MR. CARROLL: They appreciate that. It
10 affects obviously their staffing and their table of
11 organization.

12 COMMISSIONER MCHUGH: Right. I agree it
13 would be enormously helpful to have it out there so that
14 everybody could see exactly what they were getting into
15 and also to ensure that we are looking at an application
16 that has the capacity to meet those requirements. But
17 that also means that there is --

18 MR. GUSHIN: There's a quid pro quo.

19 COMMISSIONER CAMERON: A lot of work and
20 research.

21 MR. CARROLL: It will be in the
22 regulations and policies. There are policies that you
23 will have flexibility on.

24 COMMISSIONER MCHUGH: In that area as

1 well.

2 MR. CARROLL: Absolutely.

3 MR. GUSHIN: And you want to preserve as
4 much flexibility as possible because things change,
5 technology changes. The use of an outside gaming
6 laboratory to do the testing of slot machines, use of
7 technology, the standards for those testings. The more
8 that we can put those things in place at an earlier date,
9 I think the better off everybody is.

10 COMMISSIONER MCHUGH: Right.

11 MR. CARROLL: Who to call to turn on the
12 slot machine, the State Police have to be there, all
13 of these basically internal loophole type things.

14 COMMISSIONER MCHUGH: We'll also have to
15 have as we move forward a number of additional MOUs with
16 other entities, right?

17 MR. GUSHIN: Both internally and for the
18 purposes of the casino licensing investigations, we
19 would recommend, the collective we recommend entering
20 into memos of understanding with some of the other
21 jurisdictions like Nevada, like New Jersey and Ohio
22 because that will potentially streamline the
23 investigative process because you are constituted as a
24 law enforcement agency. So, those types of memos would

1 be very helpful in getting valuable information on an
2 expedited basis.

3 Certainly, that is something we'll be
4 discussing in the strategic plan and something, which
5 can be I think readily implemented. We implemented
6 four or five MOUs for Ohio in a matter of six weeks.

7 COMMISSIONER MCHUGH: Great.
8 Commissioner?

9 COMMISSIONER CAMERON: Yes. Gentlemen,
10 I had a question about some jurisdictions moving forward
11 with temporary regulations and then later on after
12 casinos were up and operating going back and making them
13 permanent. I know we are not working in that direction,
14 but could you just -- I have always been interested as
15 to why some jurisdictions choose to move in that
16 direction.

17 COMMISSIONER STEBBINS: Jurisdictions
18 don't have the time limit that temporary regulations do
19 in Massachusetts. I believe it is 90 days. We
20 examined that early on for speed of the process. And
21 it was determined that because of the importance and the
22 scope and the breadth of the regulations that by the time
23 we went through the implementation process including
24 public hearings and so forth that most of the 90 days

1 would be eaten up even before their enforcement. So,
2 it would be better to simply move ahead with permanent
3 regulations. It was examined.

4 Other jurisdictions don't have say 90
5 days. They can have temporaries for extended periods.
6 But here it was clearly in the best interest of the
7 Commonwealth to have permanence, make the effort, go
8 through the effort once and do it right.

9 MR. GUSHIN: We totally agree with that.
10 Other reasons why some jurisdictions have gone the
11 temporary route is that they are using a reconstructed
12 building and the place didn't open in six to nine months.
13 There is a need to get something up and running rather
14 than having to go sit empty for a period of time until
15 permanent regulations can be adapted.

16 Here I don't think that is as relevant
17 because it's going to be primarily new construction,
18 which is going to take X-amount of time.

19 MR. CARROLL: Temporary licenses too,
20 for that matter.

21 COMMISSIONER MCHUGH: One of the things
22 we can hope to do over the next couple of days and then
23 continuing is to draw on the experience of the first
24 phase of the regulations, take a look at what worked,

1 what was an impediment to progress, smooth that out and
2 try and build on the successes we had there for that
3 piece of it. There's more to it than just the
4 regulations.

5 MR. GUSHIN: For regulations that was a
6 pretty quick process.

7 COMMISSIONER MCHUGH: Yes, and to the
8 extent we can make it even more smooth and quicker, now
9 is the time to think about how to do that.
10 Commissioner, any questions or thoughts?

