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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #233

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

January 18, 2018 10:03 a.m.

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

P R O C E E D I N G

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3 CHAIRMAN CROSBY: I'm calling to
4 order public meeting No. 233 on
5 January 18th, 10 o'clock in the morning at our
6 offices in Boston. First item as always,
7 approval of the minutes.

8 COMMISSIONER MACDONALD: Yes.
9 Mr. Chairman, subject to the correction of a
10 typo on page four, the upper third paragraph
11 that begins, appropriately,
12 Commissioner Macdonald, that in the last
13 sentence there's a -- an and that should not
14 be there, so that the sentence should read,
15 asserted that this super standard was an
16 appropriate one that would distinguish the
17 obligation of the Commissioners, so delete
18 and.

19 And with that correction, I move
20 that we approve the minutes of the meeting of
21 January 10th subject to further correction for
22 typographical -- subject to correction for
23 further typographical errors and other
24 nonmaterial matters.

1 CHAIRMAN CROSBY: Second?

2 COMMISSIONER STEBBINS: Second.

3 CHAIRMAN CROSBY: Any other
4 discussion. All in favor? Aye.

5 MR. MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 COMMISSIONER CAMERON: Abstain.

9 CHAIRMAN CROSBY: Opposed? Oh. And
10 Commissioner Cameron abstains, as she was not
11 here, so the motion passes four to zero.
12 Okay. We're going to move the schedule around
13 a little bit, I think.

14 MR. BEDROSIAN: Yes. Good morning,
15 Commissioners.

16 CHAIRMAN CROSBY: Good morning.

17 COMMISSIONER CAMERON: Good morning.

18 MR. BEDROSIAN: I have a suggestion,
19 just on reworking the schedule slightly, that
20 we start with Director Griffin on Item 5, then
21 we'll go to Director Vander Linden on Item 4.
22 And then, depending upon the time where we are
23 at that point, we may go to my update or some
24 other thing. I just -- I have a brief local

1 commitment at one o'clock for about
2 half-an-hour, so we'll work around that. But
3 for now, I'd say, if we go to number five then
4 four, that would get us started for the day.

5 CHAIRMAN CROSBY: Okay. Great.
6 Director Griffin.

7 MS. GRIFFIN: Chairman Crosby,
8 Commissioners, I'm here to update you on all
9 the activity related to workforce supplier and
10 diversity development, to optimize employment
11 opportunities for the host and surrounding
12 community, and all the diverse residents of
13 Massachusetts, as well as opportunities for
14 small businesses to supply goods and services
15 to a casino. And given the timeline for MGM
16 Springfield, I'm going to focus most of my
17 comments and updates on the western Mass
18 ramp-up. And I'll ask Commissioner Stebbins
19 to jump in as appropriate, as he's up to date
20 on all of these issues as well.

21 So first in your packet, you'll
22 notice the vendor advisory team. I convene a
23 monthly phone call with MGM national
24 procurement team and the MGC vendor advisory

1 team. The vendor advisory team is composed of
2 representatives of organizations that provide
3 technical assistance, financing, or just
4 outreach to small and diverse businesses in
5 Massachusetts. And this is a great call with
6 MGM's national procurement team.

7 As you know, they prioritize about
8 50 million for local procurement, so there's
9 real opportunities. In order to ensure that
10 our local Massachusetts businesses don't miss
11 out on these opportunities to supply goods and
12 services to a casino, MGM provides the vendor
13 advisory team with an updated list of upcoming
14 vendor opportunities.

15 And you'll see that there's a
16 wide-ranging list of opportunities thus far,
17 and it's still early, from arcade game
18 maintenance, to grease filter and recycling,
19 snow removal, laundry. You get the idea.

20 MGM also provides the group with
21 challenges they may be facing. For example,
22 in the last call they asked for the group's
23 assistance in identifying local WBE companies
24 that could respond to these opportunities.

1 MGM also urged chambers and other
2 business assistance groups to encourage local
3 and Massachusetts businesses to sign up on
4 MGM's own vendor portal. All of the
5 information is uploaded and sent on a weekly
6 basis to all their procurement staff.
7 Companies can easily sign up by going on the
8 vendor page on the MGM website, which is
9 www.mgmspringfield.com/supplier. And so, that
10 is really important.

11 We've also, recently, been
12 conducting meetings with MGM's workforce team
13 on a regular basis. We have work force
14 opportunity team meetings, we're calling them,
15 where we cohost these meetings with the
16 Hampden County Regional Employment Board,
17 Director Dave Cruise. Marikate Murren was in
18 attendance just the other day, when we went
19 out to MGM's new career center.

20 The center has been opened for about
21 2-1/2 months. Beautiful new career center.
22 And it was great to see it in action. There
23 were interviews being conducted, people
24 interview, and they actually leave with a job

1 offer already, so that was exciting. And they
2 can also get the background check started and
3 get the drug test right at the center.

4 We were also updated by Jeff Hayden
5 of MCCTI, the Mass Casino Careers Training
6 Institute. Happy to say that the HCC MGM
7 Culinary Arts Institute in Holyoke just
8 received their certificate of occupancy, and
9 classes start, I believe, next week. So
10 that's exciting news.

11 The MCCTI gaming school is holding
12 information sessions every other Wednesday and
13 Saturday. In fact, I think there was one
14 going on in the career center as we were
15 meeting. The first cohort of individuals, who
16 have signed up for gaming training, will begin
17 on February 26th, and another session will run
18 prior to the MGM opening. So the message is
19 loud and clear, if folks are interested, they
20 should sign up now.

21 MGM and MCCTI are currently
22 recruiting with the first 10-week cohort
23 classes in blackjack, roulette and craps. And
24 you can see in your material, I've provided

1 additional information regarding the gaming
2 school.

