



Massachusetts Gaming Commission Meeting Minutes

Date/Time: January 18, 2018 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA

Present: Chairman Stephen P. Crosby
Commissioner Lloyd Macdonald
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga
Commissioner Gayle Cameron

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

[10:03 a.m.](#) Chairman Crosby called to order the 233rd Commission meeting.

Approval of Minutes

See transcript pages 2 - 3

Commissioner Macdonald requested the removal of the word “and” from a section reporting a statement made by him. Commissioner Macdonald then moved to approve the minutes of the meeting of January 10th subject to any corrections, further typographical errors, or other nonmaterial matters. Commissioner Stebbins seconded the motion. Motion passed 4 – 0 with Commissioner Cameron abstaining.

Workforce, Supplier and Diversity Development – Jill Griffin, Director

See transcript pages 4 - 27

[10:05 a.m.](#) Director Griffin presented a list of upcoming vendor opportunities provided by MGM Springfield. MGM is urging chambers and business assistance groups to encourage Massachusetts businesses to become vendors by signing up on their vendor portal.

Director Griffin stated that he MCCTI Gaming School is holding information sessions every other Wednesday and Saturday. The first cohort will begin on February 26th.

Cambridge College also announced their noncredit Pre-Apprentice Hospitality Program to prepare students for careers in casinos.

MGM will work with the Commonwealth's Career Centers and the United Way to host an information session on finding employment for victims of Hurricane Maria. Many have relocated to Massachusetts, and may have experience in hospitality and gaming.

Director Griffin noted that entities such as Career Centers and the Springfield Public Schools are helping people sign up for SkillSmart, which is an online skills-matching platform for job seekers and employers. Residents could sign up to be notified about job openings with casinos.

[10:22 a.m.](#) Mr. Mike Mathis, COO of MGM Springfield stated that MGM Springfield will be announcing their team next week, and over 50% of this team will be diverse and/or female. MGM Springfield would continue to build on the theme of diversity.

Mr. Mathis stated that currently, MGM has about 210 employees overall at this time. He added that MGM's staff so far is comprised of approximately 40% being diverse, 40% female, and 10% veterans.

Research and Responsible Gaming – Mark Vander Linden, Director

See transcript pages 27 - 90

[10:32 a.m.](#) Director Vander Linden presented his previously submitted memo of recommendations on PlayMyWay for Category 1 casinos. Presenting with him was MGM President and COO Mike Mathis, Senior Vice President of Development at Wynn Resorts Development Bob DeSalvio, and Senior Vice President and General Counsel of Wynn Resorts Development Jacquie Krum. MGM Springfield, Wynn Resorts Development, and the National Council on Problem Gambling all submitted comments on his recommendations.

[10:37 a.m.](#) Mr. Mathis intends to launch a version of PlayMyWay at MGM Springfield within the first year of operation. Mr. Mathis expressed that it was the intent of MGM Springfield to work closely with the Commission on its voluntary implementation of PlayMyWay.

[10:46 a.m.](#) Commissioner Zuniga suggested drafting a Memorandum of Understanding (MOU) in lieu of a regulation on PlayMyWay.

Commissioners discussed whether it would be better to promulgate a regulation or to implement PlayMyWay through an MOU with the licensees.

[11:40 a.m.](#) *Commissioner Zuniga moved that the Commission advance the Play Management System, in cooperation with licensees through a non-regulatory path as described in memo in the Commission packet and as discussed that day. Commissioner Cameron seconded the motion. The motion was approved 5 – 0.*

11:40 a.m. The Commission took a short break.

11:46 a.m. The Commission reconvened.

Administrative Update

See transcript pages 90 - 130

[11:46 a.m.](#) **MGM – Opening Preparations – Executive Director Ed Bedrosian, Jr.**
Executive Director Ed Bedrosian and Chief Project Manager Joan Matsumoto presented on the JIRA software tool. This software is being utilized by the Commission for the organization, prioritization, and monitoring of projects for the opening of MGM Springfield.

[12:12 p.m.](#) **Massachusetts Gaming Commission Enhanced Code of Ethics – Catherine Blue, General Counsel**
Deputy General Counsel Todd Grossman presented on the updated version of the Enhanced code of ethics, as discussed in the previous meeting.

There was continued discussion on section 15B of the Code, which is the section that states that a Commissioner may not solicit funds for any educational, religious, charitable, fraternal or civic organizations. Further modifications were proposed. Counsel Grossman agreed to revise section 15B.

