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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #209

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Lloyd Macdonald

Enrique Zuniga

Bruce Stebbins

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts
February 2, 2017
10:03 a.m - 12:51 p.m.

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: We are calling to
4 order the 209th meeting of the
5 Massachusetts Gaming Commission on
6 February 2, 2017 at our offices in Boston.
7 First item on the agenda is the approval of
8 minutes. Commissioner Macdonald.

9 COMMISSIONER MACDONALD: Yes, it's
10 on, I think. Is it on, Mike? Thank you,
11 Mr. Chairman. I move that we approve the
12 minutes of the January 19, 2017 meeting
13 subject to corrections, for typographical
14 errors and other nonmaterial matters.

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Any comments?

17 COMMISSIONER ZUNIGA: I do have a
18 comment. I think I'd like to refer back to
19 the Section of 1221. I think that the
20 first paragraph correctly reflects what
21 took place, but I think we should insert
22 something that I think was important, which
23 was three commissioners thought that we do
24 have the authority to look into it and, in

1 fact, directed staff to do that.
2 Everything flows correctly, but I just
3 wanted to highlight the discussion that the
4 three of us had towards the intention of
5 looking at this topic.

6 CHAIRMAN CROSBY: Okay.

7 COMMISSIONER ZUNIGA: Either before
8 or after the sentence that says, "The
9 Commissioners discussed the 10 year felony
10 employment disqualification and its
11 ambiguity." Both Commissioner Macdonald,
12 Chairman Crosby and myself stated that we
13 believe we do have the authority to clarify
14 and intention to do that.

15 COMMISSIONER CAMERON: I don't
16 recall the conversation being that direct.
17 I think the idea was really to have staff
18 take a look at the matter and come back to
19 us with ideas. I don't think there was any
20 direction, intention there that I recall.

21 COMMISSIONER STEBBINS: I do think
22 what's missing is at some point, I believe,
23 the executive director kind of interceded
24 and said, you know, I'll take

1 responsibility for kind of leading an
2 internal staff review, and that part is
3 missing if that was part of the same
4 conversation.

5 COMMISSIONER ZUNIGA: Well, perhaps
6 we could just go to the transcript to see
7 what each three of us said about the matter
8 right in between this sentence and
9 summarize it or Commissioner Cameron.

10 MS. BLUE: We can do that.

11 CHAIRMAN CROSBY: Okay. So we'll
12 doublecheck the transcript to make sure
13 what was clear, and if it was clear insert
14 some reference. If it wasn't, we won't.
15 Okay, anything else?

16 COMMISSIONER ZUNIGA: Nothing.

17 COMMISSIONER MACDONALD: To
18 Commissioner Stebbins' point, I mean, I do
19 believe, and I'm trying to check on here in
20 the language, that there was -- that the
21 outcome of this was that the executive
22 director would proceed from here to address
23 the issue and prepare recommendations to
24 the Commission; is that right?

1 MR. BEDROSIAN: Yes. I think it was
2 to lead a joint group of IEB and legal in
3 an analysis of a broad spectrum of ranges
4 of options for the Commission.

5 COMMISSIONER ZUNIGA: And that was
6 the right conclusion. My point is that, at
7 least my recollection is, it came from the
8 discussion that the three of us had towards
9 that intention, and that's the piece that I
10 want to highlight because three is an
11 important number in this Commission.

12 COMMISSIONER MACDONALD: And we can
13 do both after review of the transcript.
14 And the way that you just framed it,
15 Mr. Bedrosian, was exactly how I remembered
16 it, how I remembered it.

17 MR. BEDROSIAN: We'll re-review the
18 transcript and see if we can get clarity on
19 all of those issues, on those two issues.

20 CHAIRMAN CROSBY: Because it really
21 doesn't matter. But I sort of remember you
22 saying, in effect, I'll take point on that
23 sort of on the whole oversight, not just of
24 the legal opinions, but the whole oversight

1 of the whole issue that we'd be wrestling
2 with.

3 MR. BEDROSIAN: Yes, sir.

4 CHAIRMAN CROSBY: So we'll make some
5 notes and clarify that. And just for the
6 heck of it, circulate it when you are done
7 so we can see what your final upshot was.
8 Okay, any further discussions? All in
9 favor?

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER ZUNIGA: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER MACDONALD: Aye.

14 CHAIRMAN CROSBY: All opposed? The
15 ayes have it unanimously. Now we are to
16 item number three, Research and Responsible
17 Gaming. Director Vander Linden is in Iowa,
18 but we are well-served by the head of our
19 research project, Dr. Volberg.

20 MS. VOLBERG: Good morning, Chairman
21 Crosby, Commissioners.

22 COMMISSIONER MACDONALD: Good
23 morning.

24 COMMISSIONER CAMERON: Good morning.

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CHAIRMAN CROSBY: Good morning.

COMMISSIONER ZUNIGA: Good morning.

MS. VOLBERG: We are back so soon.

I am here today with another presentation of some results from our baseline portion of our impact study. I have with me today Rob Williams, who is my co-principal investigator on the SEIGMA project. Rob is actually based in Lethbridge in Canada, so he had a long flight yesterday through many layers of security apparently.

CHAIRMAN CROSBY: Well, we thank you for accepting all the refugees that the U.S. won't accept.

MS. VOLBERG: Rob is going to be presenting today on the second rather large baseline survey that was done in Massachusetts in 2013, 2014. This was an online panel survey rather than a general population survey, and Rob is going to be explaining a little bit to you about what the differences are and why they are important.

But before handing things over, I

1 just want to acknowledge the role of both
2 the Gaming Commission's Gaming Research
3 Advisory Committee and the Research Design
4 and Analysis Subcommittee in the production
5 of this report.

6 We presented preliminary results of
7 our analyses to both of these groups, and
8 their feedback was extremely helpful as we
9 went through several drafts and iterations
10 of the report. And with no further ado,
11 I'm going to turn it over to Rob.

12 CHAIRMAN CROSBY: Just to reinforce
13 that, we've said repeatedly that we want
14 our work to be academic quality and to have
15 a rigorous peer-review process, and we've
16 set up this actually sort of two-tiered
17 peer-review process for our work, which is
18 the two groups you referred to, which is
19 really important, so great, thanks.

20 MS. VOLBERG: Yes. The other point
21 to make, Chairman, is that as things have
22 evolved we've moved towards more of a sort
23 of standard set of procedures. So earlier
24 on there was sort of a much more open-ended

1 review process where there were sort of an
2 unspecified number of iterations, and what
3 we have now is much more sort of protects
4 the independence of the research team
5 itself by sort of having a set number of
6 review iterations so that at the end of the
7 day, the academic independence of the
8 research team and its conclusions are
9 safeguarded.

10 CHAIRMAN CROSBY: Great.

11 COMMISSIONER MACDONALD: Rachel,
12 could you remind me what the composition of
13 those advisory committees are, not
14 necessarily by name but sort of where do
15 they come from?

16 MS. VOLBERG: So let's see if I can
17 do this off the top of my head. The Gaming
18 Research Advisory Committee include
19 representation from the Massachusetts
20 Council on Compulsive Gambling, the
21 Massachusetts Department of Public Health,
22 the National Center for Responsible Gaming,
23 MGM has representation as does Wynn. I
24 believe --

1 CHAIRMAN CROSBY: The Pew Center for
2 the study of states.

3 MS. VOLBERG: Yes, Tom Conroy. I'm
4 trying to remember. The membership has
5 changed a little bit over the years.

6 CHAIRMAN CROSBY: Brigham and
7 Women's.

8 MS. VOLBERG: That's who I remember
9 from our meeting last week.

10 COMMISSIONER ZUNIGA: Harvard
11 Medical School.

12 MS. VOLBERG: Harvard Medical
13 School, yes. And wasn't Partners Health on
14 -- is Andrea still on there?

15 CHAIRMAN CROSBY: Yes, that's
16 where -- she is actually at MGH. She
17 hasn't really been involved much recently.

18 MS. VOLBERG: Right.

19 COMMISSIONER ZUNIGA: Commission on
20 addiction usually attends as you do as
21 well, so a lot of our researchers.

22 MS. VOLBERG: And Christopher Bruce
23 on the crime component also presented last
24 week.

1 CHAIRMAN CROSBY: And this is not a
2 legislative mandated group. This is a
3 group we set up voluntarily when we first
4 started the research, because we felt we
5 wanted both constituent participation as
6 well as pure, you know, academic quality,
7 peer-review of our work, which was kind of
8 open. We invited a lot of people to
9 participate, but it's become much more
10 formal. Although, it's just our own
11 initiative. It's not mandated by law or
12 reg.

13 MS. VOLBERG: There's also
14 representation from the University of
15 Massachusetts Boston Institute of Asian
16 American studies. I wanted to mention
17 that. And then on the smaller subgroup,
18 the subcommittee --

19 CHAIRMAN CROSBY: Explain the focus
20 of this.

21 MS. VOLBERG: So the focus of the
22 subcommittee is specifically on research
23 design and analysis issues. These are
24 people who initially joined the Gaming

1 Research Advisory Committee but then were
2 interested in taking a much deeper dive
3 into our specific methods, our specific
4 design issues, you know, very, very, down,
5 down in the nuts and bolts.

6 And so that group meets, I believe,
7 once a month or maybe once every other week
8 just that smaller group to sort of hash out
9 issues that end up before them mostly
10 having to do with our analytic approaches
11 and our conclusions and reviewing drafts of
12 reports in great detail.

13 CHAIRMAN CROSBY: We've tried to
14 compensate these folks or these people who
15 aren't on the public payroll, but I don't
16 think we've been able to persuade anybody
17 but who has done a tremendous amount of
18 work. It's volunteer work for these folks.

19 MS. VOLBERG: They are all very
20 interested in the issues I must say.

21 COMMISSIONER MACDONALD: That's very
22 impressive.

23 CHAIRMAN CROSBY: That is.

24 MS. VOLBERG: Well, without any

1 further ado, I will turn it over to Rob.

2 MR. WILLIAMS: Good morning,
3 Commissioners.

4 CHAIRMAN CROSBY: Good morning.

5 COMMISSIONER MACDONALD: Good
6 morning.

7 MR. WILLIAMS: So further to what
8 Rachel had to say that I put this in
9 further context, I can say the level of
10 review for the products we're doing in
11 SEIGMA and the Mass project is a couple of
12 magnitudes beyond what you typically get in
13 academic context. Usually when you submit
14 an article or a grant application, you have
15 two or three reviewers who do a pretty good
16 job of the unit and you have one, maybe two
17 iterations of that.

18 Here we have intense scrutiny and
19 consensus within our own team and that goes
20 to RDASQ and GRAK, and there's multiple
21 iterations of that. So the level of
22 scrutiny, the level of input be the
23 interest in it is actually several
24 magnitudes beyond what you typically get in

1 the academic form. So the products that
2 you get really are pretty bulletproof in my
3 view.

4 CHAIRMAN CROSBY: And one last
5 point, you know, that's not the easiest
6 thing in the world for the folks doing the
7 first round of work and we understand that
8 and appreciate it and everybody has worked
9 to be flexible. But, you know, it's not
10 easy having all those iterations and all
11 those people second-guessing your work, so
12 we appreciate it.

13 MR. WILLIAMS: That's right. But, I
14 mean, that's what this entire venture is
15 about, making sure it's unimpeachable and I
16 think we've achieved that. And it's taken
17 some getting used to the various roles and
18 this level of scrutiny, but it's working.

19 CHAIRMAN CROSBY: Right, great.

20 MR. WILLIAMS: So let me talk about
21 today is an important supplement to our
22 baseline survey. We did this large scale
23 10,000 sample Baseline General Population
24 Survey, and we used that to get a pretty

1 good index of the prevalence of problem
2 gambling, the basic demographic
3 characteristics of problem gamblers, the
4 level of gambling involvement in
5 Massachusetts. But it was deficient in one
6 important way, and that is it didn't give
7 us really fine-grain analysis of problem
8 gamblers in Massachusetts. So that's what
9 this was all about.

10 CHAIRMAN CROSBY: Because of sample
11 size.

12 MR. WILLIAMS: Sample size, yes. So
13 our 2013 general population survey, we had
14 9,500 and we were guesstimating that the
15 Federal Administration problem gambling in
16 Massachusetts be in the 1 to 2 percent
17 range, and we only get 96 to 192 problem
18 gamblers. We actually achieved 129, but it
19 was sort of in the ballpark that we
20 expected.

21 And so that's sufficient prevalence
22 rate, the statistical predictors of being a
23 problem gambler or not and, you know, their
24 basic demographic profile but it was

1 insufficient to determine that prevalence
2 of specific negative impacts within problem
3 gamblers.

4 In other words, what percentage of
5 problem gamblers declare bankruptcy because
6 of gambling? What percentage, you know,
7 have child welfare involvement because of
8 problem gambling? These are all important
9 metrics in establishing the impact of the
10 introduction to casinos, because we're
11 looking at changes in those metrics after
12 the casino has been introduced.

13 And our Baseline General Population
14 Survey didn't have sufficient numbers to
15 really have a gauge on that. So that was a
16 paramount purpose of this. It was a
17 supplemental survey to have a higher yield
18 problem gambler.

19 So there were four specific
20 purposes. One is the actual prevalence of
21 negative personal impacts, bankruptcy,
22 suicidal thoughts, divorce. I'll go
23 through that entire list today, as well as
24 the differential impacts of different types

1 of gambling on these negative impacts.

2 It's an interest to know whether
3 there's particular forms of gambling that
4 are more problematic than other forms.

5 And, again, you need enough people with
6 problems to be able to identify if there
7 are specific forms that are more
8 problematic than others.

9 The third was potential awareness
10 and treatment seeking behavior. We want to
11 have a gauge on how many problem gamblers
12 in the state are in treatment, how many
13 seek treatment and what's their experience
14 with treatment. And all of this was really
15 baseline to establishing what these levels
16 are so that we can establish the level of
17 change subsequent to casino introduction.
18 That was the purpose of this study.

19 So, essentially, we need to increase
20 our sample of problem gamblers. It was
21 prohibitively expensive to do this Baseline
22 General Population Survey but could be
23 accomplished with a relatively low cost of
24 online panel survey. This was the purpose

1 of what we're doing. So just a bit of our
2 online panels.

3 So online panels has been around
4 about 20 years, and they consist of people
5 who have agreed to participate in online
6 surveys in return for compensation. And
7 they have some significant advantages over
8 the typical population survey.

9 One is that everyone has agreed to
10 be contacted. You know, when you're
11 phoning people up, most people say no these
12 days. So all these people agreed to be
13 contacted. They agreed to do surveys. The
14 second advantage is that self-administered
15 surveys can have better validity,
16 especially for a sense of questions like
17 gambling or suicide. And, so, because
18 these are online, self-administered, you
19 tend to get more accurate metrics compared
20 to when you're asking people these same
21 questions over the phone.

22 Third being the advantage of they
23 are the fraction of cost. This was -- I
24 don't know what percentage it was but, you

1 know, 125th or it was really very, very
2 cheap for what you get. The other
3 advantage very quick turnaround time that
4 you don't have to do the survey over
5 several months. The survey is sent out to
6 the online panelists, and you get the
7 results back in a couple of weeks.

8 COMMISSIONER MACDONALD: Excuse me,
9 Rob. The population of respondents here
10 that are part of the online survey, are
11 they identified through a specific reach
12 out for this kind of subject matter or is
13 there a universe out there of people who
14 have agreed to be subject to online surveys
15 and you draw from that?

16 MR. WILLIAMS: It's the latter, and
17 that's the major weakness of online panels.
18 So even though market survey companies,
19 even though these panels are stratified to
20 be demographically representative of the
21 population in terms of education, gender,
22 age, employment, they have some other
23 systematic biases that have not been
24 corrected before, and it has to do largely

1 with the opt-in nature.

2 There is two in the world -- there's
3 only two actually representative online
4 panels where people have been randomly
5 selected and brought into the panel that
6 way. That would be a good way of doing it.
7 One of them is actually in Massachusetts in
8 all these networks.

9 The problem is their samples on
10 online panelists for Massachusetts is too
11 small to use, so we can consider those.
12 All other online panels in the world have
13 opt-in. In other words, there's e-mail
14 solicitations and, you know, you get points
15 for recommending friends to opt-in, so it's
16 largely opt-in.

17 Again, the panels structure it so
18 it's still demographically representative.
19 They have predominantly young males. But
20 when they send out the survey, they only
21 send it out to a demographically subsample,
22 so it's representative of whatever state.

23 So, but this opt-in nature is a big
24 problem, and one of the systematic biases

1 that occurs is much higher rates of
2 pathology. So Rachel and I have been doing
3 survey work forever.

4 CHAIRMAN CROSBY: Of all kinds of
5 pathologies you mean?

6 MR. WILLIAMS: All kinds of
7 pathology. So when we first became aware
8 of online panels 15 years ago, we
9 recognized this might be a replacement for
10 the traditional telephone survey, and so we
11 started using them. Then we found the
12 rates of problem gambling were considerably
13 higher than we were finding elsewhere.
14 Then we found the rates of smoking, the
15 rates of drug abuse, the rates of mental
16 health problems, they are all way too high.

17 And so our initial reaction was, you
18 know, we can't use this. And then it
19 dawned on us, this actually would be a good
20 way of getting a good yield of problem
21 gamblers that are demographically
22 representative but a much higher yield than
23 you'd get in a regular population survey.

24 So we started using these as regular

1 supplements to population surveys to get
2 this supplemental high yield of problem
3 gamblers. So that's the problem with
4 online panels, but that's the advantage
5 that we utilized in this situation.

6 So based on -- we've used online
7 panels in Korea, throughout Canada and in
8 other jurisdictions and we were
9 guesstimating based on that that we'd get a
10 prevalence rate of about 6 percent in
11 Massachusetts, and we were actually pretty
12 close.

13 So that's why we chose a sample of
14 5,000. We had to make all these
15 projections beforehand, because it had to
16 run perfectly coincident chronologically
17 with the Baseline Population Survey so
18 that, you know, we're getting people with
19 similar experiences that we can compare
20 them directly.