3 So I also wanted to update you on a
4 new initiative. We've all heard about the
5 devastating impact of Hurricane Maria in the
6 commonwealth of Puerto Rico. The Baker
7 administration is working collaboratively to
8 provide critical resources and opportunities
9 for those evacuees from Puerto Rico, who have
10 relocated to Massachusetts. And many students
11 and families have relocated here. As of last
12 Friday, over a thousand individuals from
13 Puerto Rico have relocated to the state, as
14 there are many family connections in
15 Massachusetts.

16 Close to 700 adults are working with
17 the Mass Department of Career Services to find
18 employment. 71 percent of the Puerto Rican
19 individuals have settled in Hampden County,
20 with most in Holyoke and Springfield.
21 80 percent -- I'm sorry I'm going to skip
22 that.

23 Alice Sweeney, director of the
24 Department of Career Services, who oversees

1 the Commonwealth's career centers, updated the
2 group on a \$2.3 million federal grant
3 application that they have submitted in
4 December for workforce transition for
5 Puerto Rican hurricane victims, who have
6 resettled in Massachusetts.

7 What's interesting about this group,
8 several have just needed resumé tweaks to land
9 a job. Many are professionals, teachers,
10 managers. As you know, Puerto Rico has more
11 than 15 casinos, and has had a thriving
12 hospitality and tourism economy.

13 Career services is working to check
14 and see if any of those individuals have
15 experience in gaming and hospitality. But MGM
16 was very interested, and is working with
17 career services to plan an information
18 session, as soon they'll have management
19 positions posted and ready to interview for.
20 MGM will work with career center and the
21 United Way to host an information session.

22 CHAIRMAN CROSBY: Do you mean,
23 specifically, for Puerto Rican refugees?

24 MS. GRIFFIN: That's right.

1 CHAIRMAN CROSBY: Yeah. Great.

2 MS. GRIFFIN: That's right. So
3 that's very exciting to see how this new
4 industry might actually be beneficial to those
5 who have relocated here, who have family here
6 and are just trying to get a new start.

7 CHAIRMAN CROSBY: I talked to the
8 secretary of education last week, Jim Peyser,
9 about a variety of things, and he mentioned
10 that there were all these Puerto Rican
11 refugees and suggested that we talk to MGM and
12 make sure they were reaching out to them. So
13 I talked to Jill about it, and it turned out
14 they already were, which is great. So
15 that's -- I'm glad your seizing on that.

16 MS. GRIFFIN: Right. The state has
17 actually announced in-state tuition rates for
18 students who have relocated, because there are
19 quite a few.

20 CHAIRMAN CROSBY: Great.

21 MS. GRIFFIN: So that's great.

22 CHAIRMAN CROSBY: I had a question.
23 It says, the Department of Agricultural put
24 out a call for e-mail marketing and

1 communications regarding needs for proteins.
2 Is that cows or pigs or...

3 MS. GRIFFIN: All of the above, but
4 locally produced. I mean, they're really
5 looking for folks in western Mass, companies
6 and farms and -- you know, so -- Department of
7 Agriculture said, we can help. So that was
8 really exciting.

9 COMMISSIONER ZUNIGA: Can I go back
10 to the Puerto Rico, which I find remarkable.
11 71 percent of people are relocating into
12 Hampden County, you said?

13 MS. GRIFFIN: That's right. It
14 stands to reason, if you think about it,
15 80 percent of Holyoke public school students
16 are of Puerto Rican descent. So people are
17 moving in with family members.

18 COMMISSIONER ZUNIGA: Are you aware
19 of any efforts to find housing in a
20 coordinated way, specifically in Springfield?
21 I mean, it could be a great way to further the
22 economic development.

23 MS. GRIFFIN: So I haven't focused
24 on the housing piece, but from what I

1 understand, all of the Baker administration's
2 many departments and leadership is focusing on
3 this effort in a strategic way. And I think
4 folks, from what I understand, went to Holyoke
5 first, and then they're spreading out to
6 Springfield, you know, because housing is a
7 little bit more available, as I understand.
8 So I think it's happening.

9 COMMISSIONER ZUNIGA: Great.

10 MS. GRIFFIN: Yeah. We had
11 Springfield Public Schools in the room, and
12 they mentioned lots of new children enrolling
13 in schools. Same with Holyoke so...yeah.

14 So as you may have heard,
15 Cambridge College announced their
16 preapprentice hospitality program. And that's
17 very exciting. These are noncredit
18 preapprentice programs that they worked with
19 the Department of Labor, the Mass Executive
20 Office of Labor and Workforce Development on.
21 And they worked to prepare students for
22 careers as restaurant servers, fountain
23 workers, casino porters, busers, guest
24 services representatives and the like. So

1 we'll be meeting with Cambridge College soon
2 to hear more about that program.

3 And as you know, MGM looks to hire,
4 approximately, 3,000 employees, and has set
5 some ambitious diversity goals, as well as the
6 a goal to hire 35 percent of the residents of
7 Springfield in their operational workforce.

8 We also were updated with all of
9 their efforts and -- regarding outreach. And
10 we heard more about the coordination that's
11 taking place amongst all the workforce
12 partners. For example, the FutureWorks Career
13 Centers talked about how 75 percent of the
14 people coming in their door are Springfield
15 residents. They have direct access to
16 veterans that they can outreach, send e-mails
17 and -- so we talked a little bit about how
18 that was going to take place, or has been
19 taking place.

20 We talked about SkillSmart and how
21 all of these entities are helping to sign
22 people up for SkillSmart. So they're not only
23 notified about the MGM jobs when they happen,
24 but other employers are actually utilizing

1 this as well. And the career centers and --
2 are receiving positive feedback about
3 SkillSmart. They put on workshops and how to
4 sign up. The Springfield Public Schools are
5 currently training all their adult basic
6 education teachers to be able to aid
7 interested students in using it.