Counsel Grossman also presented a change in section 15C of the Code, which would enable a Commissioner or employee to accept paid travel expenses from a third-party for legitimate public purposes, with the Executive Director's approval and upon filing the required forms under c. 268A.

[12:26 p.m.](#) *Commissioner Stebbins moved to adopt the most recent version of the enhanced code of ethics, as provided in the packet with the discussed revisions. The motion was seconded by Commissioner Cameron. Motion approved 5 – 0.*

Investigations and Enforcement Bureau (IEB) – Karen Wells, Director

See transcript pages 130 - 211

[12:27 p.m.](#) Director Karen Wells presented Mr. John Kilroy, a Qualifier for MGM International. Director Wells stated that Mr. Kilroy was going to be on the board of directors for MGM International. Director Wells stated that Mr. Kilroy demonstrated by clear and convincing evidence that he was suitable. The IEB recommended that he be found suitable as a Qualifier for MGM resorts international.

[12:30 p.m.](#) *Commissioner Cameron moved to find Mr. Kilroy was suitable as a Qualifier for MGM. Commissioner Macdonald seconded the motion. Motion passed 5 – 0.*

Director Wells presented a memo on the Preliminary Service Employee Registration process, as there has been a statutory change for gaming service employees. The amendment gives the Commission the authority to exempt certain job positions from registration with the MGC. The IEB recommended that the Commission be mindful, upon determination that a position is exempt, that they will not have the authority to revoke that registration in the instance of an adverse action by an exempt employee. Director Wells recommended that the Commissioners also consider potential for armed robberies with all the cash moving on the casino floor, particularly in the first stages of opening MGM. Director Wells made recommendations of parameters to consider when deciding if a position should be non-exempt.

[12:45 p.m.](#) Commissioner Stebbins asked about adding a section to the licensee application that asks what methods they, as an employer, use to address an employee who violates the terms of their gaming employee license or registration. In response, General Counsel Catherine Blue clarified that the two processes of licensing (Commission) and employment (licensee) are separate and distinct.

Director Wells stated that job duties in correlation to a job title may differ across casinos, so these exemptions would need to be determined on a case by case basis.

Commissioner Cameron suggested that the Commission start a bit conservative with factors for determining categories of exemption, which would afford them the chance to assess risk and determine if other positions could be exempt over time.

[1:00 p.m.](#) Director Wells requested that the Commission make recommendations to the IEB based on the IEB's submitted memo. Director Wells recommended that the Commission follow the first section of factors listed in the IEB's submitted memo, at a minimum. She also asked that the Commission consider the second set of factors listed in the IEB's memo.

As Director Wells had noted that the IEB wanted to keep an eye on positions that serve alcohol, Commissioner Stebbins added that he was very concerned, from a public safety standpoint, about maintaining regulatory control over positions that serve alcohol. He stated that as the Commission issues the alcohol license of the casinos, they are the Commission's responsibility. Commissioner Zuniga asked if servers would be exempt, as they just bring the alcohol from the bar to the table. Director Wells stated that she would review the different positions involved in serving alcohol.

[1:20 p.m.](#) Chairman Crosby asked that the IEB's criteria for exemption be edited to reflect that these criteria apply only to positions within the casino and adjacent facility (i.e. hotel and abutting restaurants), and not to positions in the entertainment block and the Armory (that do not have access to the casino).

Director Wells asked if the Commission was comfortable with including employees who potentially have access to confidential or sensitive information being captured in consideration for registration.

Director Wells stated that she would work with MGM Springfield and provide a packet to the Commission with formal recommendations.

1:45 p.m. The commission took a short recess.

2:15 p.m. The commission reconvened.

Ombudsman – John Ziemba

See transcript pages 213 - 224

[2:20 p.m.](#) Ombudsman John Ziemba presented a memo outlining Saugus' Mitigation Fund Reserve Request. Saugus asked to use the remaining unallocated funds out of its reserve, and requested repurposing the remainder to implement strategy recommendations made by a consultant that was previously hired in 2016.

Mr. Ziemba stated that there are two items in connection to this request. One was to use the funds help create a brochure that can focus on highlighting Saugus' open spaces and recreational opportunities, and the other was to use the funds to help develop a branding campaign that would further highlight some of the town's resources.

Chairman Crosby requested that Mr. Ziemba add a discussion of the pending pedestrian bridge project, connecting the North Shore to Boston, on the agenda for one of their next reports.