21 So we had to make a projection. Our
22 projection was 6 percent, 5,000 samples,
23 that would get us 300 more problem gamblers
24 in addition to the 129 we identified in the

1 general population survey.

2 We contracted with Ipsos to do this.
3 It was run perfectly coincident with the
4 Baseline General Population Survey October
5 2013 to March 2014. Final sample of 5,046
6 and 6.4 percent prevalence rate, so we
7 uncovered 317 more problem gamblers.

8 MS. VOLBERG: In Massachusetts.

9 MR. WILLIAMS: In Massachusetts,
10 right. All population surveys are
11 subsequently weighed. I won't get into the
12 specifics of this, but we did a rate and
13 procedure that corrected before the minor
14 biases. Again, these are online panels are
15 actually much more -- you have to do less
16 weighting, post-op weighting because they
17 make sure that their sample is the right
18 portion of males and females, but we did a
19 little bit anyways just to make it
20 perfectly consistent with Massachusetts
21 demographic.

22 COMMISSIONER CAMERON: Quick
23 question, do you know that they're
24 different individuals; in other words, that

1 you didn't have someone that participated
2 in a phone interview and happened to be the
3 same person that may have been online?

4 MR. WILLIAMS: We don't know. We
5 actually made some projections that way.
6 We figured there's a handful. Not enough
7 to really -- you know, 5 million adults in
8 Massachusetts and 9,500, again, general
9 population of 5,000, statistically we were
10 figuring maybe half a dozen. It would have
11 been interesting to ask that question and
12 to see the difference you might get in the
13 same response in those half dozen but yes.

14 CHAIRMAN CROSBY: This is -- but 129
15 is not 2 percent of 9,500. It's more like
16 100 3.5 or something like that. And in
17 your new revised after peer-review weight
18 system, you weight -- you judge that our
19 problem gambling rate was more in the
20 nature of 2 percent not -- so, I guess, it
21 was something about the weighting that
22 caused you to even though as an absolute
23 number, the 129 is only more than the
24 nature of the original number you had. You

1 did something to drive that up.

2 MS. VOLBERG: Yes, there were two --

3 CHAIRMAN CROSBY: Oh, this was
4 education. The variables that you hadn't
5 weighted for.

6 MS. VOLBERG: That's right and the
7 raking procedure. So it was those two
8 things in combination that increased the
9 post-stratification weighting approach
10 resulted in a 1.7 percent prevalence rate.
11 Once we added education into the mix and we
12 used what's called a raking procedure
13 rather than a post-stratification
14 procedure, that was what increased it to
15 2.0 percent.

16 CHAIRMAN CROSBY: Right, okay.

17 MR. WILLIAMS: All population
18 surveys, the post-op weighting increases
19 prevalence rates of problems, particularly
20 gambling. Because when you phone people
21 up, you get greater compliance from older
22 people and females; whereas, the highest
23 prevalence problem gambling has been males
24 and younger. So it always goes up and

1 poorly educated, right.

2 CHAIRMAN CROSBY: Okay, good.

3 Thanks.

4 MR. WILLIAMS: So the next question,
5 and we had many rounds of discussions with
6 RDASQ on this. There's two scenarios here.
7 So we have 317 new problem gamblers. The
8 question is: Is this just a high obtain
9 yield of regular problem gamblers or are
10 these problem gamblers systematically
11 different in some way from the problem
12 gamblers identified in the general
13 population survey? If they're just regular
14 problem gamblers, the high yield, you can
15 combine the samples and report one set of
16 statistics. If they're different, then you
17 have to keep them apart.

18 So we conducted a procedure called
19 the "logistic aggression," which is
20 basically a multivariate technique that
21 looked at -- we had 20 or 30 particular
22 variables. Were you able to come up with
23 any set of variables that reliably
24 distinguish the two groups? If you can't,

1 then you can combine them. If you do, then
2 you've got to keep them apart.

3 And the end result of that was that
4 we did find there was a subset of fine
5 variables that distinguished the groups.
6 The ones in the box is the acronym we use
7 for Baseline Online Panel Survey. They
8 were less likely to be immigrants. They
9 were younger population. They were less
10 likely to come from western Massachusetts,
11 greater engagement in extreme sports and
12 greater tobacco use, so they were
13 different.

14 So, again, argument could be made
15 and we made this argument, went back and
16 forth that -- you know, if you have -- if
17 we know the general population survey had
18 some biases that we corrected before,
19 older, more females, better educated, if
20 you have slight bias there and a different
21 set of biases in another sample, when you
22 combine them and actually -- might actually
23 represent a truer representation, not
24 everyone was comfortable with that

1 approach. It seemed the most conservative
2 approach is report them separately.

3 This way you actually have an
4 independent set of values that could
5 replicate potentially the values we get
6 from the baseline general population
7 problem gamblers, so that's what we
8 ultimately did.

9 COMMISSIONER STEBBINS: Two quick
10 questions on the kind of difference between
11 the two surveys and the problem gamblers
12 who are identified less likely to come from
13 western Massachusetts, is that just based
14 on a population variance? I mean --

15 MR. WILLIAMS: That one was
16 simply -- that was artifact of a sampling
17 procedure. In our baseline general
18 population survey, we deliberately
19 oversampled, so the --

20 COMMISSIONER ZUNIGA: Western Mass.
21 They oversampled western Mass. on the
22 baseline.

23 MS. VOLBERG: In the general
24 population.

1 MR. WILLIAMS: The other ones we
2 can't really explain, but that one we
3 could.

4 COMMISSIONER CAMERON: Does the --
5 I'm sorry.

6 COMMISSIONER STEBBINS: In, you
7 know, the greater engagement in extreme
8 sports, what kind of does that lead you to;
9 does that lead you to a younger --

10 MR. WILLIAMS: I'm thinking it's
11 just associated with a greater pathology
12 you see in this group, you know, the higher
13 tobacco use, the higher drug use.

14 COMMISSIONER ZUNIGA: Risk taking,
15 higher risk taking. And by extreme sports,
16 what does that entail?

17 MS. VOLBERG: Bungee jump,
18 skydiving.

19 COMMISSIONER ZUNIGA: Ultimate
20 fighting.

21 COMMISSIONER STEBBINS: Wow.

22 MR. WILLIAMS: It fits in with -- I
23 mean, problem gamblers tend to be
24 high-risk. So this is probably related why

1 we got six-and-a-half percent problem
2 gamblers in the group.

3 COMMISSIONER CAMERON: In the
4 tobacco use, is there any correlation other
5 than it's a difference between the other
6 samples?

7 MR. WILLIAMS: So this is a
8 useful -- we do have some actual reference
9 points from Massachusetts. So the tobacco
10 survey in Massachusetts in 2015 showed that
11 19.4 percent of Massachusetts residents use
12 tobacco.

13 MS. VOLBERG: It's one of the lowest
14 rates in the country.

15 COMMISSIONER CAMERON: It's
16 disheartening to see it with younger
17 people.

18 MR. WILLIAMS: Yes. There is
19 especially the chewing tobacco and the
20 snuff and all these other things and
21 E-cigarettes, yes. But in any case, it was
22 interesting to see that a rate of tobacco
23 use in the general population survey was
24 like 13 percent, but our rate in tobacco

1 use in the BOPS was like 24 percent.

2 MS. VOLBERG: But for the full
3 sample. Until you got to the problem
4 gamblers.

5 MR. WILLIAMS: So an argument could
6 be made they were actually maybe
7 undersampling problem gamblers to some
8 extent. You have a more conservative group
9 in the general population survey and you
10 get more, I don't know, risk prone group
11 but it was the one value. We don't know
12 what natural portion of Massachusetts
13 residents engage in extreme sports. So
14 tobacco use was the only metric we had to
15 compare the two.

16 So this is useful in that another
17 argument that was made was that the BOPS
18 really are unrepresentative. But if their
19 tobacco use is somewhat higher and tobacco
20 use in the general population survey is
21 somewhat lower, that what we know to be the
22 case for Massachusetts, then I don't think
23 in fact you can say that the one result is
24 consistently unrepresentative and the other

1 result is.

2 So I like to think of this is that
3 we have two different samples of problem
4 gamblers each with slight biases and
5 collectively -- I was the one arguing that
6 those differences would merit a
7 combination. You get more representative
8 group.

9 MS. VOLBERG: Overruled.

10 MR. WILLIAMS: Yes, overruled. And
11 that's fine. It's a more conservative way
12 of doing it, two independent replications.

13 CHAIRMAN CROSBY: You could also run
14 it together, right?

15 COMMISSIONER ZUNIGA: You could
16 report the two scenarios.

17 MR. WILLIAMS: That's right. Truth
18 is in the end as you'll see, the two values
19 are so close together on all of these
20 metrics that actually this independent
21 replication approach is probably the
22 stronger way of doing it in terms of
23 documenting this baseline.

24 Anyway, so that was a good part of

1 the back and forth, RDASQ and our own team.
2 We had disagreements in our team let alone
3 all the discussions with RDASQ. But,
4 again, show you the utility of it.

5 There was many different
6 perspectives on this. You need to go with
7 the consensus. In this case the consensus
8 is used in the most conservative approach.
9 So the results of the samples are not
10 combined, and the results reported
11 separately.

12 So here are the results. This is
13 simply descriptive statistics on the
14 baseline negative impacts in gambling in
15 Massachusetts. The first thing to want to
16 document is that not unexpectedly financial
17 problems are the most common reported
18 negative impact of gambling, and we've got
19 two metrics here. One for gamblers, all
20 gamblers in Massachusetts and the second is
21 specifically for problem gamblers.

22 There's an increasing trend these
23 days -- historically we used to just look
24 at the rate of problem gambling in the

1 jurisdiction. Now from a public health
2 perspective, there's more argument that you
3 should be looking at level of harm. And
4 even if someone is not yet a problem
5 gambler, if they report significant
6 financial problems because of their
7 gambling, that's a harm being caused and so
8 we've done it both ways for this.

9 So 3.8 percent of all gamblers
10 report significant financial problems
11 because of their gambling. They don't
12 meet -- most of these people don't meet
13 criteria for problem gambling but,
14 nonetheless, they report a harm.

15 MS. VOLBERG: Can I just make one
16 point? It's important to understand when
17 you're looking at these results that
18 peoples' responses to these questions about
19 these negative impacts all included the
20 phrase "because of your gambling." Have
21 you experienced financial problems "because
22 of your gambling" or bankruptcy "because of
23 your gambling?" So all of these are
24 directly attributed by these respondents to

1 their gambling problem.

2 MR. WILLIAMS: Yes. And further to
3 that, most social economic impact studies
4 have not done this. What they do to infer
5 the impact on bankruptcies is they look at
6 the level of bankruptcies in the
7 jurisdiction before and after, and they
8 attribute the change in gambling
9 availability to that increase. So that's a
10 very indirect inference. Lots of other
11 things occur in a jurisdiction coincident
12 with introduction of gaming. So here we
13 have a very direct attribution.

14 CHAIRMAN CROSBY: This is just like
15 a crime study where we go out of our way to
16 find causality not just inferring from
17 decreases or increases.

18 MR. WILLIAMS: Right. It doesn't
19 preclude us, and we still are looking at
20 those secondary measures. We're looking at
21 level of bankruptcies, but now we have a
22 direct attribution for all of these
23 negative impacts that makes a stronger
24 causal case.

1 So most problem gamblers, as you
2 might expect, BGPS is for general --
3 Baseline General Population Survey and the
4 BOPS, Baseline Online Panel Survey. Again,
5 fairly close, about half of problem
6 gamblers report significant financial
7 problems. Might wonder how can you be a
8 problem gambler if you don't have financial
9 problems?

10 There is a range of problems. A lot
11 of people it's relationship problems, or
12 it's mental health problems. They can
13 afford these losses, but psychologically
14 they cannot afford these losses. So they
15 suffer mental health problems or
16 psychophysiological, high blood pressure,
17 ulcers. And so there's a lot of different
18 manifestations of problem gambling. So
19 but, nonetheless, as you might expect,
20 financial problems most commonly reported a
21 significant impact.

22 A specific important manifestation
23 of that is bankruptcy. So anyone who
24 reported significant financial problems was

1 followed up with a follow-up question
2 asking, "Did you declare bankruptcy because
3 of your gambling?" And 5.2 percent of the
4 BOPS problem gamblers said yes.

5 This is one of the problems with
6 keeping the two samples separate in that a
7 protocol we developed is that if the sample
8 size is too small to come up with liable
9 estimates, the standard of care of estimate
10 is going to be greater than 20 or
11 30 percent, 30 percent, we don't report it.
12 So in some of these, we only report the
13 BOPS.

14 So this is useful in a way in that
15 it's a common association that problem
16 gamblers declare bankruptcy. What this
17 says is that it's not extremely rare, but
18 it's maybe not as prevalent as you might
19 think.

20 Now, that projects -- if that figure
21 was accurate, it projects like 5,000
22 bankruptcies per year in Massachusetts.
23 That's almost certainly an overestimate
24 given the number of bankruptcies that

1 actually occur in this state. But if the
2 actual number --

3 CHAIRMAN CROSBY: How many actually
4 occurred in the state?

5 COMMISSIONER ZUNIGA: Twice as much.

6 MS. VOLBERG: 9,400.

7 MR. WILLIAMS: It's about 10,000.

8 So I don't believe gambling accounts for 50
9 percent of all bankruptcies in the state.
10 It's sort of irrelevant -- this is really a
11 baseline. Our question is: Is this
12 5.2 percent increased to 8.5 percent at the
13 casinos? That's the more important thing,
14 and they will be able to gauge how many
15 bankruptcies are attributed to gambling
16 introduction.

17 So the actual level -- I provide
18 that more as a reference point. But as you
19 can see that it's probably an overestimate,
20 and it's partly due to BOPS problem
21 gamblers may be somewhat different from
22 other problem gamblers.

23 COMMISSIONER CAMERON: So are these
24 individuals saying that when it's not

1 accurate?

2 MR. WILLIAMS: No, it is accurate.
3 It's whether BOPS problem gamblers are
4 probably a little more extreme in terms of
5 the consequences they experience would be
6 my interpretation of that. So that if we
7 had a reliable figure for the baseline
8 general population problem gamblers, it
9 might be like 2 percent. And then,
10 collectively, it might be like, you know,
11 3 percent, which would be a more realistic
12 figure.

13 We do know in jurisdictions that
14 have done social economic studies that
15 bankruptcies is actually do account for a
16 significant proportion of -- problem
17 gambling related bankruptcies do account
18 for a significant portion of all
19 bankruptcies in jurisdictions.

20 In Alberta when we did our social
21 economic impact study there, we estimated
22 about, I think, it was 20 percent of all
23 bankruptcies could be fairly reliable. We
24 have other systems to triangulate that

1 figure. So we should expect that a
2 significant percent of bankruptcies would
3 be due to problem gambling, but that figure
4 is too high.

5 The next most common negative
6 self-reported impact is health or
7 stress-related problems occurring in
8 3.8 percent of gamblers and, again, just
9 slightly lower than 50 percent of problem
10 gamblers but not much difference between
11 the two groups.

12 Anyone who was endorsed that was
13 asked a follow-up question: Did these
14 health and stress-related problems result
15 in you seeking medical or psychological
16 help? And 3.9 to 8.7 percent of problem
17 gamblers reported that. So we've got
18 4,000, 9,000 people reported seeking
19 medical or psychological help because of
20 that.

21 CHAIRMAN CROSBY: Which is less than
22 10 percent of probably of the people who
23 expressed who said they had problems, which
24 goes to another issue which is our ability

1 to provide services to people and like only
2 8 percent of people saying they have health
3 and stress-related problems get help.

4 MR. WILLIAMS: Yup. We have another
5 question that is related to this later in
6 this presentation, but it essentially makes
7 that point that only a small proportion of
8 problem gamblers are seeking help in this
9 state.

10 Third most common self-reported
11 negative impact was mental health. So
12 significant guilt, anxiety or depression
13 was reported 3.2 percent of all gamblers
14 and about a third of problem gamblers.
15 Anyone who endorsed that question was asked
16 specifically about suicide thoughts, and
17 4.4 percent of problem gamblers report
18 that.

19 And then if they endorse that,
20 whether they had suicide attempts because
21 of that, here we get into a situation where
22 numbers are so small we couldn't project a
23 number. But all we can really characterize
24 it is rare. One person -- one of the 129

1 in the Baseline General Population Survey
2 endorsed that and 10 in BOPS, so it occurs.

3 But here, again, you often have very
4 well-publicized suicides related to
5 gambling. They tend to make the press.
6 People presume, therefore, they are more
7 common than they actually are. But this
8 documents -- suicide attempts obviously not
9 suicide. You can take that further the
10 ratio of the real-world health organization
11 estimates the ratio of attempt to actual
12 suicides is about 20 to one.

13 So if you can project that even
14 further, there's probably a handful, maybe
15 less than a handful of suicides currently
16 in Massachusetts because of gambling per
17 year. So it does occur, but it's not
18 currently at a rate that people would
19 presume because of the publicity that's
20 associated with it.

21 Baseline relationship impact makes a
22 more common problem. One percent of
23 gamblers, about 13 to 18 percent of problem
24 gamblers. Follow-up question? Well, did

1 that result in neglect of children and
2 family? About 9 percent of the problem
3 gamblers. What about domestic violence and
4 about five percent. So this is 5,000
5 incidents where problem gamblers are
6 reporting that their gambling has lead to
7 domestic violence.

8 We don't know -- only a small
9 portion of that would lead to charges, but
10 this is also another negative impact that
11 tends to be reliably related to problem
12 gambling.

13 Again, when we did this in British,
14 Columbia and Alberta, we were able to
15 triangulate and estimate that probably 5
16 percent of all of domestic violence in
17 those jurisdictions that was actually
18 gambling-related, and we have a lot of
19 gambling. We have like 29 casinos in
20 Alberta, for example. We've had them for
21 many years, so we have a lot more gambling
22 there.