8 COMMISSIONER MACDONALD: Excuse me,
9 Jill. Could you remind me what SkillSmart --
10 the essential elements of SkillSmart are?

11 MS. GRIFFIN: Do you want to help me
12 out here, Commissioner Stebbins.

13 COMMISSIONER STEBBINS: Sure. MGM
14 brought in a vendor, partner, that is
15 created -- I think it's a unique kind of job
16 fulfillment software program. And, basically,
17 it allows an individual come in, enter all of
18 their background, resumé and work history.
19 And it has a great ability to help direct that
20 person to help them understand what jobs they
21 would be qualified for. So it kind of takes a
22 look at the skill set and says you might have
23 been doing this, but with some training
24 programs you might be eligible to do this, you

1 might be a suitable candidate for X, Y, Z.

2 So it's -- I think it's a pretty
3 innovative tool to align a candidate's work
4 history with the job opportunities that are
5 available. And I think to Jill's point,
6 which, what's been interesting is watching
7 other employers in the regional workforce
8 board look at trying to adopt this regionally.

9 So you could have residents
10 populating the database and then other
11 employers being able to go in, put their job
12 postings in, do this, kind of, career
13 alignment through whatever proprietary
14 algorithm they've come up with. But it's --
15 but it's pretty innovative. And it gives real
16 quick feedback to an individual as to what am
17 I qualified to do, what are the opportunities,
18 and what are the training programs that are
19 available when they start. So it's a -- it's
20 a pretty extensive tool.

21 COMMISSIONER MACDONALD: And can
22 they access it remotely?

23 COMMISSIONER STEBBINS: Yep.

24 MS. GRIFFIN: They can actually

1 access it on their phone. I mean, it's pretty
2 remarkable.

3 CHAIRMAN CROSBY: Are you guys using
4 that too?

5 MR. DESALVIO: We are going to be.

6 CHAIRMAN CROSBY: Good.

7 MS. GRIFFIN: So we learned that
8 housings developments and community colleges
9 are all helping residents and students to sign
10 up on this program. And we've learned about
11 the mass hiring events that are coming soon,
12 and all of that activity. But -- and much of
13 the information I think I've already provided
14 in your packet.

15 But I actually wanted to ask Mike
16 Mathis to come up. He is going to be giving a
17 formal announcement of their executive team on
18 Monday, and really wanted to give the
19 Commission a sneak preview of that.

20 MR. MATHIS: Good morning,
21 Commissioners.

22 CHAIRMAN CROSBY: Good morning.

23 COMMISSIONER MACDONALD: Good
24 morning, Mike.

1 COMMISSIONER CAMERON: Good morning.

2 COMMISSIONER ZUNIGA: Good morning.

3 COMMISSIONER STEBBINS: Good
4 morning, Mike.

5 MR. MATHIS: I'm going to ask
6 Jill Griffin to give our workforce development
7 updates going forward. That was really
8 comprehensive. I learned a few things of what
9 we were doing out in western Mass.

10 MS. GRIFFIN: You have a good team.

11 MR. MATHIS: Yeah, fantastic.

12 MS. GRIFFIN: You have a really good
13 team.

14 MR. MATHIS: But no, thank you.
15 It's great to be in front of you. Before I
16 forget, maybe just a segue of
17 Commissioner Macdonald's question about
18 SkillSmart. Before the holidays, our team was
19 at an event. We're doing some targeted
20 workforce development recruitment, we went out
21 into Mason Square, which is one of the
22 neighborhoods, Commissioner Stebbins will know
23 it, to talk about opportunities. Dealer
24 school is coming up. And one of the things we

1 talked about was SkillSmart and the importance
2 of signing up on SkillSmart, because, for us,
3 SkillSmart is more than just signing up for
4 one job. It's signing up for every
5 opportunity that comes through the pipeline,
6 because the software, in turn, speaks to you
7 and gives you notifications, unless you know
8 about jobs that you expressed an interest in
9 that have a tangential connection to another
10 job you didn't know about but that you may be
11 interested in.

12 So I had a few confused faces in the
13 audience, when I was trying to explain the
14 software because it is innovative, gentleman
15 raised his hand, came up to the podium and
16 said, if I can, I just want to tell some of
17 the folks in the room what just happened to
18 me, literally during your speech, he got a
19 notification on his phone about a security
20 posting that we had just posted and was
21 already in the process of signing up for an
22 interview. And he originally came in for a
23 facilities job. So it's sort of --

24 CHAIRMAN CROSBY: So do you mean, if

1 you sign up -- if you fill out the skill form
2 application, it will then ping you --

3 MR. MATHIS: That's right.

4 CHAIRMAN CROSBY: -- if a job comes
5 up that fits your skills?

6 MR. MATHIS: Exactly right.

7 CHAIRMAN CROSBY: Wow. That's
8 pretty cool. Can I get signed up?

9 MR. MATHIS: Yep. So it was nice to
10 see it in action. It was very effective.

11 CHAIRMAN CROSBY: Got any room for
12 left over gaming commissioners?

13 COMMISSIONER STEBBINS: We have
14 restrictions.

15 MS. GRIFFIN: Yes.

16 CHAIRMAN CROSBY: Don't let just
17 anybody in that program.

18 MR. MATHIS: So it's a -- it's a
19 great tool. And you heard from
20 Director Griffin, we're doing -- we'd like to
21 think we're doing a lot of innovative things
22 out there because we treat the goals very
23 seriously.

24 Want to thank the commission on how

1 supportive you all have been in acknowledging
2 our efforts and setting the goals. As you
3 know, my colleague, Brian Packer, has set an
4 incredibly high standard on the construction
5 side. So as we go into operations, we're
6 really working hard to adopt a lot of his
7 best -- you know, best efforts and methods to
8 make sure we achieve the same, in terms of
9 reporting and being proactive.