[2:29 p.m.](#) *Commissioner Stebbins moved to approve the 2018 Town of Saugus Community Mitigation fund reserve application, as presented in the packet, and allow them to use the balance of their reserve fund. Commissioner Macdonald seconded the motion. Motion was approved 5 – 0.*

Legal Division – Catherine Blue, General Counsel

See transcript pages 225 - 294

[2:30 p.m.](#) General Counsel Catherine Blue began a discussion on regulation 205 CMR 140 – Usage of Vigorish. Counsel Blue stated that the question was whether the Commission should make a change in that for table games. Counsel Blue asked that after the discussion, should the Commissioners determine that this regulation should be amended, the Legal Division will do so.

CFOO Derek Lennon stated that when they first wrote the regulation, the concentration was on the calculation of gross gaming revenue vigorish being handled the same way as free play. This was because there were only slots to consider and not table games, notably Baccarat, at that time.

Regulation and Compliance Manager Sterl Carpenter asked the Commission to enforce the collection of the vigorish at the end of each shoe, for the players' protection, as this would give the player the ability to see if they are winning or losing money. Collecting at the end of each shoe would also ensure that casinos could not write off the vigorish, which is a taxable item.

Mr. Lennon and Gaming Agents Division Chief Bruce Band clarified that the main issue was that the Commission was not consistent with other jurisdictions in that the commission was allowing vigorish to be excluded from the calculation of gross gaming revenue.

Deputy General Counsel Todd Grossman stated that Mr. Lennon's and Mr. Band's comment was specifically addressed in 205 CMR 140.02(2a), regarding bank games (Baccarat). Counsel Grossman stated that there was reference to complimentary forms for vigorish in this section of the regulation, and that it would need to be amended to take out comped vigorish forms from the calculation.

Counsel Blue stated that she would amend the regulation to remove the language that allows the casino to comp vigorish, bring it to the Commissioners, and if they approve, put it through the normal promulgation process.

[2:55 p.m.](#)

Counsel Blue addressed amendments to 205 CMR 152 – Excluded Persons List. First, the hearing process for the Excluded Persons List was emended to reflect the normal hearing process of the Commission, where both sides have the ability to appeal. Also, language was added to address how the State Police should be contacted and when, if an excluded person enters a casino. Lastly, small edits were made to section 152.03(2) regarding the standard for what injurious threat to the interests of the Commonwealth and the gaming establishment means.

Counsel Blue requested guidance from the Commission regarding how long someone should be on the list before they can petition to be removed, and when to put someone on the list in terms of where they are in the appeal process.

Chief Enforcement Counsel Loretta Lillios and Director Karen Wells stated that the IEB is looking for guidance from the Commission on the criteria listed in the regulation that determines reasons to place an individual on the Excluded Persons List.

Counsel Blue stated that the IEB could begin to build case law that, over time, could set a precedent. She also stated that there was now language in the regulation that gave the IEB the criteria from the statute to consider "without limitation". Counsel Blue asked that the Commission advise as to whether or not they are comfortable that the criteria items listed in the regulation provide

an adequate definition of the injurious threat to the interest of the Commonwealth and the gaming establishment.

3:11 p.m. Chairman Crosby left the meeting.

Commissioner Zuniga suggested that some language be amended in 152.03(2) to the criteria for determining an individual's placement on the Excluded Persons List. The amendment would add "repeated or egregious behavior".

[3:20 p.m.](#) Commissioner Zuniga led a discussion of potential options other than a five year term for an individual being placed on the Excluded Persons List before they can petition to be removed.

Commissioner Stebbins expressed concern regarding the section of the regulation 152.04(6) where one has the opportunity to appeal the IEB's decision to be placed on the Excluded Persons List. Commissioner Stebbins wanted to be able to expect that this person would not have access to the casino while in the process of placement on the list. Counsel Lillios responded stating that the IEB works with the casino while the process takes place.

There was a discussion around the hearing officer's initial decision to place a person on the Excluded Persons List, and whether or not his decision should be stayed while the 30 day appeal period takes place.

Commissioner Zuniga asked for feedback by the Commissioners regarding placing a person's name and year of birth on the Commission's website. One scenario had taken place where an individual felt that she would incur severe punitive damage to her reputation by being searchable on a public website. Commissioner Cameron stated that she did not oppose putting a person's name on the website if their behavior had been determined to be egregious. Commissioner Macdonald stated that he did not oppose either. Commissioner Stebbins stated that he also did not oppose. Commissioner Zuniga stated that he did oppose placing names on the Commission's website.