23 But domestic violence is sometimes
24 not recognized. Actually, one of the

1 impacts that you actually reliably we do
2 see from problem gambling, again, a small
3 percentage of all cases but, nonetheless,
4 it shows up reliably.

5 COMMISSIONER CAMERON: Do you think
6 people are willing to admit to this? I
7 mean, do you think that's an accurate
8 number?

9 MR. WILLIAMS: There's some
10 cathartic value in a lot of these surveys.
11 I've always -- I used to be surprised how
12 much information -- I can recall we did a
13 longitudinal survey in Ontario, and we were
14 asking problem gamblers about crime. We
15 asked about crimes here as well. But you
16 would think that would be something you
17 would want to keep to yourself but we have
18 high rates of crime and, furthermore, we
19 have open-ended questions and they were
20 detailing the incidents, many of which had
21 not been reported. And so, yes, maybe they
22 are pulling your leg.

23 But I'm a clinician. I'm a clinical
24 psychologist by trade before I became an

1 academic, and it's surprising how much pent
2 up guilt these people have, and they don't
3 mind telling you. In many ways, it's sort
4 of a cry for help. So I do, in fact,
5 believe most of these are honest.

6 CHAIRMAN CROSBY: But I have that
7 question. All this self-report stuff how
8 much money do you gamble, I've always, and
9 we talked about this at many times, so
10 whether you can rely on the absolute number
11 is an informed judgment call but what we
12 will track is the difference, whether the
13 actual literal number is right, it's X
14 percent, we will know that it goes from X
15 to Y if there are casinos.

16 So we don't know for sure if it went
17 from the time to, you know, the actual
18 numbers right but the percent increase
19 might well be representative. I have the
20 same thought every time I see one of these
21 self-reported numbers.

22 COMMISSIONER CAMERON: I wasn't
23 thinking that these people were not telling
24 the truth. I was thinking of

1 underreporting. That people don't want to
2 admit that this is an issue.

3 MR. WILLIAMS: That's a possibility.
4 These rates, again, seem a little high.
5 Again, we don't have -- we don't know what
6 the true rate of domestic violence is in
7 the state but we -- if we use the
8 bankruptcy one, that seems higher than it
9 should be. So, yes, there is some
10 potential for underreporting but I don't
11 think it's a big problem.

12 Getting back to this gambling
13 spectrum. That, in fact, is the one
14 variable above all these others that we are
15 most worried about, because that's the one
16 subject to the most extortion and we do
17 more handwringing about that one because
18 not only is huge biases in that, one is the
19 fact that you tend to oversample people who
20 are winners. If they are winners, they are
21 going to tell you about it. If they just
22 dropped \$10,000, they don't want to be part
23 of your survey.

24 Furthermore, the people who actually

1 are losing the most often have
2 psychological distortion problem gamblers.
3 So what we find is that the people most
4 likely report they are winners are actually
5 the people losing the most money, and it's
6 a psychological distortion. They really
7 think that their gambling is a way of
8 making money. Their bank account shows
9 otherwise. But they self-report.

10 And, so, you have all of these
11 cognitive distortions going on. So the
12 self-reported expenditure is the most
13 problematic of all of these incidents. I
14 have a lot more confidence in these than I
15 do the self-reporting expenditure.

16 COMMISSIONER MACDONALD: Would this
17 be another incident of where the opt-in
18 nature, opt-in nature of the online survey
19 could have a distorted effect?

20 MR. WILLIAMS: As I was suggesting
21 before that because the BOPS problem --
22 because the BOPS oversamples people with
23 pathology and because largely what we get
24 is a high yield of just regular problem

1 gamblers, but it seems like these problem
2 gamblers are a little more extreme than
3 others.

4 So, yes, all that opt-in translates
5 into problem gamblers in the BOPS that
6 might have even a little more domestic
7 violence than if -- we do have numbers that
8 we can't report for the Baseline General
9 Population Survey and they're lower for
10 sure, so yes.

11 CHAIRMAN CROSBY: But you aren't
12 confident enough to put them in that
13 report.

14 MR. WILLIAMS: But it is worth
15 noting the fact that they are not appearing
16 is because the numbers are so low, and
17 that's useful to counterbalance this.

18 CHAIRMAN CROSBY: We're also going
19 to have the crime data for a lot of this,
20 and there will be a triangulation tool. We
21 will have the survey data saying what
22 problem players think is going on, and
23 we'll have real data to see what's going on
24 too. Does domestic violence go up?

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COMMISSIONER ZUNIGA: Can I go back to the notion of that with our intention to replicate this, you know, in the future and looking at the differences? If we do another baseline -- I'm sorry -- another online panel.

MR. WILLIAMS: BOPS follow-up.

COMMISSIONER ZUNIGA: A follow-up of the online panel, are we likely to get some of the same people and are we going to try to correct for that bias given that --

MR. WILLIAMS: We are likely to get the same people, because we want to use the game but, in fact, I think it's an advantage to have some of the same people. We definitely need to ascertain whether these are the same people and perhaps actually match their -- this would apply to independent replication of whether the same people actually also report an increase in these metrics independent of the cross-sectional sample. So, yes, I don't know what percentage will likely have overlap.

1 MS. VOLBERG: I don't know. We'll
2 have to talk to Ipsos about it.

3 MR. WILLIAMS: But it will be a
4 percentage. I don't know if it's 5 percent
5 or 50 percent.

6 MS. VOLBERG: No. Because if this
7 is 2013 and if we're going back in 2020, I
8 would imagine -- because they have to
9 refresh those panels a lot, and so I would
10 expect it to be more than 5 percent than
11 the 50 percent. But we will check with
12 Ipsos and some other experts in online
13 panel survey research to find out.

14 CHAIRMAN CROSBY: Great.

15 MR. WILLIAMS: So separation and
16 divorce, next most common about 3.7
17 percent. Again, several thousand people,
18 that might be a bit high but it's also
19 making a point that there is several --
20 there's a few thousand people in this state
21 who have been separated or divorced because
22 of current gambling opportunities.

23 This is also something that flows
24 through in all of this. Again, we have

1 done these sort of things in other
2 jurisdictions that have a lot of gambling
3 already. These levels are not
4 fundamentally different than the levels
5 we're seeing in jurisdictions already with
6 casinos. So there's a lot of gambling
7 already going on in Massachusetts.

8 CHAIRMAN CROSBY: That's one of the
9 things we don't want because of our lottery
10 is huge and there is --

11 COMMISSIONER ZUNIGA: And our
12 neighbors to the south.

13 CHAIRMAN CROSBY: And 10 billion or
14 so.

15 COMMISSIONER CAMERON: Super Bowl
16 betting.

17 CHAIRMAN CROSBY: 30 percent of our
18 general population survey gamble in casinos
19 already.

20 MR. WILLIAMS: That was one of the
21 big wake-up calls for us that Massachusetts
22 residents are gambling a lot already. That
23 might actually mitigate impacts. We'll
24 find out. But a couple of thousand people

1 are being divorced or separated because of
2 this. Child welfare involvement because of
3 gambling very rare, two loads have reliable
4 figures. Work or school impacts tend to be
5 rare among gamblers and uncommon amongst
6 problem gamblers and having lost your job
7 or quitting school because of gambling is
8 actually very rare and receiving public
9 assistance or welfare payments because you
10 lost your job even rarer. So this is not a
11 big impact.

12 Again, it's a baseline to see
13 whether there's changes with casinos.
14 Illegal activity, the rarest of all.
15 Except when you look at gamblers, like half
16 of one percent of gamblers report engaging
17 in illegal activity because of their
18 gambling. That's 11,000 people. That's
19 probably a reasonably accurate figure.
20 This is our general population survey.

21 COMMISSIONER CAMERON: Did you ask
22 about illegal gambling, if they
23 participated in illegal gambling?

24 MS. VOLBERG: No, we just asked

1 about illegal acts.

2 COMMISSIONER CAMERON: That would
3 have been an interesting question.

4 MS. VOLBERG: Actually, we have
5 added questions to magic about gambling in
6 venues that are not licensed. What did we
7 ask about, underground casinos and
8 something else?

9 MR. WILLIAMS: Yes, underground
10 venues. We've since added those questions.

11 COMMISSIONER CAMERON: How about the
12 bookies at the local bars?

13 MS. VOLBERG: I think that was
14 actually under the --

15 CHAIRMAN CROSBY: The question would
16 be: Have you committed an illegal act
17 because of gambling as opposed --

18 MS. VOLBERG: I think Gayle --
19 Commissioner Cameron is asking a slightly
20 different question, which is, I think, and
21 correct me if I'm wrong, are they engaged
22 in illegal gambling because they're problem
23 gamblers or are they more -- or are problem
24 gamblers more likely to --

1 MR. WILLIAMS: What percentage of
2 Massachusetts residents are engaged in
3 illegal gambling? We are now capturing now
4 I think in our magic cohort, because it's a
5 pertinent question. It's definitely on the
6 radar. It's not huge, but it's on the
7 radar.

8 This refers to problem gamblers or
9 regular gamblers who have committed
10 something illegal, not other forms of
11 gambling presumedly, but something illegal,
12 embezzlement, fraud, something that they
13 consider illegal to support their gambling
14 habit. So it's not trivial, 11,000 people.
15 What that actually looks like I'm not sure.
16 I'm not sure.

17 CHAIRMAN CROSBY: What do you mean
18 what that looks like you're not sure?

19 MR. WILLIAMS: I mean, what
20 particular crimes are they committing?

21 CHAIRMAN CROSBY: I thought what
22 Gayle was asking was consider the fact that
23 they are gambling illegal in illegal
24 activity.

1 COMMISSIONER CAMERON: Correct. I
2 was asking that. Plus, I do think it would
3 be interesting to know how many of these
4 folks participate either in sports betting
5 or online poker. Those forms of gambling
6 that are out there.

7 MS. VOLBERG: We can look at sports
8 betting, because we asked them about sports
9 betting.

10 MR. WILLIAMS: We capture that now
11 in the magic cohort. I don't think -- and
12 it's also true that it appears that problem
13 gamblers are the most likely ones to engage
14 in illegal forms. They are -- they tend to
15 be the most versatile, and they want all
16 sorts of gambling activities, and so there
17 actually is a lot of research on this but
18 our guesstimate is that a good portion of
19 that illegal activity is being engaged in.

20 We do know that in Canada that's
21 definitely the case. CRSP have done a lot
22 of investigations of these people, and they
23 tend to be ones who are self-banned from
24 casinos, and they are going to these

1 underground ones where they are let in.
2 So, yes, we're getting a better handle on
3 that in our cohort study, but we don't have
4 anything in the Baseline Online Panel
5 Survey that speaks to that.

6 So, anyways, to illegal activities
7 in the grand scheme of things are the
8 rarest negative impact but it's not
9 trivial. Arrest because of gambling very
10 rare, convicted even rarer, incarcerated
11 very, very rare. But, nonetheless, you've
12 got six people report that they went to
13 jail because of their gambling habit and
14 that would project into the population, you
15 know, at least a few hundred.

16 Three other quick areas. So that
17 was the primary focus, the baseline
18 negative impacts and we'll look at that
19 again with the BOPS in 2020 presumably to
20 see how all of those things have changed
21 and if it changed. But the other thing is
22 how you yield problem gambling allows us to
23 do is ask some questions about are there
24 particular types of gambling that cause

1 more problems than others?

2 And the first important result is
3 that only a minority of problem gamblers
4 reported that a certain type of gambling
5 contributed to the problems more than
6 others. Only about 30 percent of the
7 regular problem gamblers and 27 percent for
8 BOPS. And that's divergent from a lot of
9 public perception, you know, electronic
10 gambling machines are often demonized.
11 They are more problematic than other forms.

12 But the fact of the matter is that
13 we've asked this question in many different
14 situations, and that's the answer you
15 generally get. The alcoholics they just
16 don't consume one beverage. They are
17 versatile. They may prefer beer or vodka,
18 but they tend to engage all forms of
19 alcohol. The same thing with problem
20 gamblers.

21 Yes, they may lose most of their
22 money on slot machines but they're buying
23 the instant lottery tickets. They are
24 betting -- playing poker online. They're

1 doing all these other things, and so it's
2 hard for them to say there's any particular
3 form. So that's a very important finding,
4 and it was reassuring to replicate that in
5 Massachusetts.

6 That being said, that number is even
7 lower than we've ever found before. It's
8 more typically like 30, 40 percent before
9 there was a particular form. This is
10 lower. And, I think, we have a potential
11 reason for that. For those that did report
12 this for this 26, 29 percent low numbers
13 precluded reliable estimates of relative
14 importance with each type with the
15 exception of instant lottery.

16 That 23 percent of that 26 percent
17 reported that instant lottery is the most
18 problematic form, but it was the only type
19 of gambling where the number was sufficient
20 that the standard estimate wasn't greater
21 than 30 percent.

22 COMMISSIONER MACDONALD: And, Rob,
23 the definition of instant lottery, is that
24 scratch tickets?

1 MR. WILLIAMS: Yes.

2 COMMISSIONER CAMERON: They're not
3 nearly as popular in any other state.

4 MR. WILLIAMS: I know. In
5 Massachusetts --

6 COMMISSIONER CAMERON: They are
7 dusty on the walls in most states,
8 seriously.

9 MR. WILLIAMS: Massachusetts is very
10 unique in terms of not only your payback
11 percentage on the lottery but the
12 participation, which is online.

13 CHAIRMAN CROSBY: Which is higher
14 here or lower?

15 MR. WILLIAMS: The highest amount in
16 the world. It's the highest in the world,
17 75 percent. Most jurisdictions payback
18 rate is 50 percent. So we've often
19 speculated that's a good part of the reason
20 why they have very, very high patronage.
21 And this is a lesson for gambling providers
22 if you really want high uptake, don't
23 squeeze your patrons so much. Give higher
24 payback percentage.

1 We don't know. But it is unusual
2 the level of lottery revenue and the level
3 of lottery engagement in this state than
4 everywhere else in the world. And it has
5 to do with payback percentage or some other
6 nature of the product or the population of
7 the absence of casinos. We don't know.

8 Anyways, the message here is every
9 type of gambling had some endorsements.
10 Some people report, you know, it was Mega
11 Millions causing them problems. Some
12 people reported it was bingo. Some people
13 reported online poker. Everyone had some
14 endorsement as a more problematic form.

15 And this divergence most research
16 which tends to find when you do ask this
17 question, it's typically electronic
18 gambling machines, table games, online
19 gambling that get more endorsements than
20 other forms and we didn't see that here.
21 That's maybe because they are not readily
22 available. So this will be something we
23 carefully look at after the casino is
24 built.

1 Last section is baseline prevention
2 awareness and treatment seeking problem
3 gamblers in Massachusetts. So we asked a
4 question: Have you heard or seen media
5 campaigns prevent problem gambling in
6 Massachusetts? And about half of gamblers
7 do about half of problem gamblers do. Now
8 at first blush this seems that's pretty
9 good. We were concerned about that.

10 This is actually a much lower
11 endorsement for the problem gamblers than
12 you would expect. They're regularly
13 engaging with the gambling products, and
14 only half of them are aware of these
15 messages. That's much lower than we've
16 seen using the same question in that
17 jurisdiction, so scratching your head about
18 that.

19 Greater endorsement for the second
20 question about awareness of actual programs
21 to prevent problem gambling at work, school
22 or in the community. 16 percent of
23 gamblers aware and a quarter to a third of
24 problem gamblers are aware of that, so

1 that's good. That's more what it should
2 be. But, again, you would hope that a
3 majority of problem gamblers would be aware
4 of some program that would be available to
5 them or some -- you'd like it to be higher
6 than that.

7 CHAIRMAN CROSBY: You'd think every
8 one of them would have heard of Gamblers
9 Anonymous, for example.

10 MR. WILLIAMS: It's whether they
11 construe that as a program. So it might be
12 the wording. We're not sure.

13 COMMISSIONER ZUNIGA: What is the
14 question you ask; you ask about a program?

15 MS. VOLBERG: Yes. The wording is
16 just, "Are you aware of programs in your
17 community?" I think part of that has to do
18 with perceptions of Gamblers Anonymous as
19 not being a program but a fellowship and
20 it's something that, you know, is sort of
21 noninstitutionalized and GA works very hard
22 to maintain that perception. They don't
23 really want to be seen as a program that's
24 associated with a government entity, for

1 example, or with, you know, a social
2 institution.

3 MR. WILLIAMS: We had hoped to be
4 able to drill down into this to see what
5 sort of utilization that people have of
6 Gamblers Anonymous versus employee
7 assistant programs. But the rate of actual
8 treatment seeking, as you'll see in the
9 next slide, is too low to actually make
10 that determination.

11 Last issue here, these media
12 campaigns and programs alter gambling
13 behavior to a very limited extent. The
14 idea on these media campaign is not to
15 change the behavior of problem gamblers but
16 to reduce the future incidents of problem
17 gamblers and at-risk people, so that's not
18 necessarily discouraging.

19 I think this is the last slide. So
20 then we asked: Did you want help for
21 gambling problems? This is a very
22 important result. Only a quarter of
23 problem gamblers want help. This is the
24 main reason why treatment seeking is so

1 low, not just in Massachusetts but
2 everywhere.

3 I mean, most smokers don't seek
4 formal treatment for their smoking. Most
5 people who are depressed don't seek out
6 formal treatment. And, actually, it's not
7 absolutely essential that you do because
8 most people actually have enough friends,
9 family and resources to tackle the problems
10 themselves. The people that tend to go to
11 treatment are the ones who tried their own
12 resource and failed repeatedly.

13 So it's a bit of a bias that people
14 should seek out formal treatment. The fact
15 of the matter is natural recovery and the
16 support of friends and family and your own
17 resources to tackle these problems has
18 always been the mainstay of recovery from
19 addictions and mental health problems, and
20 it's for problem gamblers as well.