11 COMMISSIONER STEBBINS: One quick
12 question, and just correct me. I am assuming kind of
13 as this third part of the regulatory process we will get
14 to the licensing and investigation of vendors,
15 employees, everything else like that. So, we are
16 looking at that for the third phase.

17 I was with a group of workforce
18 development people this morning down in the Southeast
19 region and obviously beginning to understand what those
20 criteria are for employment in the casino/gaming world.
21 It is going to have a big impact as to -- a lot as to
22 how these workforce development groups function. To
23 know that is kind of coming in the third phase is
24 helpful.

1 MR. GUSHIN: Absolutely, employee
2 licensing, implementation of the legislative
3 standards. The way we worked in other jurisdictions is
4 we tried to have a series of meetings with all of these
5 groups so they understand clearly what the licensing
6 requirements are, so that somebody who might have a
7 felony conviction doesn't waste a lot of time going
8 through the process and then that creates a high level
9 of disappointment and whatever.

10 So, it's important to get the workforce
11 groups, the ultimate casino licensees, human resource
12 departments and the Commission on the same page to make
13 sure that the process, the licensing process functions
14 in a way that will be efficient and it doesn't disappoint
15 people who it makes no sense to give them workforce
16 training if they don't meet the licensing standards.

17 COMMISSIONER STEBBINS: I also think you
18 made the point a minute ago about people getting their
19 expectations up and then all of a sudden the provisions
20 of gainful employment come down and for some reason
21 somebody finds that they are outside of the opportunity.

22 MR. CARROLL: Pre-employment education
23 is a very big concern and we think is very important.
24 Anyone interested in getting into the industry

1 understands that it is a special industry in terms of
2 standards.

3 And there are a lot of rules and so forth
4 that don't apply in a lot of other industries that do
5 in gaming. And licensing is a privilege. The good
6 thing about it is you have standards that will be
7 published and people will know and will be in a position,
8 the Commission, to provide guidance if there are people
9 unsure of whether they qualify or don't qualify. There
10 will be the ability to have dialogue and education. So,
11 no one's time is wasted but at the same time you make
12 the available opportunities as broad as you possibly can
13 to assist on employment.

14 COMMISSIONER MCHUGH: So that the third
15 phase, just to pick up on Commissioner Stebbins'
16 question, the third phase would deal with such things
17 as the vendors and the employees and the licensees.
18 There would have to be some of that in place by the time
19 construction starts, right?

20 MR. CARROLL: Right.

21 COMMISSIONER MCHUGH: So, this whole
22 process would have to be -- whatever was necessary to
23 get the construction phase underway would have to be in
24 place by the time the licenses were granted.

1 MR. GUSHIN: Right. I think there is a
2 number of models to follow. New Jersey only had the
3 construction companies brought in under the licensing
4 process. That was done because of the necessity at the
5 time the issues that were raised. It was a very unique
6 thing at that point in time but it has been adopted here
7 as well in a number of other states.

8 COMMISSIONER MCHUGH: That illustrates
9 how helpful this process that Director Glovsky talked
10 about a minute ago is going to be to keep track of these
11 things and look at the dependencies and do it
12 graphically so it is easily visible to everybody as to
13 where we are going and what we need to have in place in
14 order to get there. That is very helpful. No further
15 questions? Thank you both very much. We look forward
16 to tomorrow.

17 COMMISSIONER CAMERON: We look forward
18 to tomorrow.

19 COMMISSIONER STEBBINS: See you
20 tomorrow.

21 COMMISSIONER MCHUGH: To the next item
22 then, technical and other assistance to communities.
23 Commissioner Stebbins, do you want to talk to that and
24 perhaps fold into that the ombudsman search update?

1 COMMISSIONER STEBBINS: Absolutely. We
2 are continuing to, obviously, work with the proposal
3 that we received from the Collins Institute at UMass
4 Boston about assistance to local communities. We had
5 an inquiry yesterday from a community with respect to
6 whether the class B license, the slots parlor license
7 would involve the same local process as a class A, the
8 resort license application.