10 We will be announcing our executive
11 team next week. One of our goals in 2017 was
12 to finish the year with our full complement of
13 our executive department heads. We just snuck
14 it in under the wire. We got a offer
15 acceptance, I think, the last week of
16 December. So if it gives you any confidence,
17 we are serious about our deadlines, even the
18 interim deadlines.

19 So what you will see next week --
20 and I'm sorry we weren't able to do it for
21 this hearing, we were collecting bios over the
22 holidays and getting head shots, et cetera,
23 but proud to say, of our 16 department heads,
24 which we loosely call the executive team, over

1 50 percent of them will be diverse and/or
2 female. We don't have a way to test it, but
3 we believe it's one of the most diverse
4 executive teams, not only in our company but
5 in our industry. And in no short order,
6 because of some of the priorities that this
7 Commission has set and the legislation, and
8 what we've done collaboratively with our
9 community.

10 So that theme of diversity, is
11 something that we're going to continue to
12 build on. We're working on our monthly
13 reporting so that we can track similar to how
14 we report out for our construction. We'll be
15 working with Director Griffin on what that
16 report looks like, almost like a dashboard.

17 But just to give you a sense of the
18 preliminary numbers, we were at about 210
19 employees. A lion share of that is the
20 MassMutual Center, which we took over
21 management of and brought those people into
22 the MGM family. So we've got about -- call it
23 75 on the resort side, my team. And then, the
24 remainder are folks that we brought on from

1 MassMutual center.

2 That combined group, 38 percent of
3 those are Springfield residents, roughly.

4 That stat's helped by the MassMutual center
5 folks. So, you know, we've got some work on
6 the resort side, but we're small and we're
7 going to get there.

8 We've got 10 percent veterans in
9 that group. We are, approximately, 40 percent
10 diverse, 40 percent female. So we've got a
11 little bit of work to do to get to our
12 50 percent goal in our host community
13 agreement. But we feel like we're well on our
14 way. And I think, like anything else, if you
15 don't measure it, it's hard to achieve it. So
16 right now, we're really focused on our
17 measurement tools and processes.

18 But it's a really great start. I
19 think if the executive team is any sense of
20 how we'll be able to achieve our goals, when
21 we're able to really focus on development and
22 be proactive about it, we feel really
23 confident about getting to -- to some great
24 numbers that -- and the diversity of folks.

1 There are people from outside the industry,
2 inside the industry, live in the community,
3 outside the community, young and not as young,
4 to describe our workforce.

5 So it's an exciting time for our
6 company. We just moved into our executive
7 offices in 95 State Street to begin the year,
8 which is a great way to start the year. Can't
9 wait to show them off to you. It's some of
10 the best dynamic -- I don't know if you've
11 seen them, Jill. Really great space. So very
12 exciting beginning to 2018, and now starts the
13 spring to opening.

14 CHAIRMAN CROSBY: Great. Comments?

15 COMMISSIONER ZUNIGA: Great update.

16 COMMISSIONER CAMERON: All good
17 news.

18 CHAIRMAN CROSBY: You only have to
19 walk around your building, when we're in
20 Springfield, to see the diversity of your
21 leadership team, which is really striking.
22 And you know, I sort of mentioned this before,
23 but I get the sense that you don't pay
24 attention to this just because somebody's

1 looking over your shoulder, but you actually
2 believe it's in your company's interest
3 because diversity's richer and it shows. So
4 appreciate it, it's good. Great stuff. It's
5 a model for all of us.

6 COMMISSIONER STEBBINS: I would just
7 add, and I don't think Jill was in our meeting
8 last time, but we talked about our last AOC
9 meeting, where not only the MGM team but a
10 number of local stakeholders were
11 acknowledging the success you've had in
12 meeting your diversity numbers on the
13 construction workforce, but also a little bit
14 of lamenting the fact of what happens now in
15 the western Mass region. There's, obviously,
16 not as many construction opportunities or
17 projects going on, but how does the success
18 they've had in diversity kind of carry forward
19 and keep going.

20 And I know, Mr. Chairman, you talked
21 about maybe coming up with some type of case
22 study of how that worked and why it was
23 successful, and hopefully sharing with -- with
24 other stakeholders up and down the valley.

1 Just to go back and touch on one
2 point, talking about Jill's work with the
3 vendor advisory team and just recognizing a
4 point, I think Commissioner Macdonald makes --
5 Commissioner Macdonald makes as to how do we
6 extend the impact of the presence of these
7 gaming casinos.

8 To your point, Mr. Chairman,
9 proteins does include seafood. I would
10 acknowledge, as a western Mass boy, not a lot
11 of places to get seafood in western Mass, so,
12 you know, you look to opportunities like
13 New Bedford and businesses in Fall River and
14 the southeastern Mass to be able to provide
15 local protein and seafood all the way out west
16 to MGM. So great opportunities to extend the
17 vendor reach.

18 And Secretary Ash, who we met
19 with -- Jill and I met with the other day,
20 talked about more engaging his Mass office of
21 business development team, he'll look for a
22 lot more of those local connections, if, for
23 some reason, we can't find them closer to MGM.

24 CHAIRMAN CROSBY: The Access and

1 Opportunity Committee is, I think, a really
2 interesting story. This is not just MGM,
3 because it applies to Wynn, as well, this body
4 started out -- we remember when it started,
5 when the idea was first suggested, and those
6 meetings were very tense meetings at the
7 beginning. And they were populated by a lot
8 of folks who were pretty skeptical that this
9 was going to be for real. And it's now ended
10 up the, sort of, a Kumbaya that kind of --
11 people are, what are we going to do, we're
12 going to miss our meetings. You know, so it's
13 on both parts.