21 You don't want to go see some
22 stranger and talk about their problems
23 regardless whether it's a Ph.D. They'd
24 rather do it themselves. It's just a

1 natural tendency. I'd do the same thing.
2 If I was a problem gambler, I'd try to fix
3 it myself before I sought out to -- so I
4 don't want help. But if I repeatedly fail,
5 I think I probably would. And that's, I
6 think, that's the 25 percent of that BOPS.

7 COMMISSIONER ZUNIGA: Could that
8 also explain the low -- at least some of
9 awareness numbers, the notion that you
10 don't really pay attention to certain
11 things if you're not -- I think there's a
12 lot of problems, and I remember this from
13 the baseline population survey your point
14 about the low awareness number compared to
15 other jurisdiction is something, you know,
16 this Commission and our partners at BPH
17 should really consider in terms of
18 furthering. But could you take some of
19 that rational as well and say I don't pay
20 attention because I'm going to seek --

21 MR. WILLIAMS: I don't think so,
22 because these numbers aren't a lot
23 different than what you see in other
24 jurisdictions. Only a minority of problem

1 gamblers want help. But if you're engaged
2 in something, you tend to be hypervigilant
3 to anything relevant to that.

4 So if you're a golfer, every time
5 some golfing ad shows up on the television,
6 you pay attention. But if you're not a
7 golfer, you don't even know it's there.
8 And so problem gamblers tend to be --
9 whatever you're interested in, those are
10 the commercials that you actually attend to
11 and all the rest are just a blur. So, I
12 still think it's anomalous to a previous
13 life.

14 Entered into a casino self-exclusion
15 agreement, that's actually quite high
16 compared to other jurisdictions. Quarter,
17 quarter of the problem gamblers actually
18 and obviously they had to do it in other
19 states. The number one state is
20 Connecticut but very high utilization
21 there, which is a good thing.

22 People sometimes talk, you know,
23 they don't give enough credit to
24 self-exclusion because it's not formal

1 treatment but it works. It's a public
2 proclamation that you want to do something
3 about your gambling and the casino is going
4 to help you in that, and we've done a lot
5 of studies on the effectiveness of
6 self-exclusion.

7 I mean, there's devils in the
8 details that can be even more effective if
9 there's rigorous identification, people
10 coming through the venue but even the ones
11 who don't have that. You actually have a
12 pretty good bang for your buck in people
13 signing these agreements, because it's a
14 public proclamation to everybody. It's not
15 just the casino making this proclamation
16 too. It's friends, family.

17 It's like telling everyone you're
18 going to quit cigarettes, you know. That
19 actually does want you to preserve, and
20 there's good payout from that sort of it
21 reflects a level of motivation to do
22 something about it and try to public
23 commitment, and that you're adverse to not
24 doing it.

1 CHAIRMAN CROSBY: Is there a common
2 number of percent of VSE signees who try to
3 breach it? It's sort of a --

4 MR. WILLIAMS: We've done VSE
5 follow-ups studies in Alberta, and we
6 looked at them in Ontario and about a third
7 breach.

8 CHAIRMAN CROSBY: That's what I
9 thought, yes.

10 MR. WILLIAMS: And once we recognize
11 they can repeatedly breach, so it's not
12 just one breach. It's multiple breaches.
13 But the more important message there is
14 that the majority who don't breach because
15 they think there's effective protection
16 mechanisms in place. Once they realize
17 there's not, they go to town.

18 MS. VOLBERG: Or if you can put
19 effective protection mechanisms in place.

20 MR. WILLIAMS: Right. So like North
21 America is really the only jurisdiction
22 that doesn't have effective protection
23 mechanisms. In Europe and in most Asia,
24 you have to show some form of government ID

1 to get into a casino. So they simply scan
2 your bar code and match it up to the
3 self-exclusion list. And, so, there's much
4 more effective exclusion if they catch that
5 30 percent than these other jurisdictions.

6 CHAIRMAN CROSBY: And that's not
7 done at all in North America?

8 MR. WILLIAMS: No.

9 COMMISSIONER CAMERON: Want to be
10 anonymous. Want to be able to walk in.

11 MR. WILLIAMS: There's no way they
12 couldn't do it.

13 CHAIRMAN CROSBY: Most of them use
14 their player cards.

15 MR. WILLIAMS: Yes, there's very
16 easy ways to do it. It seems too
17 intrusive. It's more a philosophical sort
18 of thing, but the mechanisms exist. When
19 you go to Disney Land now, I think you're
20 using your thumbprint and they have much
21 higher volumes of customers than -- so if
22 the technology exists, do it. It's seen as
23 a little too intrusive. It's why we don't
24 do it.

1 COMMISSIONER CAMERON: Facial
2 recognition would be another way to invest
3 in that.

4 MR. WILLIAMS: Doesn't work very
5 well.

6 COMMISSIONER CAMERON: It's getting
7 better. I've seen it.

8 MR. WILLIAMS: We've done studies.
9 Like Ontario has the world's most advanced
10 facial recognition system in casinos right
11 now, because there's been several lawsuits.
12 The big problem with casino self-exclusion
13 that's currently administered is that in
14 Ontario there's many successful lawsuits by
15 self-excluders who have argued breach of
16 contract, because the casinos said they are
17 going to use their best efforts to exclude
18 them and then they don't have a system to
19 be able to that.

20 So they've successfully won cases
21 repeatedly because of breach of contract in
22 Ontario court. All have been settled out
23 of court, so a duty of care isn't formally
24 established yet for casinos. How did I get

1 on that topic?

2 CHAIRMAN CROSBY: You were saying
3 they are putting facial recognition because
4 of that.

5 MR. WILLIAMS: Because of all the
6 lawsuits in Ontario, they introduced facial
7 recognition and they've contracted with the
8 most advanced systems in the world to do
9 that, and it still does a very poor job.
10 The main problem has to do with the
11 placement. The facial recognition system
12 works very well in welfare offices where
13 you have clear lighting and you have a
14 person's face at the window, and you
15 actually have a pretty good match or at
16 customs. But in a dimly lit casino, the
17 cameras at the top and people moving all
18 around are not stationary. The detection
19 rate is very, very low.

20 COMMISSIONER CAMERON: And a
21 baseball cap.

22 MR. WILLIAMS: And a baseball cap
23 and a lot of self-excluders disguising
24 themselves, so it's better than nothing.

1 They do pick up some people, but the
2 detection rate is still pretty poor.

3 So last point is that these overall
4 results are consistent with others which
5 only about 10 percent of problem gamblers
6 seek formal treatment. Again, the point I
7 want to make there is we shouldn't be
8 wringing our hands too much about that.
9 Only a quarter want treatment.

10 Now, we'd like to have that
11 10 percent closer to a quarter and should
12 be able to get it, and that should be
13 approved. It's not like we want every
14 problem gambler to get formal treatment. I
15 think that's --

16 MS. VOLBERG: That's the next slide.
17 It's the cover of the report. And just to
18 finish things off, as we have sort of
19 gotten into the habit of doing, this report
20 is now available on the SEIGMA website
21 under the publications tab, and we
22 certainly invite members of the public and
23 other interested parties to take a look at
24 it.

1 CHAIRMAN CROSBY: Great.

2 COMMISSIONER CAMERON: Thank you.
3 That was very well done.

4 CHAIRMAN CROSBY: Comments,
5 anything? Yes, it's great. It's really
6 fascinating. And it's frustrating to have
7 to wait for five years, ten years before we
8 see all this. We have all this baseline
9 information, and it's going to be awhile.
10 We're starting to get some reports, but
11 it's really an incredible phenomenon.

12 COMMISSIONER ZUNIGA: The research
13 team that -- I've been involved in the
14 evolution from the beginning of the
15 research effort, and there's been a number
16 of studies that now you've been traveling
17 to Boston quite often these days mostly
18 because the baseline effort was so large, a
19 lot of these reports are now starting to
20 trickle in, if you will, with all of the
21 analysis that you're team does, so just
22 gives us an appreciation of how much great
23 work is being done here.

24 MR. WILLIAMS: And a lot of it is,

1 again, getting used to the review process
2 and everyone understanding, you know, the
3 sequence of events that has to occur, so
4 it's getting a lot smoother now.

5 MS. VOLBERG: And I just want to cap
6 it off by saying that, once again, the
7 support from all of you on the commission
8 and from the commission staff and the
9 interest here in the work that we're doing
10 and all of the support, it really at the
11 end of the day is what makes all of this
12 possible.

13 We've all been on a pretty steep
14 learning curve, every single one of us.
15 But it's really exciting to be able to come
16 here and make these presentations and
17 showcase different members of the team.
18 It's a very large team and, you know, I
19 know that some of them are actually
20 watching us from back in Amherst and some
21 other places. But it is really, really
22 exciting to present it to you.

23 I just want to sort of add to that
24 that there's a lot of international

1 interest in this study. Commissioner
2 Cameron and I had a conversation a number
3 of weeks ago about a colleague of hers in
4 Australia who is very aware and is
5 following all of the developments of this
6 project. I know people in a number of
7 European countries are doing that. So this
8 is really just a landmark study, and I'm so
9 proud to be able to head it up.

10 CHAIRMAN CROSBY: Thank you.

11 COMMISSIONER CAMERON: Thanks.

12 COMMISSIONER ZUNIGA: Thank you.

13 COMMISSIONER CAMERON: Very
14 informative.

15 COMMISSIONER MACDONALD: Very
16 impressive.

17 COMMISSIONER CAMERON: We have
18 functioning gamblers here. Well, so few
19 are losing their job, you know, it's an
20 interesting --

21 MR. WILLIAMS: Well, again, it's not
22 fundamentally different than we see in
23 jurisdictions with gambling. Again, that
24 was a bit of an eyeopener.

1 CHAIRMAN CROSBY: With casinos.

2 MR. WILLIAMS: Yes, with casinos.

3 COMMISSIONER ZUNIGA: Yes. I think,
4 you know, one of the follow-ups that I
5 think that I want to make sure to mention
6 and maybe we'll have some kind of
7 presentation with the Public Health Trust
8 Fund executive committee, our partners at
9 DPH, a lot of the findings in this really
10 pertain to the work that the council does,
11 the importance of having them funded
12 because there's already a level of gambling
13 going on, and so it's great.

14 CHAIRMAN CROSBY: That's really a
15 great point. Teresa, maybe you could send
16 out to the Public Health Trust Fund
17 Executive Health Committee the slides and
18 we should have told people about -- now
19 that I think about it that -- this
20 presentation is being made but send out the
21 slides and the report to the Public Health
22 Trust Fund. That would be great.

23 COMMISSIONER CAMERON: Did you see
24 the numbers just released on the Super Bowl

1 that \$4.2 billion will be gambled on one
2 game?

3 CHAIRMAN CROSBY: That's legal or
4 illegal?

5 COMMISSIONER CAMERON: 97 percent
6 illegal.

7 CHAIRMAN CROSBY: Wow.

8 MS. VOLBERG: It's the biggest
9 betting event of the year.

10 CHAIRMAN CROSBY: How do they know
11 that? Who do they sample to come up with
12 that? They owe the bookie.

13 COMMISSIONER ZUNIGA: Online panels
14 and raking and other methods.

15 COMMISSIONER STEBBINS: Yes. This
16 is unbelievably impressive, and you
17 answered a lot of the questions I had that
18 I made notes on. And, I think, to
19 Commission Zuniga's point and to Chairman
20 Crosby's point is how can we take some of
21 the prevention awareness and treatment data
22 you've collected and share it with public
23 health so -- and the Mass Council so they
24 begin to think of new strategies to

1 increase their awareness or at least help
2 on the soliciting for assistance piece.

3 MS. VOLBERG: Yes. We have regular
4 communications with the gaming commission
5 with -- I mean, with the Mass DPH folks,
6 Victor Ortiz, and also with Marlene and her
7 staff at the council. I don't think --
8 well, I know that we -- I mean, we
9 presented on this earlier at the Gaming
10 Research Advisory Committee. So I'm sure
11 that Marlene and Victor are both aware of
12 some of the earlier iterations. But,
13 certainly, we'll reach out to them and
14 think about doing some kind of a
15 presentation if they'd like me to.

16 CHAIRMAN CROSBY: Well, they don't
17 know whether -- Mass Council because of
18 their budget cut doesn't know whether
19 they're going to have an annual conference
20 this year. They're hoping that they will,
21 and I think it's attentively scheduled for
22 April. They are holding their place hoping
23 their budget gets re-instated. If they do,
24 this would be a really great presentation

1 with that.

2 So you might doublecheck with
3 Marlene about that. She is not on the
4 executive committee, Teresa, but she's in
5 that group and make everybody who attends
6 and involved in that should get it, and
7 that would be a good thing to follow-up. I
8 think that group of people, the people who
9 come to their annual conference would
10 really be interested in this.

11 COMMISSIONER ZUNIGA: Absolutely.
12 That's an excellent point.

13 CHAIRMAN CROSBY: Great. Well, it's
14 really fascinating. Thank you very much.

15 COMMISSIONER CAMERON: Thank you.

16 MS. VOLBERG: Thank you.

17 CHAIRMAN CROSBY: Ready to move on
18 or we're going to take a break?

19 COMMISSIONER ZUNIGA: Let's have a
20 quick break.

21 CHAIRMAN CROSBY: Yes, let's have a
22 break.

23

24 (A recess was taken)

1 CHAIRMAN CROSBY: We are reconvening
2 public meeting number 209 at about 10:30.
3 We are on item number four, administrative
4 update, Director Bedrosian.

5 MR. BEDROSIAN: So to Dr. Volberg's
6 comment about her colleagues watching this,
7 unfortunately, we're having some streaming
8 problems, so the internet was slightly
9 slow. I think it's been resolved now, so
10 the good news is --

11 CHAIRMAN CROSBY: Was it --

12 MR. BEDROSIAN: Yes, it was taped
13 and it will be there. The bad news is if
14 people were watching during that
15 presentation, it might have been slow and
16 choppy and a little bit frustrating. But
17 for posterity sake, it will be archived.

18 CHAIRMAN CROSBY: Apologies to folks
19 who are in the audience, but it will be
20 there for future reference if anybody is
21 interested.

22 COMMISSIONER CAMERON: Reruns are
23 available.

24 CHAIRMAN CROSBY: Yes, reruns are

1 available.

2 MR. BEDROSIAN: No cost. I think
3 our folks were working feverishly with Mass
4 IT to try to resolve that. All right, so
5 to my more immediate update, just on some
6 of the stuff I'm doing that you -- as you
7 mentioned earlier during the minutes, I'm
8 continuing to lead the project we discussed
9 on employee licensing. Next week I'll be
10 working with Commissioner Zuniga with the
11 compliance committee on both internal and
12 external issues.

13 As I have said before, I will also
14 be starting the budget -- relative
15 budgeting process FYAT and relatively soon
16 with CFAO Lennon. I think most importantly
17 I received a letter from Treasurer Goldberg
18 this week announcing the reappointment of
19 Commissioner Zuniga. Congratulations,
20 Commissioner.

21 COMMISSIONER CAMERON:
22 Congratulations.

23 CHAIRMAN CROSBY: You stole my
24 thunder.

1 MR. BEDROSIAN: I'm sorry.

2 CHAIRMAN CROSBY: That's quite all
3 right. Just to remind everybody that the
4 commissioners are appointed by the
5 different statewide offices. The chair is
6 appointed by the governor. I guess
7 Commissioner Cameron was appointed by the
8 attorney general this time around, right?

9 COMMISSIONER CAMERON: No, all
10 three.

11 CHAIRMAN CROSBY: You're appointed
12 by the attorney general.

13 MR. BEDROSIAN: Yes.

14 CHAIRMAN CROSBY: Commissioner
15 Zuniga was appointed by Treasurer Goldberg
16 and Commissioner Stebbins and Commissioner
17 Cameron were appointed by the three and
18 have been one case reappointed, two cases,
19 that's right. So we've now had
20 reappointments of three of our original
21 commissioners, great.

22 COMMISSIONER ZUNIGA: Can I say a
23 word on that? As I mentioned to Treasurer
24 Goldberg, personally I thank her and I

1 really look forward to the next five years.
2 This next phase -- the last phase was
3 unique and interesting in the licensing
4 process and, I think, there's equally
5 exciting things in the next phase of
6 opening the two major casinos. So I really
7 look forward. It's been a pleasure. It's
8 a pleasure to work with every one of you
9 and, I think, it's a testament to all the
10 work you do that we're perceived as worthy
11 of continuing doing the job we do, so thank
12 you everybody.

13 MR. BEDROSIAN: It's good to have
14 good staff. On issue B, you may remember
15 this was a holdover from the last meeting
16 which I had neglected to have an actual
17 vote. But, I think, I worked with Deputy
18 General Counsel Grossman hopefully on the
19 appropriate motion that maybe Commissioner
20 Zuniga has?

21 COMMISSIONER ZUNIGA: For the
22 capital expenditures?

23 MR. BEDROSIAN: Yes.

24 COMMISSIONER ZUNIGA: I do have the

1 motion. I was wondering if there's any
2 additional discussion that we needed to
3 have as part of this process.

4 MR. BEDROSIAN: I don't think so. I
5 think, again, as long as everyone is sort
6 of refreshed and remembers the discussion
7 we had at the last meeting, I think the
8 clarity was we put a bunch of caveats or
9 conditions on the motion, I think, that
10 Commissioner Zuniga can outline.

11 COMMISSIONER ZUNIGA: I have them
12 and they are well-written here, and I can
13 stop and clarify any one of them.

14 CHAIRMAN CROSBY: It's in the
15 motion?

16 COMMISSIONER ZUNIGA: It's in the
17 motion, so I can take it in phases.

18 CHAIRMAN CROSBY: Let me see if I
19 remember. Maybe this is in and if it is,
20 stop me. But a key issue was whether or
21 not in a multiyear plan overrode the
22 3.9 percent, you know, the annual
23 3.9 percent.

24 COMMISSIONER ZUNIGA: 3.5.

1 CHAIRMAN CROSBY: 3.5 percent, and I
2 think we decided our reading was that it
3 did. If you had a multiyear plan, which
4 the Commission approved, then that was
5 evidence that there was enough of a capital
6 investment that you don't have to go to the
7 3.5 annual or average annual or anything
8 like that.