9 Of course, our reply back to the community
10 is that it would. And that prompted our conversation
11 about and had a chance to speak with our Director of
12 Communications Driscoll about maybe updating some of
13 our frequently asked questions portion of the Gaming
14 Commission's website.

15 Quickly moving, the ombudsman's search
16 update, we have had well over a dozen good candidates
17 that we have talked to for this position. Those
18 interviews are ongoing through pretty much the end of
19 this week, potentially some additional follow-up next
20 week.

21 But our hope is to obviously take that
22 group of 12 and narrow it down to some finalists to
23 present to Chairman Crosby for him to meet with as well.

24 Good candidates, wide variety of

1 background. As we have talked to these candidates, we
2 have explained to them that obviously our Commission is
3 in a hiring mode. So, we take the opportunity to talk
4 to candidates about other interests they might have and
5 other skills and background they may want to share with
6 us.

7 Again, I know our Chief of Staff is kind
8 of building a pool of candidates for other opportunities
9 as they become available. We have used these
10 interviews to solicit whatever other interests they
11 might have, so again as we move down the line and one
12 position morphs into new responsibilities and
13 challenges that we have a good pool of candidates we can
14 go directly to.

15 COMMISSIONER MCHUGH: This ombudsman is
16 a key position. Now that we are beginning to approach
17 the application window, the opening of the application
18 window, cities and towns I think will be eager -- as well
19 as the potential developers will be eager to make use
20 of that person as soon as he or she is onboard.

21 Chairman Crosby has been acting and will
22 continue to act as the ombudsman in a limited capacity
23 until the actual ombudsman is onboard. In fact, has
24 already met with two of the developers and arranged for

1 them to have access to the Department of Transportation,
2 which is one of the ombudsman's role.

3 All of the applicants who pay the
4 application fee are entitled to meet with the permit
5 granting authorities. And the ombudsman will
6 facilitate that process. Everybody who is interested
7 is entitled to one meeting. But once that application
8 fee is paid, then multiple meetings are possible.

9 Chairman Crosby, until we get the
10 ombudsman onboard, is the gatekeeper, facilitator for
11 those meetings and has begun to do that with a couple
12 of the developers already. So, we look forward to
13 getting that ombudsperson onboard. Anything else on
14 those topics?

15 Finance/budget area, we have no
16 finance/budget reporter here today. The
17 finance/budget results of our last meeting are posted
18 on our website. That budget for the next year is in
19 place and is the one we will be using.

20 So, we move then to item 7 on the agenda,
21 which is the public education information. Let's hear
22 from Director Driscoll about events in that area.

23 MS. DRISCOLL: Hello. I will be quick
24 because a lot of it is the same follow-up from last week.

1 As Director Glovsky mentioned, our process is really
2 moving forward for brand identity and website
3 development. I'm glad that we are on track to make a
4 decision on September 4.

5 As I said, in the meantime I have started
6 developing content and basically a site map on the
7 website so that when the graphic designers do come on,
8 we can quickly move forward with a goal of a launch in
9 mid-October to hopefully be basically simultaneous with
10 the issue of Phase-1 regulations. That is the goal, to
11 have that up and ready by the time Phase-1 regulations
12 are issued.

13 I am also in the process of promoting the
14 public comment period on Phase-1 regulations, making
15 sure that on the social media and on press releases we
16 are aggressively reminding people that we are seeking
17 public comment for Phase-1 regulations.

18 Simultaneously, I am promoting the three
19 public hearings that will occur on September 10. I am
20 also just making sure that we are organized. We have
21 at least a dozen speaking engagements in the next six
22 weeks. So, there is a considerable amount across the
23 State as many of you well know. And so I am just making
24 sure that we are organized and have the proper materials

1 for that. Again, the faster we move, obviously, the
2 more media inquiries that start to come in. So, just
3 fielding a large volume of media inquiries.

4 COMMISSIONER MCHUGH: In the future, we
5 can't do it with the Phase-1 regulations because we
6 haven't tested it, but you had an interesting idea about
7 sort of a wiki approach to comments, which I think we
8 will try out in some other way.

9 Could you just spend a second explaining
10 in general terms what that is?

11 MS. DRISCOLL: Sure. What I would like
12 to see us do hopefully for the next phase of regulations
13 where we are seeking public comment is utilize some
14 online technologies such as wiki shared pages, which is
15 basically gives us the opportunity to share editing with
16 the public.