14 Jenny has been terrific, and you
15 guys have been terrific, and MGM has been, in
16 this process. But I think, with your
17 interest, continuing interest,
18 Commissioner Stebbins, on workforce
19 development and so forth, that seeing whether
20 we can leverage it, as we talked about, in a
21 case study somewhere. Not just western Mass,
22 but back to state government, maybe even
23 private sector. I think it's a really
24 powerful story. But the dynamic of going from

1 those very tense meetings at the beginning to
2 confidence and belief that this is for real
3 has been quite powerful.

4 MS. GRIFFIN: I do remember those
5 meetings.

6 CHAIRMAN CROSBY: I didn't want to
7 go to them.

8 COMMISSIONER ZUNIGA: I attended a
9 couple.

10 CHAIRMAN CROSBY: Okay. Great. Is
11 that it for your side?

12 MS. GRIFFIN: Yep.

13 CHAIRMAN CROSBY: Terrific. Thanks
14 very much.

15 COMMISSIONER ZUNIGA: Thank you.

16 COMMISSIONER CAMERON: Thank you.

17 COMMISSIONER STEBBINS: Thank you --

18 COMMISSIONER CAMERON: Great news.

19 COMMISSIONER STEBBINS: -- Mike,
20 well done.

21 MR. MATHIS: Thanks.

22 MS. GRIFFIN: Thanks, Mike.

23 CHAIRMAN CROSBY: Okay. Item No. 4.

24 MR. VANDER LINDEN: Good morning.

1 CHAIRMAN CROSBY: Good morning.

2 COMMISSIONER MACDONALD: Good
3 morning.

4 COMMISSIONER CAMERON: Good morning.

5 COMMISSIONER ZUNIGA: Good morning.

6 COMMISSIONER STEBBINS: Good
7 morning.

8 MR. VANDER LINDEN: I'm joined here
9 today with Floyd Barroga. And from MGM, we
10 have Mike Mathis. From Wynn, we have
11 Bob DeSalvio and Jacqui Krum. Our agenda item
12 today is to talk about the advancement of the
13 the play management system in Massachusetts.

14 On December 7th, I came before the
15 Commission with a recommendation on play
16 management system in Massachusetts. I
17 presented to you a memo. And in that memo, I
18 provided some background, both on the basis of
19 how the Gaming Commission came to pursue a
20 play management system, a description of the
21 development and implementation process of
22 bringing a play management system to
23 Plainridge Park Casino. I also provided some
24 information about enrollment numbers for the

1 first, roughly, year-and-a-half of PlayMyWay
2 at Plainridge Park casino.

3 Some very interesting and, I think,
4 informative findings from the initial
5 evaluation. And then, at the end of this
6 memo, I provided a number of options of how I
7 -- I'd felt the Commission could proceed.
8 Granted, those were my perceptions of those
9 options. And recognizing that there's
10 probably some gray in between there, or
11 additional options that I had not considered,
12 as I was writing that memo. Those options, I
13 want to just quickly review again and remind
14 you of what my recommendation was.

15 So the options were, one, advance
16 play management tools by promulgating play
17 management regulation and/or rules. The
18 second option was to advance play management
19 cooperative with licensees through a
20 nonregulatory pact. Third, maintain the
21 support of PlayMyWay at Plainridge Park
22 Casino, but delay the decision about advancing
23 play management tool to Category 1 casinos at
24 this time. And then, finally, was to abandon

1 support of PlayMyWay at Plainridge Park Casino
2 and further discussions about implementation
3 of play management tools at Category 1
4 casinos.

5 So based upon what we know to date,
6 the information that I presented to you during
7 this December 7th meeting, my recommendation
8 was that the Commission create draft
9 regulations that would require licensees to
10 develop play management tools for their
11 patrons. The regulations that -- that would
12 be developed should remain flexible to respond
13 to the ongoing evaluation that we have of this
14 tool. I also recommended that the Commission
15 work closely with our Category 1 licensees to
16 develop a realistic timeline and plan for the
17 implementation and Category 1 casinos.

18 The Commission had a great
19 discussion following this and began to weigh
20 in on it, but I think made the wise decision
21 to invite public comment, and invite our
22 licensees to come in and weigh in on this --
23 on this issue now. We did invite them to come
24 in, roughly, a year ago, and then before that,

1 as we were contemplating them. But I think
2 that enough -- we have enough new information.
3 We are at this point in time where I think
4 their additional feedback to the Commission
5 will certainly be helpful as you -- as you
6 move forward with a decision about which
7 option, if any, to pursue.

8 So with that, I would like to turn
9 it over, first to Mike Mathis, to allow him to
10 weigh in on this plan. I'm sorry, Mike. Real
11 quickly, before I turn it over to you, we did
12 open it for public comment. The American
13 Gaming Association, MGM, Wynn and the National
14 Council on Problem Gambling all submitted
15 comments on -- on these recommendations.
16 Those documents are in your packet, and are in
17 the packet for the public to view. So again,
18 I'm sorry, now, I will turn it over to you,
19 Mike.

20 MR. MATHIS: Thank you, Mark.
21 Commissioners, really happy to be here to talk
22 about yet another first. And I think the
23 Commonwealth should be proud to continue their
24 effort to bring, you know, state-of-the-art

1 innovation to this industry. And as you know,
2 you've got here at the table two very willing
3 partners in that effort, because we believe
4 we're first in -- first in class, in terms of
5 a lot of these measures.

6 I want to thank Mark and the team
7 for the work they did. I poured over the data
8 just yesterday and continue to find new
9 insights. I think data is power. And I think
10 the work that they've done and that we'll
11 continue to do together, collectively,
12 regardless of how this decision goes, will
13 help inform future operators about the best
14 way to manage some of these initiatives.

15 We've submitted -- MGM submitted a
16 letter on this issue and we very -- as the
17 next property to open, I think it's
18 appropriate, maybe, for us to lead this
19 discussion about what we intend to do, again,
20 regardless of where this discussion goes.