9 MR. BEDROSIAN: Yes. I think the
10 issue we didn't necessarily resolve but
11 maybe sidestepped was that we still
12 determined under our regulation for this
13 particular finding there was good cause. I
14 think another licensee would dispute
15 whether you actually need good cause in a
16 multiyear plan.

17 On this particular one we are
18 saying, yes, there was good cause and
19 determined -- and deferred potentially in a
20 regulatory review whether to take up the
21 broader issue of whether good cause was
22 necessary.

23 CHAIRMAN CROSBY: That's right.

24 COMMISSIONER ZUNIGA: I'll clarify

1 something and, I think, the motion also
2 clarifies it but there was also a
3 discussion last time that there was a
4 five-year plan presented one year after the
5 casino has been operating and I, myself,
6 stated that it would go beyond the term of
7 the license, which is five years. In fact,
8 as a point of fact is that it doesn't. The
9 first year as presented in the plan last
10 time is an actual figure. It's not a
11 projection.

12 So the first year capital investment
13 actually coincides with the numbers that
14 they made, and they will report that in
15 detail in the subsequent quarterly report.
16 And the four remaining years that they
17 presented are plans and, therefore, all of
18 it together actually coincides with the
19 term of the license.

20 Commissioners, I remember I didn't
21 think that was necessarily a bad thing to
22 crossover in terms of license in this
23 capital plans, but that doesn't even matter
24 because it doesn't. There's an actual

1 first year and the remaining four are
2 projected.

3 COMMISSIONER STEBBINS: I just to
4 add to that, you know, I think what
5 impressed me the most about this kind of
6 revised plan there was a lot of back and
7 forth as to what could be included and what
8 could be excluded. I was happy to see the
9 shift away from normal maintenance cost
10 being excluded and having the focus of the
11 spending plan be on true capital, purchase
12 of capital expenditures.

13 And, again, I think what's unique
14 about Penn National's property is also on
15 the racing side and giving them some
16 credit, I think due credit for continuing
17 to make capital investments on the racing
18 side of the property all be it it's from a
19 different funding source, but it's a
20 funding source as we all know that pay into
21 it and it's still their obligation to go in
22 and ask for that money back. So that was
23 another component of their plan that
24 impressed me trying to find a way to

1 include that and give them credit for that.

2 MR. BEDROSIAN: So I don't know,
3 General Counsel Grossman, if you have
4 anything to add.

5 MR. GROSSMAN: No, I think that's
6 it.

7 COMMISSIONER ZUNIGA: Okay. So then
8 I will state for the record and move that
9 after discussion and review of the
10 materials submitted by Plainridge Park
11 casino by letter dated January 16th 2017
12 and in accordance with 205 CMR 13909
13 relative to its multiyear capital
14 expenditure plan, I move that the
15 Commission approve the plan.

16 For clarity, the plan shall be
17 considered the information contained in the
18 submitted spreadsheet that was reviewed at
19 the January 19, 2017 commission meeting.
20 As approval of the plan -- as part of the
21 approval, I move that we find good cause
22 was demonstrated for the five-year plan to
23 not equal or exceed 3.5 percent of net
24 gaming revenue threshold.

1 As a basis for this finding, we like
2 things such as the relative new nature of
3 the facility, the outline maintenance
4 program and the proposed improvements to
5 the racing facilities.

6 This move comes with the following
7 conditions: The dollar amounts set out in
8 the plan shall be considered minimum
9 investment figures and can be exceeded.
10 The licensee shall annually file a written
11 report to coincide with its fiscal year
12 detailing its compliance with the approved
13 plan. The licensee's May 2017 quarterly
14 report and accompanying presentation shall
15 include information by which the Commission
16 may verify that the 2016 expenditures
17 included in the plan were made.

18 The Commission will review the plan
19 periodically to determine whether it
20 continues to satisfy the purpose of the
21 capital expenditure provisions of the law
22 and may direct any necessary adjustment.
23 And if the licensee anticipates being
24 unable to satisfy any component of the plan

1 for modification thereto, it shall request
2 advance approval from the Commission.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER MACDONALD: Second.

5 COMMISSIONER STEBBINS: Second.

6 CHAIRMAN CROSBY: Any discussion,
7 further discussion? I just think I sort of
8 want to state for the record, I think,
9 that's right, that we did decide to take
10 the narrower question here. I was pretty
11 anxious to move on to the larger question,
12 and we did talk about it in great point
13 being whether we should bypass -- whether
14 they need a good-cause justification or not
15 in a multiyear plan. We will get to that.
16 It's important that we do get to that, but
17 I'm happy to leave it on the narrower
18 criteria for the moment. Any others?

19 COMMISSIONER ZUNIGA: As the motion
20 states that we find good cause at this
21 point.

22 CHAIRMAN CROSBY: Right. All in
23 favor?

24 COMMISSIONER ZUNIGA: Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER MACDONALD: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously.

6 MR. BEDROSIAN: Thank you,
7 Mr. Chair. That is all I have in the
8 administrative update.

9 CHAIRMAN CROSBY: Director Wells.

10 MS. WELLS: Good morning.

11 CHAIRMAN CROSBY: Good morning.

12 COMMISSIONER CAMERON: Good morning.

13 MR. BEDROSIAN: Without discussing
14 this with Director Wells, I think we were
15 hoping to do A and C consecutively, if
16 that's okay?

17 MS. WELLS: Yes, I think that makes
18 sense. So I'm going to turn it over to the
19 gaming agent's division chief, and also I
20 think Catherine Blue has some comments on
21 the table games rules memo.

22 MR. BAND: I'm back here today in
23 front of you. It's been a month since we
24 originally presented this. Since that

1 time, we've received comments from MGM and
2 Wynn, and they basically were in agreement
3 with what our recommendations were. They
4 kind of disagreed with us having a comment
5 period on these regs. They suggested
6 numerous other bets, which we intend to
7 include into our rules of the game. The
8 versions that they we want to offer, we
9 want to accommodate them with that.

10 We also got a comment from Side
11 Games who basically agreed with our
12 procedures but also wanted something
13 included on stadium games, which are table
14 games. It's kind of a mixed slot table
15 situation, which we intend to add into
16 either our slot regs or gaming equipment
17 regs. We're here to get your direction as
18 to which way you would like us to go.

19 COMMISSIONER CAMERON: So you had no
20 problem adding those games because?

21 MR. BAND: Our staff knows those
22 games pretty well. It's not just ones that
23 we would have thought they would have
24 wanted. But if they went through the

1 trouble listing them and saying this is
2 what we want, we'll add them in.

3 COMMISSIONER CAMERON: So you're
4 familiar, and there's no issue with
5 including them.

6 MR. BAND: No.

7 COMMISSIONER CAMERON: And you did
8 not give a recommendation on whether or
9 not -- I think I know the answer to this --
10 the comment period does not slow down the
11 process. It can be done during the test
12 period.

13 MR. BAND: Yes. I don't think it
14 hurts to have the comment period. I mean,
15 you can either take the suggestion or not.
16 That's up to you, but it never hurts to get
17 feedback.

18 COMMISSIONER CAMERON: I mean, I
19 think the whole idea here -- well, we
20 always like comments, because we learn
21 something we may not have known. And,
22 secondly, where it doesn't slow down the
23 process because it can be done during a
24 test period.

1 MR. BAND: Correct. That's part of
2 the design of the test period, too, is that
3 you encourage comments from the public and
4 the operator and everything during that
5 period.

6 COMMISSIONER CAMERON: Yes, good.
7 Very good, thank you.

8 COMMISSIONER ZUNIGA: I read that
9 they are most concerned about making sure
10 we don't go through with the regulatory
11 process on the modifications, which we
12 don't intend to do. I think the comment
13 period was less of a concern, and it's not
14 one of mine neither.

15 CHAIRMAN CROSBY: So are there --
16 sorry, Commissioner Stebbins.

17 COMMISSIONER STEBBINS: Yes, I had a
18 quick question. I agree with everything
19 you and Burt put forward, including Burt's
20 little catchphrase jingle I hope we is.

21 MR. BAND: Our experience is now
22 just 72 years and a month.

23 COMMISSIONER STEBBINS: Excellent.
24 Is there a possibility that we will, as we

1 post the rules of the game, that we may
2 have variations of the rules of the game by
3 each licensee?

4 MR. BAND: Well, where it will
5 differ is what wagers they offer on the
6 their game. I mean, if you read what they
7 suggested, there is a slew of additional
8 wagers. Nobody will offer all these. You
9 might only have one or two, you know, maybe
10 one property will offer this variation or
11 not, so there will be differences in that.

12 COMMISSIONER STEBBINS: So in terms
13 of sharing the information, you will have
14 the basics about the game and then you may
15 have the subcategory this is what MGM
16 allows you to do. This is what Wynn allows
17 you to do.

18 MR. BAND: Our intent is to kind of
19 create a checklist type reg that will state
20 out the reg. And with the variations, it
21 will have a check box that MGM or Wynn will
22 submit to us and this is the wagers we want
23 to have, which can be added or taken off at
24 a moment's notice.

1 COMMISSIONER STEBBINS: I mean,
2 that's information we collect in terms of
3 putting that information out, you'll be
4 able to identify it as allowed by Wynn,
5 allowed by MGM in their respectable.

6 MR. BAND: Yes.

7 COMMISSIONER ZUNIGA: Well, if this
8 was part of what was expected on the
9 agenda, I agree with all of the
10 recommendations that you clearly outlined,
11 especially the introduction to additional
12 follow-up and comments that we received. I
13 think all your recommendations sound very
14 reasonable. And, I think, it tracks the
15 balance of the many of the principals that
16 we set out to do in terms of having
17 flexibility and competitiveness but also
18 protecting the integrity of the operations
19 and having everybody know the rules and be
20 posted on websites and have the initial
21 period be one of original promulgation.
22 That's very important. But then after
23 that, there's a lot more flexibility for
24 modifications and such.

1 MR. BAND: I think this is probably
2 one of the most flexible in the country
3 going into the procedure and protecting
4 game protection and the integrity of the
5 game.

6 COMMISSIONER STEBBINS: I had,
7 sorry, one other question. The letter we
8 got from MGM and Wynn talk about looking at
9 independent lab results, looking at other
10 jurisdictions is hopefully helpful to us
11 and kind of speeds up the process.

12 MR. BAND: We would take any
13 information that they supply as far as
14 taking a report from BMM or GLI I would
15 want to get that certified through that lab
16 that that letter is, in fact, their report.
17 But other than that, I have no problem with
18 that.

19 COMMISSIONER ZUNIGA: That itself
20 could be the review as they suggest.

21 MR. BAND: Yes, get as much data as
22 you can.

23 COMMISSIONER MACDONALD: So the
24 decision from us today is sort of a sense

1 of the Commission?

2 MR. BEDROSIAN: Yes, I think so.
3 Mr. Band, correct me, I think the high
4 level understanding is we will have a
5 regulation that will refer to the posted
6 rules. We will have to now develop all of
7 those rules. Now, this is a lot of rules,
8 I assume?

9 MR. BAND: A half decent amount,
10 which is another question that needs today
11 is: Are you going to want to receive them
12 piecemeal or all at once? I would
13 recommend all at once, because you can work
14 at your own pace. And we're going to get
15 to a point where it eventually gets voted
16 on, but that would be a long way off. We
17 can eat up a lot of commission time sitting
18 here in front of you every week presenting
19 four or five games. Just, I think, it
20 would be advantageous to put them all on
21 the table at once for you.

22 COMMISSIONER ZUNIGA: And those are
23 the 17 that we keep talking about, right?

24 MR. BAND: Yes.

1 CHAIRMAN CROSBY: This is the only
2 one of the questions that has to do with
3 our own personal preferences rather than
4 sort of gaming industry standards, and I
5 was going to raise that also just to see if
6 people have a sense. Bruce recommends we
7 get them all at once. That's a lot of
8 stuff. We would get them all at once but
9 would they be on the agenda at one time?

10 MR. BAND: No. I envision it that
11 eventually they will all come before the
12 Commission for some kind of vote posted on
13 our website or something. It wouldn't be
14 like two weeks from now we're going to vote
15 on this or anything. It would be what
16 everybody's comfortable.

17 CHAIRMAN CROSBY: But your notion
18 would be that we get them all at one time,
19 and we at some point down the road review
20 them all at one time as well rather than
21 over a series of weeks.

22 MR. BAND: Yes.

23 COMMISSIONER MACDONALD: Well, on
24 that I had imagined it a different way;

1 namely, that there would be a discussion of
2 the rules kind of on a rolling basis and
3 then the formal vote would be after we had
4 a discussion on all the rules and just have
5 one big packet in front of us.

6 MR. BAND: Your decision.

7 CHAIRMAN CROSBY: That's not the
8 recommendation.

9 COMMISSIONER ZUNIGA: Yes. Well,
10 one of the other things that, I think,
11 factors in here is that the very thoughtful
12 diligent process that our own licensees go
13 through reviewing the details and giving us
14 and sending us comments. So, you know,
15 effectively we're -- I suggest we should
16 also take that into account. I'm sure they
17 are happy to do either way.

18 COMMISSIONER CAMERON: Meaning 17
19 would be a lot for them to review at one
20 time?

21 COMMISSIONER ZUNIGA: Or 17 times or
22 however many, maybe two maybe iterations,
23 whatever that may be.

24 CHAIRMAN CROSBY: I sort of have a

1 preference for -- there's so much stuff.
2 It's hard to read this stuff, you know. I
3 mean, on the other hand, I don't know how
4 much we're really going to be --

5 MR. BEDROSIAN: Yes. My suggestion
6 is, I mean, you may all and Commissioner
7 Zuniga has come out of the box to be very
8 knowledgeable on a lot of these subjects
9 because, I think, a lot of it has to do
10 with math.

11 CHAIRMAN CROSBY: And I'm happy to
12 leave it right there.

13 MR. BEDROSIAN: So, I think, a lot
14 of the Commission's review will not
15 necessarily be reading every word but
16 understanding first, you know, our
17 experienced staff's recommendations at a
18 macro level and then digesting the comments
19 from our licensees, which I suspect will
20 end up being tweaks. And you'll have to
21 understand, as oppose to every line, you'll
22 have to understand the disputed areas
23 between what our experience is and what the
24 licensees are recommending on tweaks.

1 COMMISSIONER ZUNIGA: We should also
2 remember that these 17 games are, you know,
3 are widely accepted in the industry. What
4 the variation is, and this is something
5 that I have no idea, by the way, how many
6 different wagers you could do that many
7 casinos don't even offer them and that's
8 part of what they tell us here. Let us
9 have them as an option, and we could always
10 offer them later.

11 I just happen to find that
12 interesting. But in my opinion, the big
13 piece of it here is a lot of rules that are
14 widely accepted to be the case, and a lot
15 of procedures that are game protection that
16 have also come back from all the history
17 that you and many others in the industry
18 have of why now we do the shuffle a certain
19 way and to protect it.

20 COMMISSIONER CAMERON: Could you
21 give us an idea of how if you write the
22 rules to one game, what does that consist
23 of, how many pages of materials?

24 MR. BAND: It really depends on the

1 game. It would have to equal what we give
2 you as a regular, let's say, for Blackjack
3 and as well as the variations -- various
4 bets you can add to it. So that could be
5 five pages. It could be ten pages
6 depending on the game.

7 COMMISSIONER CAMERON: And when your
8 anticipated summary to us on each game, you
9 will go through the highlights of that
10 document?

11 MR. BAND: Yes.

12 COMMISSIONER CAMERON: I think 17
13 would be a lot to do in one meeting then.
14 Now that I'm thinking of five to ten pages
15 and in a summary, maybe we can break that
16 down to two meetings.

17 CHAIRMAN CROSBY: Or even more I was
18 thinking. I don't know how long these are
19 going to take. Maybe we could try -- if
20 you want to try eight -- I was going to say
21 break it into four meetings and do four a
22 shot. But, I think, we should break them
23 into something. We can try eight and see
24 how long it takes, and we could just go to

1 four and have it take four meetings.

2 MR. BEDROSIAN: We have an agenda
3 setting meeting next week. Why don't we
4 for one of the upcoming meetings in March
5 we'll put on a test number of three or four
6 or something like that and see if we blow
7 through four. If you blow through four,
8 then we can up them or pull them back,
9 whatever. But we could -- from then we
10 could maybe set up a tempo of trying to get
11 them done. I know our licensees will want
12 to know what the rules of the game are. So
13 we'll work on getting them done in the next
14 couple of months.

15 COMMISSIONER STEBBINS: I mean, for
16 me what I think is interesting is I don't
17 mind receiving the whole package to start
18 off with. Where I was thinking we'd have
19 an opportunity to go is aligning the regs
20 we're reviewing with the training sessions
21 that we're going on, then I will know to go
22 read the Craps section.

23 MR. BAND: That's another thing I
24 think would benefit you is to have our

1 proposed regs in front of you. It will
2 give you an opportunity to ask us questions
3 why certain things might be bewildering of
4 why that is in place.

5 COMMISSIONER STEBBINS: So that may
6 be more the case to doing the trainings,
7 tying to review the regs and then bringing
8 it back before a public meeting.

9 COMMISSIONER CAMERON: So you want
10 Blackjack right away since we just went
11 through that?

12 COMMISSIONER STEBBINS: Absolutely.
13 I'm going on vacation. No, I mean Roulette
14 tieing it to -- if I read through the regs,
15 I can ask you questions as we're standing
16 here in front of the Roulette table.

17 MR. BAND: That's what we're hoping
18 on.

19 MR. BEDROSIAN: We will at the next
20 agenda setting meeting tie the initial regs
21 into some of the trainings we have already
22 had or about to have so they're fresh in
23 everyone's minds.

24 CHAIRMAN CROSBY: Great. So it

1 sounds like with the exception of question
2 G, we are in general agreement with your
3 recommendations here and ready to go
4 forward as such. Okay.

5 MS. WELLS: So we can move on now to
6 gaming equipment regulations memo
7 discussion and have Mr. Band continue with
8 that. We also have Burt Cain with him.