17 So, in other words it offers the
18 opportunity for the public to go right into the document
19 and actually edit along with us. It's pretty
20 innovative. Not too many people do it right now. I
21 think that in terms of community engagements, it would
22 be very positive for us to take that step in addition
23 to the usual steps as well. It would simply be another
24 avenue.

1 COMMISSIONER MCHUGH: I think it is a
2 fascinating idea. I would like to find a vehicle to try
3 it on --

4 MS. DRISCOLL: Sure. We are working on
5 that.

6 COMMISSIONER MCHUGH: -- that was not so
7 -- before we get to that stage so we can test it and find
8 out its limitations.

9 In terms of public participation and
10 access, that is a terrific thing to explore. Even if
11 we can't do it for regulations, because of
12 record-keeping requirements, which are pretty precise,
13 using it to help develop other and get other regulations
14 -- I mean not regulations but policies and the like, it
15 is a great way to solicit public participation.

16 MS. DRISCOLL: Yes. Some cities under
17 similar public record laws have been able to find a way
18 to do it such as San Francisco. I think there is a way,
19 but you are right. We have to make sure it is properly
20 vetted in that there is not a margin for error. But we
21 are working on that. So, hopefully the next time there
22 is an appropriate opportunity we can use it.

23 COMMISSIONER MCHUGH: Great. The other
24 thing I know that we are going to have to do here in the

1 near future is update the frequently asked questions
2 piece to deal with some of these issues that now are
3 being raised like the one -- the request we got the other
4 day, so that things are there for people to look at.

5 MS. DRISCOLL: Sure. That would be
6 great. We have been trying to stay up on them as quickly
7 as we can.

8 COMMISSIONER MCHUGH: A lot of things are
9 changing quickly.

10 MS. DRISCOLL: As things change so
11 quickly, which is great but -- So, we just did a round
12 of updates last week. So, I am happy to add in the new
13 questions with staying on the many questions that are
14 coming in through MGC Comments. I just actually
15 completed that last week to make sure there were no
16 outstanding questions.

17 So, any time you get a question like that,
18 maybe the process can simply be that you send it to me
19 and I'll be sure to get it updated ASAP.

20 COMMISSIONER MCHUGH: I think that is an
21 important thing for the public to understand,
22 particularly those who are not here today but are
23 watching on the web. We are making an effort to respond
24 to every one of those questions that is sent to MGC

1 Comments. So, if you have questions you really should
2 send them. If you don't get an answer, something falls
3 through the cracks, send the question again because we
4 really do take that very seriously, and are trying to
5 answer those questions routinely.

6 MS. DRISCOLL: I just want to say too,
7 similarly we are making a point to answer them through
8 twitter and facebook as well. So, we have been getting
9 some questions through twitter that will be addressed
10 right away too.

11 COMMISSIONER MCHUGH: Great.

12 COMMISSIONER STEBBINS: I noticed when I
13 did look at our current list of published frequently
14 asked question and the list is getting so extensive. I
15 was wondering if there was a way we can begin to
16 categorize the questions.

17 MS. DRISCOLL: Yes.

18 COMMISSIONER STEBBINS: Because they are
19 -- They are dealing with a variety of different topics.
20 But from a potential host community, where can I find
21 those questions that might be particular to a host
22 community or the slots parlor license questions. Kind
23 of begin to see if we can categorize them in some way.

24 MS. DRISCOLL: We will.

1 COMMISSIONER MCHUGH: All right.
2 Anything? Great, thank you very much. The next item
3 is 7C, the discussion of the diversity inclusion forum.
4 I can't add -- Chairman Crosby is really handling that
5 and working hard on the arrangements for that, but I can
6 say there is a new date.

7 At the last meeting, I believe we said
8 September 17 would be the day. That date has been
9 changed to September 19 with a location and agenda to
10 come later. September 19 is the date that is now the
11 operative date. Do we have a location?

12 MS. REILLY: No.

13 COMMISSIONER MCHUGH: No. We will of
14 course post that location when we get the information.
15 As a placeholder, September 19 is a date for that
16 important forum.