21 Our intent, is to launch a version
22 of PlayMyWay postopening. Right now, we're
23 thinking somewhere within the first year would
24 be our target. And part of our rationale is

1 that, one, despite some of the great results
2 you see in the report, I think the jury's a
3 little bit out, and the report reflects this,
4 on some of the nuances of the data. For
5 example, you know, is the group that signed up
6 a distinct group that has shared
7 commonalities, regardless of the play
8 management system, or are they more
9 conservative by nature?

10 One of the benefits of opening
11 without the play management launch, is we'll
12 get data on specific players pre-PlayMyWay and
13 they're spending habits, and then, for those
14 that sign up, how they react under a play
15 management budgeting system.

16 CHAIRMAN CROSBY: We actually have
17 that for Plainridge, too. We just haven't
18 opened it. We just haven't got to it yet. We
19 do have that, though.

20 MR. MATHIS: Oh, great.

21 CHAIRMAN CROSBY: Yeah. Because it
22 launched after this is -- the casino had
23 opened.

24 MR. MATHIS: Okay. Great. So,

1 perhaps, we'll have even more robust data.
2 You know, the other thing that we, MGM, would
3 like to test is, for us, we don't believe --
4 and some of it is more the tactics, but I
5 speak to them because I think, for us, it
6 supports the argument for -- to let the
7 operators, sort of, work with your staff in a
8 nonregulatory environment because I think
9 there's going to be some tweaking.

10 For example, one of the things that
11 we'd like to look at is, we don't believe it's
12 an all or nothing. Potentially, we would
13 launch it to certain segments. We have
14 different tiers. We might open it up to
15 certain banks of machines. But I think what
16 was also missing from -- potentially missing
17 from the data is, are there certain types of
18 players that play certain types of games that
19 result in some of this budgeting data, which
20 is -- which, the different games, and Bob will
21 tell you, as well, some of the different games
22 lend themselves to more conservative players,
23 or different types of win ratios and play
24 ratios. So we'd like to do some of that

1 selective testing.

2 And then, also, the promotional
3 environment. How do promotions result in
4 sign-ups? And I think there's different ways
5 to test that and how they best react, and what
6 kind of customers -- some customers may react
7 to a promotion sign-up and not use the
8 product. Other promotions may lead to a more
9 sustainable -- you know, longer use of the
10 product, and what is that educational
11 campaign. The customer's going to be
12 bombarded with a lot of promotions from the
13 operator. And we think there's a -- there's a
14 time to be stabilized and then to potentially
15 launch this product.

16 Ultimately, we'd like it to be
17 successful. For us, it creates a sustainable
18 customer -- we care about sustainable
19 buildings and we care about -- for a good
20 business, we want sustainable customers.
21 Enjoy the product, and you continue to come
22 back and enjoy the product.

23 So those are some of the elements
24 that lead us to ask for recommendation number

1 two, which is a nonregulatory, voluntary
2 environment. In our letter, we talk about,
3 sort of, our record in this area. We launched
4 GameSense corporatewide. It started here in
5 Massachusetts. Without any mandate, we
6 launched it corporatewide. And we think, as a
7 result, it's got -- it's got more of ability
8 to transform the industry, because it'll feel
9 less like a Massachusetts-specific regulatory
10 regime, and it'll feel, sort of, like best
11 practices. And we think PlayMyWay could fall
12 in the same category.

13 So regardless, clearly, our two
14 organizations are going to have to work
15 closely together. And I think it's just a
16 little bit -- it will be a little bit less,
17 call it, awkward to do it in a regulatory
18 environment, where you're trying to guess at
19 the right thing to do. We plan on doing that
20 collaboratively with your staff, tweaking it,
21 and then figuring out at the end of the day
22 what does the data show, and we can make a
23 more informed decision. Unless you have any
24 questions, that's our basic position on the

1 matter.

2 COMMISSIONER ZUNIGA: Mike, I thank
3 you for those -- that summary. I think, some
4 of what you say speaks to the business case of
5 something that we already had in mind, at
6 least I did, and I'm sure others, that we
7 would allow phase in. We would not try to
8 target the opening date, because there's just
9 simply not enough time to develop what we have
10 in a different platform, because PPC's in a
11 different platform from the one you're going
12 to use.

13 So can you speak a little bit more
14 about why the -- how do you make that
15 difference, between a regulatory versus a
16 collaborative? Just so you know, at least
17 some of the thinking here in the regulatory
18 option, is that such regulation would be
19 flexible enough to, first and foremost, allow
20 for a phased-in timeline, not try to target
21 anything specific. And, also, allow for some
22 of the flexibility that Mark already talked
23 about, because we know we start with some
24 assumptions. For example, how this periodic

1 messages, when they would be, we're only
2 beginning to evaluate them, and we might
3 decide that, you know, there's -- some of them
4 are -- are not as effective, if we start
5 giving the messages up front.

6 So is there any other reason,
7 besides the phase timeline, why do you prefer
8 this collaborative versus a regulatory, even
9 with the notion that we're assuming there
10 would be a broad enough regulation.

11 MR. MATHIS: I think, in some ways,
12 this feels a little bit like semantics. And I
13 don't want to -- I think, either way, we're
14 going to be working together. I think it
15 needs to be a broad -- a broad exercise,
16 because we're not sure how the results are
17 going to go.

18 For us, the broader it is the less
19 of a concern we're going to have, clearly.
20 But I think, for the industry, and for the
21 long-term benefit of this initiative,
22 generally, I would say, you know, we don't --
23 we as an operator, it feels awkward to be
24 compelled to do something you're volunteering

1 to do. Maybe that's what it comes down to.
2 And I think the GameSense, for us, is an
3 example of that. That would have been a much
4 different announcement and a much different
5 initiative. And it probably would have been
6 received differently from the industry, if our
7 GameSense announcement was consistent with the
8 act, or consistent with the regulation, we are
9 launching this in all of our properties.