9 MR. BAND: And Carrie Torrissi.

10 MS. TORRISI: Good morning almost
11 good afternoon.

12 COMMISSIONER CAMERON: Good morning.

13 COMMISSIONER MACDONALD: Good
14 morning.

15 MS. TORRISI: So the second group of
16 table game regulations that Mr. Band, Mr.
17 Cain and I are going to discuss with you
18 are the regulations governing table game
19 equipment. So those regulations will
20 outline the standards for the various types
21 of equipment that will be used to play the
22 table games in the Category 1 casinos.

23 Just like our table game rules
24 discussion, there are a few questions that

1 we want to answer before the regulations
2 are promulgated. So in your packet, you
3 will see that you have a memo and a chart
4 detailing a multistate survey of table game
5 equipment regulations in the same states we
6 looked at for rules, Nevada, New Jersey,
7 Pennsylvania, Ohio and Maryland.

8 There's a lot of information here,
9 but you will see as you look through it
10 that table games equipment is handled
11 fairly uniformly from state to state, so it
12 really isn't as much variation as there was
13 with the rules.

14 There are four questions at the end
15 of your memo that Mr. Band and Mr. Cain are
16 going to address, and I'd just like to
17 highlight two of those for now. And those
18 questions are, one, how will the Commission
19 distinguish among value chips and various
20 types of non-value chips; and then, two,
21 will the Commission promulgate specific
22 regulations for gaming instrumentalities
23 other than chips?

24 So I'm going to provide you with

1 some information concerning what other
2 jurisdictions do with respect to table
3 games regulations, and then Mr. Band and
4 Mr. Cain will provide you with
5 recommendations on how we might want to
6 proceed.

7 So in the multistate survey that I
8 conducted, I found eight categories of
9 table game equipment. Those categories are
10 gaming chips and plaques, playing cards,
11 dice, dealing shoes, Pai Gow tiles,
12 roulette wheels and balls, big six wheels
13 and the actual game tables.

14 I'm not going to go into these
15 specific details of the design
16 specifications for all that equipment. But
17 you do have all of those details in your
18 packet for your reference. Instead I'm
19 going to focus on some of the similarities
20 and differences among the jurisdictions
21 surveyed in terms of how they regulate
22 table game equipment to try to help answer
23 those two initial questions.

24 So the first question was: How will

1 the Commission distinguish among value
2 chips and various types of non-value chips?
3 Looking at this date surveyed, they all do
4 distinguish among value and non-value
5 chips. They do so by using unique design
6 specifications, which makes all of the
7 chips distinguishable from each other.
8 Those include size, shape and various types
9 of inscriptions on the chips. Non-value
10 chips include promotional chips, tournament
11 chips, roulette chips and poker rate chips.

12 For the five states surveyed, all
13 states but Ohio use the term "promotional"
14 or "souvenir non-gaming" to cover chips
15 that are marked as having no redeemable
16 value. And all of the states surveyed use
17 the term "tournament" for chips that are
18 used exclusively in tournament play. New
19 Jersey, Ohio, Pennsylvania and Maryland
20 specifically use the term "non-value" or
21 the term "roulette" to cover chips used
22 solely in roulette and then Pennsylvania
23 and Maryland use the term "poker rate
24 chips" used exclusively in poker.

1 So as you can see, there's some
2 slight variations in the terminology that's
3 used and Mr. Cain and Mr. Band are going to
4 discuss that with you and provide
5 recommendations. All states surveyed also
6 have an approval process in their
7 regulations that the chips need to go
8 through before they can be used for play.
9 That process generally includes a
10 requirement that design specifications and
11 sample chips would be submitted for review.

12 New Jersey, Pennsylvania and
13 Maryland also regulate gaming plaques,
14 which are larger tokens that are typically
15 used for high-stake table games. As with
16 the chips, those regulations include
17 specifications related to size and design
18 and also include an approval process that's
19 similar to that for the chips.

20 The second question I posed was:
21 Whether the Commission will promulgate
22 specific regulations for gaming instruments
23 other than chips. Those instruments
24 include cards, dice, dealing shoes, Pai Gow

1 tiles, roulette wheels and roulette balls,
2 big six wheels and the game tables.

3 So there's a little bit of a
4 difference here in terms of the state
5 surveyed. Nevada doesn't have regulations
6 specifically addressing the individual
7 types of table game equipment other than
8 chips. Instead they have a statutory
9 definition of associated equipment which is
10 defined as, "any equipment used remotely or
11 directly in connection with gaming."

12 Then they have regulations which
13 provide that, "instruments used for gaming
14 other than chips must be of a size, shape
15 and design and have such other
16 specifications as the chairman may
17 require." They do also include an approval
18 process, so there's is a bit more general.

19 New Jersey, Pennsylvania, Ohio and
20 Maryland do specifically regulate these
21 other individual types of table game
22 equipment. All four of those states
23 regulate playing cards uniformly. With
24 respect to dice, New Jersey, Pennsylvania

1 and Maryland have separate regulations for
2 Pai Gow dice while Pennsylvania and Ohio
3 have separate regulations for six gow dice,
4 both of which are smaller by regulation
5 than traditional dice. And then for cards
6 and dice, all four of those states do
7 include an approval process as well.

8 New Jersey, Pennsylvania and
9 Maryland also regulate dealing shoes, Pai
10 Gow tiles, roulette wheels and roulette
11 balls and big six wheels. They don't all
12 include an approval process for each type
13 of equipment listed there. The
14 information, again, on that is in your
15 packet.

16 And in terms of gaming tables, New
17 Jersey, Pennsylvania, Maryland and Ohio do
18 regulate the specifications for the tables,
19 which includes the layout of the tables,
20 but none of those states have specific
21 regulations regarding an approval process.

22 Finally, one other thing I would
23 just like to note that's not included in
24 your memo, given that we discussed the

1 rules of the game and sort of decided that
2 we're going to publish the rules on the
3 website rather than in the regulations, I
4 just want to point out that we can publish
5 the gaming equipment regulations on the
6 website as well along with the rules of the
7 game. But I would recommend that the
8 gaming equipment specifications be
9 promulgated as regulations.

10 I think that, you know, the rules
11 sort of making this inception because
12 there's the potential for frequent changes
13 and additions and we already have that same
14 need with the equipment given that it's a
15 fine universe of material, so just wanted
16 to make that point as well. And I think
17 with that, we'll turn it to --

18 MR. BAND: To add to that, we would
19 add in the specification that if you were
20 going to do a test game, IEB can give a
21 temporary approval for that equipment until
22 the end of the test and that way it
23 wouldn't slow the process down.

24 MS. TORRISI: Yes. We would include

1 a variance procedure for new equipment. If
2 there's a new game that comes up that would
3 require new equipment, we can include a
4 variance for that.

5 MR. BEDROSIAN: I just want to be in
6 that I've had certain of cross discussion
7 on that. I personally understand most
8 jurisdictions post equipment regs as actual
9 regs. I think it's worth thinking about
10 consistency purposes even though there's
11 not a change in equipment the way there is
12 a change in games, meaning maintain the
13 flexibility on equipment also and posting
14 them as rules also.

15 CHAIRMAN CROSBY: It's sort of
16 velocity -- I was going along with the same
17 issue. It's sort of velocity where I think
18 we have been -- even though there's no real
19 practical need because of the rap, you
20 know, I think we have been trying to figure
21 out how can we streamline, how can we
22 simplify the process without compromising
23 the integrity of the games.

24 And with that sort of philosophy, I

1 tend to agree with your instinct that, you
2 know, if we're going to put them on the
3 website, let's be consistent across all the
4 sets of rules. I can't think of a value
5 add for doing it on a reg. You're not
6 losing something by putting it on the
7 website as opposed to a reg so long as we
8 keep our scrutiny up. So I kind go with
9 that.

10 MR. BEDROSIAN: I mean, it's a very
11 rational analysis. The suggestion is very
12 logical, very rational. I think it is just
13 to a policy issue about as a commission if
14 we're taking a slightly different tack,
15 this might be -- consistency might be
16 worthwhile.

17 COMMISSIONER ZUNIGA: Consistency
18 with our own process or with others?

19 MR. BEDROSIAN: Consistency -- thank
20 you. Consistency with our own process of
21 having the underlying regulations saying,
22 you know, the rules are posted and doing
23 both the game and equipment rules on our
24 website.

1 COMMISSIONER ZUNIGA: By the way,
2 all gaming equipment manufacturers are
3 licensed, right, or will be licensed as a
4 gaming vender.

5 COMMISSIONER CAMERON: Mr. Band, do
6 you see any downside in having all of the
7 games be listed on the website?

8 MR. BAND: No. I don't see the
9 difference really between that and table
10 games. It's a personal preference I would
11 guess.

12 MS. TORRISI: May I make a comment?
13 I just think one thing to think about is
14 that in terms of regulations, all of our
15 regulations, not just talking about table
16 games, you start from the norm, which is
17 that any rules we are putting out there are
18 published as regulations, and we sort of
19 made an exception for the rules of the game
20 following what some other jurisdictions do
21 because of the volume because of the need
22 for quick changes, and we just want to
23 be -- by suggestion is that we just want to
24 be careful that the exception doesn't

1 become the rule with various types of
2 regulations.

3 CHAIRMAN CROSBY: Why would you --
4 why do you assume that; why is it
5 inherently wrong to migrate from
6 regulations to just publication?

7 MS. TORRISI: I don't think it's
8 inherently wrong. I think that, you know,
9 for all administrative agencies the norm is
10 that any rules we're prescribing are done
11 by regulation. That's just how it's
12 generally done, and then we're making an
13 exception for the rules of the game. I
14 don't think either is wrong. I just think
15 you want to be careful that all of our regs
16 don't become --

17 CHAIRMAN CROSBY: Well, that's an
18 interesting -- that's an interesting point.
19 You know, you're saying that the sort of a
20 presumption for reasons of integrity and
21 transparency to some extent, the
22 presumption for administrative agencies is
23 rules will be on rules and regs.

24 There's a rebuttable presumption for

1 purposes of efficiency and things that move
2 very quickly, which is why -- but that
3 rebuttable purposes motivation doesn't
4 apply to these others. So you are saying
5 they're sort of an inherent, as a matter of
6 administrative loss, sort of an inherent
7 bias in favor of regulation, and we should
8 have a reason to move away from that other
9 than just simplicity.

10 COMMISSIONER ZUNIGA: You know, I
11 would argue that we've sort of done
12 something similar in other areas. We
13 started with our licensing regs being very
14 detailed all on regs. We recently moved to
15 a different form. We are now moving into
16 -- we recently moved into having the form
17 outside of the reg, reference from the reg,
18 which I would argue is a similar process
19 here. It becomes --

20 CHAIRMAN CROSBY: Other thoughts?

21 COMMISSIONER CAMERON: This goes out
22 for comment, right, so it would be
23 interesting to see what those comments are.

24 MR. BEDROSIAN: No decision needs to

1 be made today. This is a --

2 COMMISSIONER ZUNIGA: I thought we
3 were moving on to ask questions.

4 CHAIRMAN CROSBY: Just on this
5 point, I have, as you know, I have a bias
6 in favor of de-bureaucratizing
7 streamlining, and IEB and others have
8 already done that, and as Commissioner
9 Zuniga said, and we talked about kind of
10 rethinking a lot of our regs from that
11 standpoint as time goes by.

12 So in my mind's eye, there's sort of
13 a policy objective that, in general,
14 shifting that is a good idea. I haven't
15 really thought about what the issues are
16 kind of in administrative law, you know, is
17 there some -- and we don't have to go into
18 this now.

19 But as we think about this, you
20 know, is there some reason in either
21 practice or law or good public policy or
22 best practice or something why we ought to
23 maintain that presumption of regulation as
24 opposed to sort of the presumption of

1 migrating away, if we can.

2 MS. BLUE: Well, I think just to
3 keep in mind, the presumption is to have
4 regulations. That's the authority we have
5 under our Enabling Act. But you will have
6 a regulation on table games. It's just the
7 rules themselves will be on the website.
8 And there's going to be situations where if
9 that lends itself to that kind of process,
10 so where we can do things like that, where
11 there's a much smaller or maybe less
12 detailed regulation and we point to the
13 rules on the website, we can do that.

14 It's also important for the table
15 games, because we want the public to be
16 able to easily access the rules. I mean,
17 there will be rules at the casino and there
18 will be rules here. But from wherever they
19 are, they will be able to pull them up on
20 the website maybe before they visit the
21 casino or before they decide what they want
22 to play. So this one particularly lends
23 itself to that kind of process.

24 In general, most rules with the

1 force of law are promulgated through
2 regulation and the question is: How
3 detailed do you want to be? And that's the
4 conversations we have had since the
5 beginning, you know, how much detail
6 versus, you know, what we're going to have
7 at a staff level or other administrative
8 level. So we can certainly think about it
9 and figure out what's best for each
10 particular topic.

11 CHAIRMAN CROSBY: Right. Okay,
12 great. Thanks. That's really interesting.

13 MS. TORRISI: And then Mr. Band and
14 Mr. Cain are going to provide
15 recommendations in response to the
16 questions at the end of the memo.

17 MR. CAIN: I'll begin with the first
18 question that was posed by legal staff.
19 What will be the Commission's design
20 specifications for value of chips? MGC
21 will require certain design specifications
22 for the value of chips. Design
23 specifications will be submitted to and
24 approved by IEB.

1 For example, each value chip will
2 have a primary color and a secondary color.
3 The standard denomination colors will be
4 used. One dollar chips are white, 5-dollar
5 chips are red, 25-dollar chips are green
6 and so forth.

7 Each value chip shall have
8 identifying features. The denomination
9 will be expressed in numbers. The name or
10 logo of the casino licensee will be present
11 on the chip. Anti-counterfeiting measures
12 for 25-dollar chips and above shall be
13 present. The word "Massachusetts" will be
14 on each chip. It will be of a primary
15 color. It will be anti-counterfeiting
16 measures or designs that are unique to the
17 chip manufacturer.

18 The edge spots will be clearly
19 visible. There may be a pattern or a
20 design, you will be able to see that just
21 from a closed-circuit TV on a gaming table.
22 And, lastly, an approved secondary set of
23 value chips will be also required to be on
24 hand.

1 COMMISSIONER ZUNIGA: Can I ask
2 questions on those or should I -- what's
3 the purpose of an approved secondary? In
4 case we need to for game protection?

5 MR. BAND: If you start to get
6 counterfeit chips, you would change out
7 your primary set with the secondary and
8 that way everybody that passes chips has to
9 go through the cashier where they also have
10 the ability to check if it's counterfeit.

11 MR. CAIN: It's easily
12 distinguishable, for example, if you're
13 suspecting orange 1,000-dollar chips are
14 being counterfeited, that secondary edge
15 color or design could be a diamond, very
16 small. It's blue while the secondary set
17 could have a square that's green. So that
18 once you pull all of them off the floor,
19 whoever comes up with the first chip could
20 be suspected of being a counterfeit chip.

21 MR. BAND: And it does happen out
22 there on the floor. So you already have
23 your secondary set made and ready to go.
24 You can change out the whole floor within

1 an hour.

2 COMMISSIONER ZUNIGA: What -- sorry.
3 Do we anticipate that chips would be
4 redeemable in one licensee place versus
5 another? They can only be redeemable in
6 the one property.

7 MR. BAND: That's the approach we're
8 taking, yes, because the other property
9 wouldn't have any counterfeit markings and
10 stuff from, you know, another Massachusetts
11 property.

12 MR. CAIN: Now, routinely in
13 Atlantic City because it's down the
14 boardwalk, red chips would get commingled
15 all time. And at a prescribed time,
16 perhaps the end of the month, the cashier's
17 cages would call each other and say, how
18 many of yours do you have? We have this
19 many and change them out. The proximity up
20 here, I don't think that initially would be
21 a problem.

22 COMMISSIONER CAMERON: I was
23 interested in the anti-counterfeit
24 measures. You talked about a logo that

1 could be seen from the cameras; is that --

2 MR. BAND: Usually the
3 anti-counterfeiting measures is that they
4 mark or design of the chip. It's really
5 not visible to the naked eye, or sometimes
6 they use the RFD chips inside that actually
7 has a microchip inside the chip itself.

8 MR. CAIN: Around the plate edge of
9 the chip, there just might be a small
10 indentation. There may be three of them.
11 It's just a little something added that
12 you're trying to press --

13 COMMISSIONER CAMERON: So if you
14 suspect, then there could be a
15 verification.

16 MR. BAND: Yes, that's right.

17 COMMISSIONER ZUNIGA: What about
18 plaques? We were -- it's interesting to me
19 that Nevada doesn't have them but all the
20 other ones --

21 MR. BAND: Properties do, you know,
22 the big properties like MGM I'm sure does,
23 Wynn does. You get players that want to
24 play with \$100,000 plaques, because that's

1 what size wagers you're throwing around.
2 So they are used. They aren't used a lot.
3 I think I've seen people play with them
4 maybe ten times in my career, but people
5 like to have something different in front
6 of them because it draws attention, I
7 guess.

8 COMMISSIONER ZUNIGA: So they use it
9 in Nevada. They just don't prescribe them
10 in regulation.

11 MR. BAND: Probably not, no. Okay.
12 I'll answer the second question. How would
13 you distinguish among value chips and
14 various types of non-value chips? These
15 would be promotional chips, and they would
16 be described in our regulations with
17 specific design requirements, and we would
18 of course call them poker eight chips,
19 tournament chips. Tournament chips are
20 really important.

21 They had an incident that happened
22 in Atlantic City where a player, and this
23 was a million-dollar prize poker
24 tournament, made his own chips and was

1 bringing it -- and the way a tournament
2 works is you mostly take your chips with
3 you. At the end of the tournament, you
4 settle up to see who has the most and
5 determine the winner.

6 Well, this guy had like 20,000 in
7 his own chips. They were suspicious. They
8 went to his room, and he actually tried to
9 flush them down the toilet, which it didn't
10 work real well. And they were able to
11 retrieve it. He actually got sentenced to
12 some jail time for that, but it does
13 happen.