17 The research agenda is the eighth item on
18 the agenda. We've really covered that through Director
19 Glovsky's report. The RFI is in progress, will be
20 issued. And once we get the results from that we will
21 move forward with that research agenda, which is both
22 comprehensive and detailed.

23 That brings us I think to the end -- not
24 I think, that brings us to the end of the agenda. Item

1 9 is reserved for matters the Chair did not reasonably
2 anticipate. And I can think of none.

3 COMMISSIONER CAMERON: Nor do I.

4 COMMISSIONER STEBBINS: Just a quick
5 report. As I mentioned, I was down in Brockton this
6 morning at Massasoit Community College. The community
7 colleges have taken this leadership role in workforce
8 and casino career training. The folks gathered around
9 the table were from workforce investment boards,
10 one-stop career centers, regional employment boards,
11 the other community colleges throughout that
12 Southeastern region, region three.

13 They're all being driven to sign an MOU
14 that they are willing to partner with each other and work
15 together to provide casino career training. Again,
16 kind of incorporating the Atlantic Cape Community
17 College in New Jersey's casino career curriculum.

18 It was a great meeting. I know the
19 Western Mass. region has had a meeting. This was the
20 first meeting in the Southeast. I believe they are
21 planning a meeting with the folks in region one, kind
22 of Boston as well. I thank the community colleges for
23 their leadership on that.

24 COMMISSIONER MCHUGH: It's a terrific

1 thing to watch come into being. Is our role that of a
2 facilitator, observer, question-and-answerer?

3 COMMISSIONER STEBBINS: There is at
4 least a noted section of the statute, which talks about
5 our ability to certify career training curriculum.
6 It's, again, kind of a small note in the statute but one
7 I think we ought to take seriously because I think we
8 at the same time have a responsibility to protect
9 Massachusetts residents who may hear about some online
10 course or some other entity offering casino training,
11 which usually winds up with them spending a lot of money
12 and not really getting any opportunity out of it.

13 So, I think as we move closer to the
14 opening of these facilities, we may see entities that
15 pop up that don't have the best intentions in mind. But
16 we do have some authority under the statute to certify
17 a training program or a curriculum.

18 There was talk this morning about the
19 Commission actually -- I didn't have a chance to talk
20 the organizers of the meeting, but some certification
21 which would essentially be a certification of the
22 Massachusetts Gaming Commission for an employee or
23 potential employees completed the training curriculum.

24 So, I think there is a good way for us to

1 be involved. Obviously, the thrust of the legislation
2 was creating jobs for Massachusetts residents. I don't
3 think we want to be a completely innocent bystander, but
4 we want to work with our partners. And certainly that
5 includes the Executive Office of Workforce and Labor
6 Development and all of these regional alliances and
7 entities.

8 COMMISSIONER MCHUGH: And at the same
9 time, help to ensure that those who are going to these
10 courses, as you said, are getting something of value out
11 of them.

12 COMMISSIONER STEBBINS: Right.

13 COMMISSIONER MCHUGH: Anything further?

14 COMMISSIONER CAMERON: Nothing.

15 COMMISSIONER MCHUGH: I have nothing
16 further either. So, I'll entertain a motion to
17 adjourn.

18 COMMISSIONER CAMERON: I make a motion
19 that we adjourn the meeting.

20 COMMISSIONER STEBBINS: Second.

21 COMMISSIONER MCHUGH: All in favor? I.

22 COMMISSIONER STEBBINS: I.

23 COMMISSIONER CAMERON: I.

24 COMMISSIONER MCHUGH: The meeting is

1 adjourned. We thank you all for attending and
2 watching.

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4 (Meeting adjourned at 1:53 p.m.)

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1 ATTACHMENTS:

2

3 Attachment 1, Agenda

4

5 SPEAKERS:

6 Robert Carroll, Michael & Carroll

7 Fredric E. Gushin, Spectrum Gaming Group

8

9 Eileen Glovsky, Director of Administration

10 Elaine Driscoll, Director Communication and Outreach

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

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My commission expires: May 11, 2018

//Elizabeth Tice// Date: August 22, 2012
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My commission expires: August 26, 2016