10 That's a different message to the customer and
11 to the public, than we believe this is best --
12 this is best for the operator and best for the
13 customer, and this is the initiative we're
14 rolling out, and we're doing in concert with
15 all these partners.

16 So it's slightly semantic, because I
17 think, to your point, I know this
18 Commission's -- is -- based on prior
19 practices, will give us enough breathing room
20 to get it right. And the regulation may
21 simply be, go do this and work
22 collaboratively, and not have the detail we're
23 talking about. But then, I question why we
24 even need a regulation.

1 This is our plan. Hold us to the
2 plan. You don't need to hold us to the plan,
3 because we plan on doing it anyway, as
4 operators. But if that's helpful, that's a
5 little bit of -- for me, the psychology, at
6 least, of regulation versus nonregulation.

7 COMMISSIONER ZUNIGA: Well, one of
8 the things, just following up on that --

9 CHAIRMAN CROSBY: Do you want to let
10 Bob speak, or do you want to --

11 COMMISSIONER ZUNIGA: Sure.

12 CHAIRMAN CROSBY: You can go ahead,
13 if you want.

14 COMMISSIONER ZUNIGA: Sure. No, no,
15 no. It's a good idea.

16 MR. DESALVIO: Good morning,
17 Commissioners.

18 CHAIRMAN CROSBY: Good morning.

19 COMMISSIONER MACDONALD: Good
20 morning.

21 COMMISSIONER CAMERON: Good morning.

22 COMMISSIONER ZUNIGA: Good morning.

23 COMMISSIONER STEBBINS: Good
24 morning.

1 MR. DESALVIO: I'm joined today by
2 Jacqui Krum. And, Mark, thank you for the
3 work that you and the team have put n on this
4 topic. It's an important topic, and I'm glad
5 we're having the discussion.

6 You know, along the lines about
7 regulation versus non, our theory on this is
8 that -- and Mike said it quite well, we're
9 volunteering to continue to work with you on
10 this test. I think, it's a wonderful
11 statement to make about our industry, when
12 promulgating regulations is not required for a
13 regulatory body and operators to work together
14 for a common good on a test like this.

15 And, also, our theory is that at
16 anytime you can adopt regs, if, for some
17 reason, you thought that there wasn't --
18 things weren't moving quick enough, or there
19 was some sort of inaction on behalf of the
20 operators. So I just think it makes,
21 actually, a really good statement. That the
22 operators have said, we're here, we understand
23 it. We also admit that -- and we worked very
24 closely with the American Gaming Association

1 for the response that you got. But there's
2 something to be said about the learning.

3 You mentioned earlier, I am really
4 interested in the results that -- Chairman,
5 that you mentioned, that -- looking at
6 people's actual play pre and post using a
7 budgeting tool. I know that Mike will gain
8 that information as well, because of the
9 lead-lag difference between his opening and
10 the implementation of PlayMyWay. I'm assuming
11 the same thing will happen in our case.

12 And I know you've heard me say this
13 at other meetings that we had, is that the
14 last thing any of us would ever want to do is
15 implement a tool that -- what would happen, if
16 the possibility that it actually worked the
17 opposite way. I would be horrified, if
18 someday we found out that, by using the tool,
19 somehow or another it increased their level of
20 play. And we don't know enough about that.
21 That's been my one fear right along.

22 And so, now that we have this unique
23 example to actually conduct these kinds of
24 detailed tests, why not take advantage of it.

1 You have to willing operators that are sitting
2 her at the table today. Quite honestly, we
3 don't think we need a regulation. We're
4 already saying we're going to participate in
5 the test. And at anytime you want, you know
6 you can always put a reg in, if needed. I
7 just think it makes a better statement for the
8 industry, to just say that we're working with
9 you cooperatively on this test.

10 COMMISSIONER ZUNIGA: Well, there
11 was another idea, actually, that Counsel Blue
12 brought on in a prior -- in an update meeting
13 relative to -- part of trying to put something
14 in writing is to get some kind of
15 clarification as to other parties, who are
16 also part of it, part of this process, the
17 CHAR people evaluating -- we had some lessons
18 learned on the people who are evaluating this
19 tool. Along the process of developing with
20 PPC, ended up issuing a number of requirements
21 that I, for one, had not anticipated.

22 So there's at least a notion of --
23 and desire to kind of, like, set something in
24 writing. And I was wondering, if we could --

1 if one of the options not articulated in the
2 memo from Mark would be to enter into some
3 kind of MOU, in which we review it, we phase
4 in timelines, we agree on attributes on how
5 we're cooperating, we can amend at anytime, if
6 that was necessary, or leave broad enough to
7 what we can anticipate and then, sort of, go
8 from there. One in which not be -- would not
9 be a regulation, but we would be in a better
10 position to have a shared understanding.

11 Here's the thing we are seeing, we
12 had a great experience with PPC because they
13 were effectively one. Now, we're going to
14 have two operators using the same platform but
15 developing it at, perhaps, with different
16 ideas. So what would you say about that --
17 that option? I know what he's going to say,
18 but yeah.

19 MR. BARROGA: So while, in this
20 forum, it's a great forum for the casino
21 operators and the Commission to work together
22 with those system providers to identify any
23 changes, any research so that we're not
24 dubbing testing on your casino floors. But we

1 also have to think about it as a regulator.
2 How does this affect your manufacturers, your
3 other system providers, where, if we enter
4 into a MOU, it provides an advantage to IGT
5 and Scientific Games because they're in -- in
6 on those meetings working with the Wynn,
7 working with Penn National, working with MGM
8 to identify those requirements. If we had
9 regulations, potential licensees, slot
10 vendors, our current licensees that don't
11 provide systems to your operators, do not have
12 the purview of sitting in on those meetings
13 identifying those regulations.