14 COMMISSIONER ZUNIGA: Because people
15 can generally take them, I guess, or just
16 because the difference --

17 MR. BAND: It depends on the
18 tournament week. I know in Atlantic City
19 we tightened up somewhat that they're
20 required at the end of each tournament day
21 to do an inventory of those chips and how
22 many somebody has.

23 MR. CAIN: I think they changed the
24 rules to where you settle up on your table

1 to how much they had, and then the next day
2 they'd give them back to you.

3 COMMISSIONER ZUNIGA: And that's all
4 because they are generally less
5 counterfeiting measures on those number of
6 chips?

7 MR. BAND: Yes, they're a cheaper
8 chip. You don't want them to use real
9 chips on the table because probably gain
10 security. A lot of these things are done
11 in ballrooms and stuff where they can add
12 150 poker tables in the floor. So the
13 security isn't just quite as tight for
14 promotional tournaments.

15 MR. CAIN: They put ultraviolet
16 markings on the chips. So during the
17 tournament, people were coming by with
18 their little flashlight shining them on the
19 chips just to see. They got very nervous
20 about that tournament when that happened.

21 Okay, question number three. Will
22 the Commission regulate gaming plaques; and
23 if so, what will be the Commission's design
24 specifications and approval process? Yes,

1 each plaque shall meet certain physical
2 characteristics that are spelled out. The
3 design specifications that are proposed
4 gaming plaque shall be submitted to and
5 approved by the IEB. Along the same lines
6 as gaming chips, there are many things
7 you'll need for each thing.

8 MR. BAND: Plaques, for instance, we
9 can have serial numbers on them so the
10 casino knows exactly what chip somebody has
11 and everything. It's a high denomination.
12 And, lastly, are we going to have
13 regulations concerning things like cards,
14 dice, tiles and wheels? And the short
15 answer is: Yes, we'll be specific with
16 giving sizes, you know, a 30-inch roulette
17 wheel dice will have to meet certain
18 requirements for the size and so on. Those
19 will all be included in the regulation.

20 Any questions for us?

21 COMMISSIONER CAMERON: No, your
22 recommendations are sound. You explained
23 well why this is needed.

24 MR. BAND: In our training, we're

1 also going to be doing a decent amount of
2 equipment as well to help explain these
3 like, I think, when you were there for the
4 roulette one, the first one for the wheel
5 inspection, the equipment used for that, so
6 we're going to try and expose you to those
7 things as well.

8 COMMISSIONER ZUNIGA: Is there a
9 regular just shrinkage of chips; does the
10 casino have to regularly replenish; do
11 people take them?

12 MR. BAND: Usually 20 chips will fit
13 in a chip wrack, and that's very rare.
14 Usually when you get counterfeits, you will
15 fit in 19 or you can fit in like 21 because
16 it's hard to get the thickness of the chip
17 exactly right. So there really isn't a lot
18 of that with the material they do. Dice on
19 the other hand after we make -- measure
20 them to make sure they're the proper size
21 but after they've been used, the heat makes
22 them swell or shrink depending.

23 COMMISSIONER ZUNIGA: I was using a
24 consumer product term "in shrinkage"

1 because my wife works -- do people take
2 their chips, if you will, and not return
3 them so they always need to be replenished;
4 does that happen?

5 MR. BAND: Yes. They'll
6 periodically say, hey, we're real low on
7 5-dollar chips. Let's order another 10,000
8 or whatever.

9 MR. CAIN: Bruce mentioned
10 5-dollars. They're the ones that get beat
11 up a lot on the tables and often taken
12 home, and the licensee will order more.

13 MR. BAND: They are also the ones
14 that they use for promotional chips a lot
15 of times. If you have Lady Gaga playing,
16 they will have a chip with her face on it
17 and stuff. People take those home and most
18 casinos end up with a 3 to 400,000-dollar
19 outstanding inventory of those kind of
20 chips, which is a nice interest for the
21 licensees.

22 MR. CAIN: Ms. America chips were
23 very popular down in Atlantic City.

24 COMMISSIONER STEBBINS: Are we going

1 to see a process for how our licensees need
2 to remove damaged equipment, I mean, take
3 dice, you drill the hole through them.

4 MR. BAND: That will be in the reg
5 being specific how they have to be
6 canceled.

7 COMMISSIONER ZUNIGA: So we might
8 have a five-time Super Bowl winner chip if
9 we were already over there.

10 MR. BAND: Or you could have an
11 Atlanta and --

12 COMMISSIONER CAMERON: That would
13 not be popular here.

14 MR. BEDROSIAN: We will not have a
15 commissioner reappointment chip.

16 COMMISSIONER CAMERON: No, but
17 you're right. The Super Bowl chip will be
18 much more popular than a Ms. America chip.

19 MR. CAIN: The drive for 5-dollar
20 chip.

21 COMMISSIONER STEBBINS: 25-dollar.

22 MR. BEDROSIAN: Mr. Chair, for
23 consistency purposes, I know in the table
24 rule regs, we went to our licensee, asked

1 their opinion on this point and they turned
2 it around pretty quickly. I don't know if
3 we want to do that same process here.

4 CHAIRMAN CROSBY: We don't want to?

5 MR. BEDROSIAN: I said I assume we
6 do. I assume we do. And then, I think,
7 we'd also ask them about the condition
8 precedent question we discussed before, do
9 they have a preference about whether it's
10 in a reg or it's posted.

11 CHAIRMAN CROSBY: Yes, I agree with
12 that.

13 MR. BAND: I had supplied them with
14 what we're anticipating, so they should
15 have everything they need to comment on
16 that.

17 COMMISSIONER CAMERON: They'll have
18 a head start on their homework.

19 COMMISSIONER STEBBINS: Is there
20 some urgency on the game tables to approve
21 those sooner rather than later so we're --

22 MR. BAND: Yes. I think it's
23 important that they need to know what they
24 are going to have to order in advance.

1 Like I said, having dealt with like DCS
2 Husley for our gaming equipment, the lee
3 time was several months and you see how
4 many tables we got. They get really backed
5 up from time to time.

6 COMMISSIONER STEBBINS: We tackle
7 that one first?

8 MR. BAND: If we can get them
9 through. They're kind of standard. I
10 don't think there's really anything that
11 controversial in there at least that I'm
12 aware of.

13 CHAIRMAN CROSBY: That's what I was
14 going to say. It's other than the question
15 about do we want the regs on the website, I
16 don't really see any policy questions here
17 that we really need to -- you know, you
18 tell us and we're going to say yes, okay.

19 MR. BAND: Wish it was that easy on
20 everything.

21 MR. BEDROSIAN: So why don't we get
22 input from our licensees.

23 CHAIRMAN CROSBY: That got our
24 director of the IEB smiling.

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MS. WELLS: Yeah, it did.

MR. BEDROSIAN: Get input and I think we also might informally consult with them about, especially MGM, what their outside timeframe is if they really need this by a particular date.

MR. BAND: Originally they told me by the end of March they need these.

MS. WELLS: And we are -- actually, we're reaching out to both Wynn and MGM to get a list of who they want to use for their vendors for this equipment because we need to get those investigations moving now before we have a crash of the employees, so this all kind of ties into together. So I would agree to move it along.

COMMISSIONER MACDONALD: Before we leave this subject, I want to compliment Attorney Torrisi on her memo and the chart. I actually stopped by her office this morning having digested this last night and it's an inherently dry, potentially mind-numbing assignment. And I think just as you did, Carrie, two weeks ago with the

1 rules of the game, it was really a very
2 easily readable, digestible product and
3 want to compliment you on.

4 CHAIRMAN CROSBY: Yes, I agree. I
5 have no idea how you did it. Incredible.

6 MR. BAND: I told her this one
7 wasn't as good as the last one.

8 MR. BEDROSIAN: I know when she's at
9 a cocktail party during the holiday at some
10 point when someone mentions something about
11 gaming equipment, she is just going to go
12 right into it.

13 COMMISSIONER CAMERON: The charts
14 are really helpful to compare back and
15 forth. Thank you.

16 CHAIRMAN CROSBY: Okay, great, thank
17 you. We're ready to move on. Director
18 Wells.

19 MS. WELLS: So the next item on the
20 agenda is the exclusion list regulations.
21 I have Chief Enforcement Counsel Loretta
22 Lillios. I would like to comment along
23 those lines that this is establishing a
24 process for this has been very thoughtful,

1 and I think that the team has done a good
2 job. And then operationally we also have
3 to set the deal, and she has been working
4 with the paralegal, Charlotte Bernard, and
5 that's been going very well. So the whole
6 process is going to get this up and
7 running. So let the Commission know that
8 before we get started.

9 MS. LILLIOS: Thank you. Good
10 afternoon. So we've got the involuntary
11 exclusion reg in front of you coming back
12 to you after it's been out for public
13 comment for a couple of weeks. We brought
14 it back to you a few weeks ago focusing on
15 amending the portion of the reg that talks
16 about the public list, which is maintained
17 on our public website, and we received a
18 couple of comments, a comment from Penn and
19 a comment -- a list of comments from MGM.
20 And some of those comments are reflected in
21 green print on the reg in front of you.

22 So on the first page of the reg in
23 front of you on 152.02, the red type
24 indicates in Subsection 1 our discussion

1 from last time around that the public
2 website would have the excluded
3 individual's name and year of birth, and
4 then in red in the Subsection 2 that lists
5 the type of information that the IEB would
6 transmit to the casino more detailed
7 information and a photo that's obtainable
8 to allow the casino to be able to identify
9 and eject the individual if the individual
10 does return.

11 The single comment from Penn was
12 around how the IEB would be notifying the
13 casino and the reg indicates that we'll
14 promptly notify them, and I did have
15 discussions with Mr. Kenny from Penn about
16 we have a procedure identified already.
17 We'll have a transmittal form, a photograph
18 and the information listed in the reg on
19 that.

20 And then on 152.04, I did add that
21 we expect to get referrals not only do we
22 look at things that the Commission or the
23 casino might refer but the attorney
24 general's office may be making referrals to

1 us as well, so I did include that in the
2 green print in 152.04.

3 COMMISSIONER CAMERON: I don't think
4 we have the green print.

5 MS. LILLIOS: Did your print come
6 not green?

7 COMMISSIONER CAMERON: I don't know.
8 I see where you added it, but it's just not
9 in green for us.

10 MR. BEDROSIAN: I have green.

11 COMMISSIONER CAMERON: Do you have
12 green?

13 MR. BEDROSIAN: I do. It's on the
14 ones I have are specifically under 152.06.

15 COMMISSIONER ZUNIGA: Yes, that one.
16 But that's a different reg.

17 COMMISSIONER CAMERON: I still don't
18 have green though.

19 MR. BEDROSIAN: Then I don't.

20 MS. LILLIOS: So the 152.04 from
21 your packet should be saying that we shall
22 investigate any individual who meets one or
23 more criteria upon referral from the
24 Commission, the Gaming Enforcement Division

1 of the AG's office or the gaming licensee.

2 COMMISSIONER CAMERON: Yes, I see
3 it. It's not green.

4 MS. LILLIOS: So we've added the
5 AG's office. And then turning to 152.06,
6 the subsection on duties of gaming
7 licensees, we did get some comments from
8 MGM on this topic. And in the first
9 subsection, I did incorporate a comment
10 from MGM changing "gaming establishment" to
11 "gaming licensee," which was an appropriate
12 comment and now tracks our new licensing
13 regs.

14 In Subsection 3, I also incorporated
15 a comment from MGM they wanted a little --
16 appropriately were asking for a little bit
17 more detail on when if the casino
18 identifies somebody on the list in the
19 property, when are they supposed to notify
20 IEB on that. So the reg now says that they
21 shall notify IEB in advance of ejecting the
22 individual.

23 And then based on subsequent
24 conversations I had with MGM, I am

1 suggesting another phrase go in there so
2 that the reg should read: If an excluded
3 individual enters, attempts to enter or is
4 in a gaming establishment and is recognized
5 by the gaming licensee, the gaming licensee
6 shall immediately notify the IEB and
7 discuss the matter in advance of ejecting
8 the individual.

9 And that discussion with IEB would
10 contemplate discussing what will IEB come
11 over and assist with the ejection or does
12 the discussion indicate that the casino
13 will do the ejection on its own.

14 CHAIRMAN CROSBY: Does IEB in that
15 reference refer to the state police and
16 gaming agents on site?

17 MS. LILLIOS: Correct, probably the
18 state police. MGM --

19 COMMISSIONER MACDONALD: On that one
20 it seems that there is a potential for
21 putting a burden on you that that might not
22 work. He's only in practice. But, I
23 guess, if the state police troopers are on
24 site, it might -- it wouldn't be too much

1 of a concern. But what's the -- if
2 somebody is on the list, why even have this
3 trigger to require the notification and
4 consultation with the IEB? I can imagine a
5 circumstance in which -- well, I guess,
6 again, if they are on the site --

7 MS. LILLIOS: There could be
8 instances where the person is a criminal
9 with outstanding warrants, and the IEB will
10 be able to check that and take the person
11 into custody. So that's a big reason why.
12 And if the casino identifies the person,
13 that person is going to be under
14 surveillance for the next -- for the entire
15 time they're in the casino.

16 I think once the casino says to the
17 person, hey, you're on this list, you've
18 got to go, they are going and they are not
19 going to wait for IEB. So the idea is
20 before the ejection, the casino make
21 contact with the state police. We think
22 it's a workable solution that they be able
23 to reach the on-site state police in a
24 prompt way and have that discussion.

1 COMMISSIONER CAMERON: And they have
2 all agreed to do this, correct? I mean,
3 the conversations you've had with
4 licensees, this is something that everyone
5 thinks can work.

6 MS. LILLIOS: Well, this comment was
7 from MGM. So this is, you know, these
8 suggestions are based on what their
9 requests were and they think that can work.
10 I've, of course, had conversations with
11 Detective Lieutenant Connors and he thinks
12 that can work. This would go out, again,
13 even if it goes in the form of process, now
14 everybody will have a chance to look at it
15 again.

16 COMMISSIONER CAMERON: And the key
17 there would be if there are outstanding
18 warrants, there will be an arrest made as
19 opposed to just an ejection.

20 MS. LILLIOS: Correct, and the
21 casino would obviously not be able to do
22 the arrest.

23 COMMISSIONER CAMERON: Correct.

24 COMMISSIONER STEBBINS: I had this

1 question for Burt or Bruce and kind of
2 depending on his experiences and kind of
3 what our obligations were obviously not
4 only may mean something about the person's
5 background, outstanding warrants, it may
6 also be the demeanor of the individual and
7 who can respond more effectively removing
8 this person even if they are on the
9 excluded list.

10 MS. LILLIOS: That's right. So
11 moving onto Subsection 4, I did receive --
12 this is a subsection that says that the
13 gaming licensee has a duty to tell us of
14 the names that it believes are appropriate
15 to place on the list. I did receive a
16 comment from Attorney Stratton seeking
17 clarification of what the duty was.

18 We had a conversation that the
19 intent of this provision is not to place
20 the responsibility on the casino of helping
21 us populate the list, but the purpose of it
22 is if the casino wants some additional
23 authority from the Commission of putting
24 someone on the list or someone that

1 believes should be not in the casino, they
2 should tell us and we'll do an
3 investigation of the person. We are
4 required to under the reg do an
5 investigation if they refer somebody to us.

6 So he understood that, although he
7 would still like to see the reg be a little
8 more explicit. So that was opening it up a
9 little more broadly than I intended to. I
10 really was only bringing it to you to
11 clarify the public website, but I do have
12 some proposed language if you're interested
13 in doing it now.

14 I think Attorney Stratton was
15 satisfied that -- for the foreseeable
16 future, he's satisfied with what reg says
17 now. And if we don't change it now, he has
18 a list of suggestions and he could bring it
19 back at a later time. But if you want to
20 entertain some additional language now, I
21 have some that I can read into the record.

22 COMMISSIONER ZUNIGA: And the statue
23 says that we can place people in the list
24 that they refer, correct?

1 MS. LILLIOS: The statute gives --

2 COMMISSIONER ZUNIGA: In broad
3 terms.

4 MS. LILLIOS: Yes. As one of the
5 criteria, people that are on their no
6 trespass list.

7 COMMISSIONER ZUNIGA: Right. And
8 perhaps the discomfort is the word "duty"
9 in this context.

10 MS. LILLIOS: Correct. I think he's
11 concerned about if we have a duty should he
12 be thinking about does a patron fit certain
13 criteria in the list and does he have an
14 affirmative duty to be looking out for
15 that.

16 COMMISSIONER ZUNIGA: So what's the
17 proposed language that you thought of?

18 MS. LILLIOS: It should be the
19 continuing duty of the gaming licensee to
20 refer to the Commission individuals whom it
21 wishes to be placed on the list and to
22 promptly notify the Commission of no
23 trespass orders which it issues.

24 COMMISSIONER ZUNIGA: That should

1 work.

2 MS. LILLIOS: So I can place that
3 into the next version for comment.

4 COMMISSIONER ZUNIGA: Shouldn't it?

5 COMMISSIONER CAMERON: Yes. I think
6 that that clarifies the responsibility.

7 COMMISSIONER MACDONALD: Do you
8 think that they would continue to have a
9 concern about the use of the word "duty"?
10 I mean, that is a value-loaded term.

11 MS. LILLIOS: It's my suggestion
12 that I put it out there, but it does place
13 them on notice that if there are people
14 that they want to have the official order
15 on from the Commission that they should
16 notify us in writing and, you know, not the
17 mention of it in a conversation.

18 COMMISSIONER ZUNIGA: But the
19 sentence you just read was the continuing
20 duty to refer the person that they wish.
21 So take it together, it's not just you have
22 a duty to do this. You have the
23 discretion. But once you want to exercise
24 it, you have to tell us.