[3:32 p.m.](#) *Commissioner Macdonald moved that the Commission approve the amendments to 205 CMR 152 as included in the packet and as revised in the preceding discussion, and authorize the staff to take the steps necessary to begin the regulation promulgation. Motion was seconded by Commissioner Stebbins. The motion passed 3 – 1 with Commissioner Zuniga dissenting.*

Counsel Blue addressed an amendment to 205 CMR 134.03 – Gaming Service Employees. The regulation had been amended to say that the Commission has the ability to exempt certain gaming service employees from registration by job description and could require any information it needed from the licensees in order to make that decision.

[3:36 p.m.](#) *Commissioner Stebbins moved that the Commission approve the amendments to 205 CMR 134.03 as included in the packet, and with subsequent changes as*

discussed here, and authorize the staff to file the regulation on an emergency basis, pursuant to Chapter 23K, § 5(b), and further to take the steps necessary to file the regulation with the Secretary of Commonwealth, and to proceed with the formal regulation promulgation process. Commissioner Cameron seconded the motion. The motion passed 4 – 0.

Commissioners' Updates

See transcript pages 294 - 316

[3:38 p.m.](#)

Commissioner Stebbins presented the White Paper on Reinvesting the Gaming Economic Development Fund. He stated that the goal of this White Paper is to offer some strategic thinking and create a conversation about how to use Class 1 licensee gaming tax revenue allocated to the Gaming Economic Development Fund to broaden the impact of gaming in Massachusetts.

Commissioner Stebbins expressed thanks to all individuals and organizations who were contributing their time and effort to the project. Commissioner Stebbins then briefed the Commission on the next items to come in the White Paper.

One critical strategy that was discussed was to extend the positive impact that the Mass Cultural Council is having in Springfield to the City of Everett and perhaps Plainridge area. Commissioner Stebbins stated that connecting the Mass Cultural Council with the Commission's licensees was a good next step.

Funding tourism strategies that sought to leverage the casino's presence was an objective of this project. Commissioner Stebbins stated that this could be achieved by collaboration between regions with the state travel and tourism office as well as with licensees.

Expanded service of the Pioneer Valley Transit Authority (PVTA) to help MGM Springfield employees get to and from work was another strategy where efforts would continue.

There was also a discussion of the creation of regional working groups that could continue to look for opportunities to extend the economic impact of the casinos.

Commissioner Stebbins recommended that the Commission commit to some next steps, such as following up and monitoring the strategies and licensees commitments.

Commissioner Stebbins asked that the Commissioners vote in support of the broad essentials of the White Paper. He stated that he was open to comments and flexible to minor edits and changes.

[3:55 p.m.](#) Commissioner Macdonald suggested that he would like to see a statement in the White Paper reflecting that efforts were being made toward ensuring that regions and communities that have not directly benefited from the implementation of the Expanded Gaming Act to date receive a fair allocation of proceeds from the Gaming Economic Fund.

Commissioner Zuniga stated that he would like to see more emphasis stated regarding the level of effort that was put forth into this project. He also suggested a technical correction and other stylistic edits.

[4:02 p.m.](#) *Commissioner Cameron moved to approve the Reinvesting the Gaming Economic Development Fund White Paper subject to any further corrections, typographical errors, or other nonmaterial matters. Commissioner Macdonald seconded the motion. The motion passed 4 – 0.*

Having no further business, a motion to adjourn was made by Commissioner Zuniga. The motion was seconded by Commissioner Cameron. The motion passed unanimously.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda, dated January 18, 2018
2. Massachusetts Gaming Commission Meeting Minutes draft, dated January 10, 2018
3. Massachusetts Gaming Commission Enhanced Code of Ethics draft
4. Massachusetts Gaming Commission Enhanced Code of Ethics final version
5. Activity Tracking Through JIRA – Power Point presentation, dated January 18, 2018
6. PlayMyWay Recommendation Memo
7. Public Comments on Play Management Tools
8. Vendor Advisory Team Overview
9. Massachusetts Gaming Commission Workforce Opportunity Summary for Commission
10. MCCTI Gaming School Class Schedule
11. Gaming Service Employees (SER) Discussion Memo
12. 2018 Town of Saugus Community Mitigation Fund Reserve Application Memo
13. Saugus' Application for Use of Mitigation Funds
14. Mass Gaming Letter from the Town of Saugus
15. Final Report – Casino Impact Analysis – Saugus MA
16. Review of 205 CMR 140
17. 205 CMR 152 amendments draft
18. 205 CMR 134.03 amendments draft
19. Reinvesting the Gaming Economic Development Fund – Power Point presentation

/s/ Catherine Blue

Assistant Secretary