1 MS. LILLIOS: In writing.

2 COMMISSIONER ZUNIGA: Yes, in
3 writing. We are not going to find out any
4 other way.

5 MS. LILLIOS: Right.

6 COMMISSIONER MACDONALD: Was there a
7 reason, Ms. Lillios, that you did not
8 incorporate Attorney Stratton's language
9 that doesn't specifically refer to
10 incorporate the term "duty"?

11 MS. LILLIOS: Well, I actually
12 thought that his language placed more of a
13 burden on the casino. His language appears
14 to me to say that they have a burden to be
15 evaluating -- if they have actual knowledge
16 that somebody might meet a criteria on the
17 list, then they have a burden to -- then
18 they are supposed to let us know about the
19 person for exclusion on our exclusion list.

20 So I actually thought his proposed
21 language put more of a burden on the casino
22 than -- we were really just looking for if
23 there is somebody who you want us to
24 consider to put on the list, just let us

1 know in writing and we'll do an
2 investigation.

3 COMMISSIONER MACDONALD: And the
4 procedural posture of this is this will now
5 go out for formal comment?

6 MS. LILLIOS: I was going to ask
7 that it be put into the formal promulgation
8 process, which includes the formal comment
9 period. And in 152.08, there are a couple
10 of comments that were incorporated in 2B.
11 The language now on confiscating material
12 from an excluded person who gambles now
13 tracks the voluntary self-exclusion
14 language, the regs, so it's a little more
15 precise.

16 And in Subsection C, we clarified --
17 just a clarification that if funds are
18 forfeited, the actual cash is not
19 transmitted to the gaming revenue fund, but
20 the cash value is transmitted to the gaming
21 revenue fund.

22 And then there was one additional
23 comment from MGM who was suggesting that we
24 include something in the reg about the

1 IEB's duty to update the exclusion list.
2 And, of course, we recognize that we need
3 to be doing periodic updates. It would not
4 be fair to expect a casino to identify and
5 eject someone based on a 15 year-old
6 photograph, for example.

7 I suggest that the appropriate place
8 for our procedure is more in an internal
9 procedure and protocol than in the reg, and
10 we don't even have this up and going yet,
11 so we will be looking at developing our
12 update process.

13 COMMISSIONER ZUNIGA: I agree with
14 that.

15 COMMISSIONER CAMERON: Agreed.

16 CHAIRMAN CROSBY: Commissioner
17 Macdonald?

18 MS. LILLIOS: So I'd be asking that
19 these be entered into the formal process
20 with the changes in language that were read
21 into the record today.

22 CHAIRMAN CROSBY: We don't need to
23 vote on that, right?

24 COMMISSIONER ZUNIGA: No, we do.

1 MS. LILLIOS: You do need to.

2 CHAIRMAN CROSBY: This is B, right?

3 COMMISSIONER MACDONALD: So moved.

4 CHAIRMAN CROSBY: Second?

5 MR. BEDROSIAN: This is a problem.

6 You don't have it on for a vote.

7 MS. BLUE: We don't have this on for
8 a vote at this meeting. I think it would
9 be appropriate if we just direct staff to
10 start the process, and we'll start moving
11 it. It has to come back anyways with the
12 small business impact statement and a
13 number of other places. So, I think that a
14 simple --

15 MR. BEDROSIAN: We'll make sure it
16 doesn't slow down.

17 COMMISSIONER CAMERON: So you'll
18 start the process, and in two weeks we will
19 have a formal vote on this.

20 MS. BLUE: Yes.

21 COMMISSIONER CAMERON: Thank you,
22 very well done. Thank you for the
23 coordination, and it's apparent that you're
24 effectively communicating with the

1 licensees and trying to find language
2 that's agreeable, so thank you for that.

3 MS. LILLIOS: Thank you. And I do
4 want to -- I know Karen mentioned Charlotte
5 assisting in this whole process, and she's
6 administering all of this and she's done a
7 great job.

8 COMMISSIONER CAMERON: Terrific,
9 Charlotte, thank you.

10 MS. WELLS: So the final item on the
11 agenda under the Investigation and
12 Enforcement Bureau, we have two MGM
13 qualifiers for your consideration for a
14 suitability determination.

15 The first is a Mr. Robert Rudolph.
16 He was originally hired by MGM Mirage in
17 Las Vegas, Nevada as the vice president of
18 internal auditing in 2003. He was,
19 however, promoted to his current position
20 as senior vice president of internal
21 auditing at MGM Resorts later in 2013.

22 Following the award of the Category
23 1 license to MGM Springfield in 2014, he
24 was determined to be an individual

1 qualifier for MGM Springfield. So his
2 completed application was submitted in
3 August of last year. He did submit all the
4 required forms and supplemental document
5 request to the licensing division and the
6 IEB and investigators conducted the
7 rigorous background check for all
8 qualifiers, including their employment
9 history, criminal record, education,
10 directorships and shareholder interest,
11 civil litigation, bankruptcies, property
12 ownership, political contributions
13 requisites, media coverage.

14 I also did a very thorough financial
15 responsibility evaluation. He was also
16 interviewed in person by the IEB state
17 police and financial investigators as part
18 of that protocol.

19 Mr. Rudolph attended Castleton State
20 College in Castleton, Vermont where he
21 received an associate's degree in
22 advertising and a bachelor's degree in
23 accounting. He also attended Atlantic
24 Community College in Mays Landing, New

1 Jersey where he enrolled in courses as an
2 MBA prerequisite, not obtaining a degree
3 but then attended Rowen University in
4 Glassboro, New Jersey where he received a
5 master of business administration degree in
6 1997.

7 As I stated previously, he is
8 currently the senior vice president of
9 internal auditing of the MGM Resorts
10 International being with MGM in that
11 position since 2013. Prior to that, he had
12 been the vice president of internal
13 auditing at MGM Mirage, and he had also
14 been the director of internal audit
15 services at Price Water House Coopers,
16 director of internal audit at the Trump
17 Hotels and Casino Resorts, the Taj Mahal
18 and the director of internal audit there as
19 well.

20 Interestingly during his employment
21 with MGM, he became a deacon of the Roman
22 Catholic Diocese of Las Vegas. He had to
23 undergo training for that, and continues to
24 be active in that capacity as an ordain

1 deacon.

2 He disclosed in his application and
3 the investigation confirms he is registered
4 or licensed in a number of gaming
5 jurisdictions, including Maryland, New
6 Jersey, Mississippi, Michigan and Ontario.
7 No derogatory information was found during
8 any of the gaming jurisdictions that were
9 queried.

10 Overall, no significant
11 investigative issues were uncovered related
12 to his application for licensure, and the
13 IEB has determined that he demonstrated by
14 clear and convincing evidence he is
15 suitable for licensure in Massachusetts.
16 Therefore, we're recommending the
17 Commission finds him suitable as a
18 qualifier for MGM Resorts.

19 COMMISSIONER STEBBINS: I can't
20 recall, Loretta, was it this candidate or
21 the other one who still had a pending
22 application?

23 MS. WELLS: That's the other one.

24 COMMISSIONER STEBBINS: I had a

1 question. I shared it with Loretta. I
2 guess in terms of doing the background
3 welcome your thoughts on why we're still
4 looking on the political contributions?

5 MS. WELLS: That's only for
6 qualifiers to do that. That is per
7 statute. We do not do that for venders or
8 employees.

9 COMMISSIONER STEBBINS: Right. But
10 it's only during their application phase
11 during the license.

12 MS. LILLIOS: It is, and I did go
13 back and look and part of the invest on
14 these individuals was for during the period
15 they had these positions, although they
16 weren't necessarily designated as
17 qualifiers during the application phase,
18 the inquiry was during the application
19 phase did you make any of these, but we
20 will fine-tune that for the future.

21 COMMISSIONER CAMERON: I noted on
22 this investigation that the interview was
23 conducted via a conference call. And I'm
24 just inquiring, it seems like they were

1 able ascertain reliable information using
2 this methodology; is that --

3 MS. WELLS: Yes. We do sort of an
4 evaluation on a case-by-case basis because
5 using technology such as either a
6 conference call or Skype or whether
7 in-person interview, that's part of the
8 process is to determine efficiencies. So
9 if it's not necessary to do an in-person
10 interview, we may do it by Skype or by
11 conference call just to move these along.

12 COMMISSIONER CAMERON: That's good
13 to know. This is a very clean applicant.
14 Didn't see so much as a parking ticket with
15 this individual, so I think your judgment
16 is wise, but I think that is wise to make
17 those decisions based on what you're
18 finding with the initial investigation.

19 So I commend you for taking another
20 step to move the process forward according
21 to risk, and I would move that we approve
22 qualifier, Robert William Rudolph, as a
23 senior vice president of internal audit for
24 MGM Resorts International.

1 CHAIRMAN CROSBY: Second?

2 COMMISSIONER MACDONALD: Second.

3 CHAIRMAN CROSBY: Further
4 discussion? All in favor?

5 COMMISSIONER CAMERON: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 COMMISSIONER MACDONALD: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously.

11 MS. WELLS: Thank you. The second
12 matter is another MGM qualifier, Michael
13 Carlotti. As with the prior investigation,
14 that investigation was led by Trooper Brian
15 Talbot, who is very experienced and has
16 done a number of these. We also had our
17 financial investigator, Collin Hennigan,
18 who is here today. It's one of his first
19 ones. He is new to the IEB and has done
20 extremely well, and I'm pleased to see him
21 here today reporting out to the Commission.

22 COMMISSIONER MACDONALD: I'm curious
23 as to why Colin is not wearing that
24 sweater.

1 MS. WELLS: I was going to comment
2 about the sweater. I didn't know if you'd
3 recognize him without the holiday sweater.

4 THE FLOOR: Second place as well.

5 MS. WELLS: So as to Mr. Carlotti,
6 in March of 2016, he took his current
7 position with MGM Resorts International as
8 senior vice president and treasurer. Based
9 upon that position, he was determined to be
10 a qualifier for the Region B casino license
11 and was reacquired to be found suitable by
12 the Commission. Similar to Mr. Rudolph, he
13 had the same areas of inquiry were covered
14 by his investigation, including the
15 financial responsibility evaluation that
16 Mr. Hennigan conducted.

17 Mr. Carlotti attended Boston
18 University where he obtained a bachelor's
19 of science degree in finance in 1993 and
20 then attended the University of California
21 where he obtained a master of business
22 administration degree in management in
23 1998.

24 As I stated, he is currently the

1 senior vice president and treasurer of MGM.
2 He has been employed in this position since
3 May of 2016, but he has been involved in
4 the gaming industry since 2008. Prior
5 positions he had, he worked in Scientific
6 Games, Valley Technologies. He also worked
7 at Wachovia Securities, Capital Advisers,
8 Credit Suisse and Smith Barney.

9 He disclosed in his application he
10 gained licensing in several jurisdictions
11 related to his prior tenure at Scientific
12 Games and Valley Technology, as well as
13 licenses and registrations in connection
14 with his role in MGM. We did confirm
15 gaming jurisdictions where he is registered
16 or licensed, including Maryland,
17 Mississippi and New Jersey.

18 As you noted in the report, his
19 temporary license was approved in New
20 Jersey. He was, however, fine qualified by
21 New Jersey on January 11th of 2017 and his
22 credential issued just on Tuesday the 31st.

23 As with Mr. Randolph, there were no
24 significant investigative issues uncovered

1 related to his application for licensure,
2 and we deemed that he demonstrated by clear
3 and convincing evidence that he's suitable
4 for licensure in Massachusetts and,
5 therefore, I'm recommending that the
6 Commission vote to find him suitable.

7 CHAIRMAN CROSBY: Discussion?

8 COMMISSIONER CAMERON: Again, a very
9 clean applicant and internet video
10 conferencing this time, so certainly agree
11 with the recommendation that Michael John
12 Carlotti be -- we move to find him suitable
13 as the senior vice president and treasurer
14 of MGM Resorts International.

15 COMMISSIONER STEBBINS: Second.

16 CHAIRMAN CROSBY: Further
17 discussion? All in favor?

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER MACDONALD: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: Opposed? The ayes
23 have it unanimously.

24 MS. WELLS: I have nothing further.

1 Thank you.

2 COMMISSIONER CAMERON: Thank you.

3 CHAIRMAN CROSBY: Thank you.

4 COMMISSIONER CAMERON: Excellent
5 work.

6 CHAIRMAN CROSBY: All right. We are
7 on the last item, next to the last item,
8 Commissioner's updates. Anything in
9 particular that anybody wants to talk
10 about?

11 COMMISSIONER STEBBINS: I have two
12 quick items. One last Friday Jill Griffin
13 and I, our Director of Workforce Supplier
14 and Diversity and Development and I met
15 with folks at Hanscom Air Force Base, not
16 the easiest place to get into, but talking
17 to them about their relationships with
18 Veterans, Veterans organizations in terms
19 of employment support, great meeting, great
20 team that was more than willing to help us
21 out and help our licensees out.

22 We also had the opportunity to meet
23 up with some of the folks that work with
24 families and kind of family support and the

1 issue of problem gaming among Veterans came
2 up. We shared some of the information we
3 just got the other day, and we will make
4 sure that Mark and Teresa are in connection
5 with the folks out in Hanscom since this is
6 a tough issue for a number of families, and
7 obviously the members of men and women in
8 the services.

9 The only other item I have to
10 report, Mr. Chairman, you and I met last
11 week with the speaker regarding gathering
12 information and sharing it with the
13 legislature on recommendations on how money
14 can be expended from the Gaming Economic
15 Development Fund. He expressed his support
16 and interest in receiving some type of
17 White Paper from us.

18 He did ask us to follow-up with
19 Chairman Wagner and Chairman Dempsey. I
20 happened to catch Chairman Wagner in the
21 hallway, and yesterday Jill and I met with
22 the staff from Chairman Dempsey's office
23 and all kind of giving it a green light.
24 So, I think, it's back to the senate

1 chairman, and then we will be all wrapped
2 up.

3 CHAIRMAN CROSBY: Great. Oh,
4 senator Donahue, was that -- did they want
5 us to see her? We saw Spilka.

6 COMMISSIONER STEBBINS: I think it
7 was they left it to us once the committee
8 assignments were made. I don't think the
9 committee assignments have been finalized
10 yet.

11 CHAIRMAN CROSBY: Right, yes. This
12 is a really exciting project that
13 Commissioner Stebbins has come up with to
14 have us do some work on leveraging the
15 economic development of the casinos perhaps
16 with further investments from the economic
17 development fund that will be coming down
18 the pipe once the Category 1 is open.
19 That's a really great project. Anybody
20 else?

21 COMMISSIONER CAMERON: I have one
22 issue to report. I have had inquiries from
23 some of the senior regulatory staff in
24 Queensland, Australia who are coming to the

1 United States and would like to come to
2 Boston. They are very interested in an
3 integrated resort casino in that part of
4 Australia and look to us for some best
5 practices and advice.

6 So I've been working with Executive
7 Director Bedrosian to try to -- we're
8 trying to figure out when they can be here
9 and what kind of experience they would like
10 while they are here, how we can help them
11 with this stuff, with this exploration that
12 they are doing.

13 CHAIRMAN CROSBY: Yes. Help walking
14 through the legislation with them would be
15 one thing, I think.

16 COMMISSIONER CAMERON: I think we
17 have just been e-mailing --

18 COMMISSIONER MACDONALD: They have
19 no gaming?

20 COMMISSIONER CAMERON: They have
21 small gaming facilities through most of
22 Australia, but they're looking for this big
23 integrated resort, and certainly Boston is
24 one of the places they would like to come

1 and see what we're doing. So we will help
2 them of course in any way we can. So I may
3 be reaching out to see what we can do.

4 CHAIRMAN CROSBY: Great. We had a
5 meeting yesterday with some -- Commissioner
6 Zuniga and I met with the Mass Council on
7 Compulsive Gambling and their various
8 representatives to talk about reinstating
9 their budget cut, which they are somewhat
10 optimistic they will be able to do through
11 the legislature, and we kicked around some
12 other ideas that are not really ready for
13 prime-time yet, but we have been working
14 hard with the council to see if we can help
15 get their budget back.

16 COMMISSIONER ZUNIGA: You mentioned
17 one thing that we just received Marlene
18 Warner forwarded us a study that I haven't
19 read. I literally just saw it as I came in
20 about the Veterans and problem gambling so
21 I will look forward to -- you're talking
22 about the same thing.

23 CHAIRMAN CROSBY: Okay. Anybody
24 else? I'm happy to say that tomorrow I'm

1 going on a vacation for a couple of weeks
2 and will then go to a GameSense summit in
3 British, Columbia which are all the people
4 involved in GameSense from different
5 jurisdictions are getting together and talk
6 about best practices and so forth. I've
7 asked Commissioner Cameron to chair the
8 agenda setting meeting and the meeting on
9 this in a couple of weeks. Enjoy February.

10 COMMISSIONER ZUNIGA: Enjoy your
11 vacation.

12 CHAIRMAN CROSBY: Thank you. Motion
13 to adjourn?

14 COMMISSIONER MACDONALD: So moved.

15 CHAIRMAN CROSBY: All in favor?

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: Opposed? All
21 right, thank you.

22

23 (Meeting concluded at 12:51 p.m.)

24

1 MASSACHUSETTS GAMING COMMISSION STAFF:

2 Catherine Blue, General Counsel

3 Edward Bedrosian, Executive Director

4 Karen Wells, Director of IEB

5 Todd Grossman, Deputy General Counsel

6 Loretta Lillios, Chief Enforcement Counsel

7 Carrie Torrisi, Staff Attorney

8 Michael Sangalang, Digital Coordinator

9 Bruce Band, Gaming Agent Division

10 Burt Cain, Gaming Agent

11

12 GUEST SPEAKERS:

13 Rachel Volberg, Ph.D, SEIGMA

14 Robert Williams, SEIGMA

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COMMONWEALTH OF MASSACHUSETTS

I, KRISTEN M. EDWARDS, COURT REPORTER,
do hereby certify that the foregoing is a true and
accurate transcription of my stenographic notes,
to the best of my knowledge and ability.

WITNESS MY HAND, this 8th day of
February, 2017.

Kristen M. Edwards