14 So it's -- while yes, it provides
15 great communication and flexibility, we also
16 go through the process with any regulator, any
17 technical regulation update, and provide
18 public comment team. We go out and work with
19 those technical compliance teams to ensure, do
20 they have the ability to not only release
21 product in Massachusetts, but also release
22 product in other jurisdictions. MGM has 14 or
23 15 casino properties that we need to allow
24 them to release product in Massachusetts,

1 where it's the same product in MGM Las Vegas.

2 So we have to think about it
3 all-encompassing. And I think, with a MOU or
4 working without regulation, it really
5 restricts those other licensees from offering
6 product in Massachusetts.

7 MR. DESALVIO: I would like to
8 comment, though, on the -- I think that, in
9 our particular case we happen to both be using
10 IGT. I've had meetings with IGT on this very
11 topic. I know Mike has as well, I think. I'm
12 pretty sure MGM has. I can tell you that we
13 are two of their biggest customers. They have
14 a product. The product does not do everything
15 that is currently in the program here in the
16 Commonwealth. They suggested to us, it can
17 be, obviously, easily modified and put new
18 features on it. They are heavily motivated to
19 work with us as operators, considering that
20 we're both buying significant amount of
21 equipment. And quite honestly, this is a
22 topic that will probably come up for them in
23 other jurisdictions.

24 So going back to the earlier

1 comment, I think you have a number of people
2 that are at the table, that are willing, able
3 partners in this exercise. And I just don't
4 see why -- of course, we would invite --
5 obviously, IGT has to be part of this because
6 the software would be resident on both of our
7 floors. In our particular world, we don't
8 like complication.

9 So, quite honestly, I would want to
10 sit, and I'm sure Mike would, with our teams
11 together to work with IGT to, quite honestly,
12 do this once. There's no reason, at all, to
13 have, really, an MGM version and a Wynn
14 version, that I know of. I can't think of a
15 reason why we couldn't sit in a room, find out
16 from Mark what the real issues are, as far as
17 requirements, work together with IGT.

18 Mike could install it, you know,
19 again within 12 months after his opening. We
20 would certainly be willing to make that same
21 commitment within 12 months of our opening.
22 And quite honestly, if it's already developed
23 by the time we open, maybe, it would be much
24 quicker than that.

1 So there's just so many players, and
2 we've already had a nod from them that they're
3 at the table. So I just don't see why we
4 couldn't move forward on that basis.

5 CHAIRMAN CROSBY: I understand that,
6 and I appreciate that process. Floyd, what
7 is -- give me the hypothetical. If that
8 scenario that Bob just described was going on,
9 what is the problem? Give me a specific
10 example of what might go wrong without a reg
11 backup.

12 MR. BARROGA: So as far as testing,
13 if we implement regulations, it allows those
14 manufacturers --

15 CHAIRMAN CROSBY: Which
16 manufacturers?

17 COMMISSIONER ZUNIGA: IGT.

18 CHAIRMAN CROSBY: IGT?

19 MR. BARROGA: IGT and any other
20 manufacturer that would like to provide a
21 system in the state of Massachusetts.

22 CHAIRMAN CROSBY: A system, meaning
23 a CMS?

24 MR. BARROGA: A CMS system. So --

1 CHAIRMAN CROSBY: Well, there's only
2 IGT.

3 COMMISSIONER ZUNIGA: There's only
4 IGT now, yeah.

5 MR. BARROGA: Yes. But if another
6 operator would like to potentially sell a
7 product in Massachusetts, or if there is a --
8 if the MGC licenses a fourth casino in the
9 future, we need to allow the opportunity for
10 those manufacturers to implement product for
11 Massachusetts.

12 CHAIRMAN CROSBY: But if we do this
13 process, say, for the sake of discussion we do
14 this absent regs, out of it will come a
15 written rulebook or something, a spec sheet or
16 some agreement that everybody will agree to.

17 So there will be this -- probably,
18 pretty much the same level of detail that
19 would be in the most detailed possible reg
20 that will say this is the specification which
21 is being voluntarily applied in Massachusetts.
22 So you wouldn't be able to give a new company
23 a reg, but you could give 'em a spec sheet,
24 which would do exactly the same thing, right

1 -- or I mean, not right, would it do exactly
2 the same thing?

3 MR. BARROGA: It would do exactly
4 the same thing. But if we enter in a MOU,
5 those companies are not -- don't have the
6 purview of those minute details, as far as
7 what Massachusetts requires for your
8 Responsible Gaming system.

9 COMMISSIONER ZUNIGA: So you're
10 worried about the barrier to new entrants, in
11 other words?

12 MR. BARROGA: Yes.

13 COMMISSIONER ZUNIGA: We could write
14 that in the MOU. This is not exclusive to any
15 of the parties here. The MOU could be only,
16 you know, between the operators and the
17 Commission.

18 MS. KRUM: Well, even without an
19 MOU there could be --

20 CHAIRMAN CROSBY: Is your mic on?

21 MS. KRUM: Yes, it's on. There
22 could be -- you know, everything could be
23 publicly available and available for comment.
24 I mean, we did this in terms of the

1 Responsible Gaming framework, for instance.
2 It was open for public comment, even though it
3 wasn't a regulation, per se, so there could be
4 an opportunity for different vendors to get
5 involved.

6 MR. BARROGA: But even if we go the
7 regulation route, it allows -- it allows the
8 vendors to really -- what we do is, we write
9 our regulations with the understanding that
10 that product has a potential of being released
11 in other jurisdictions around the world.

12 We allow the openness, where we have
13 notifications in our system, if Massachusetts
14 identifies a 25-percent increment
15 notification, we would not inherently allow
16 that in -- write that into regulations, but we
17 would have a workbook to provide the vendors
18 the details, as far as what Massachusetts
19 would like in that system, and also allow them
20 to develop a product that's flexible for other
21 jurisdictions around the world. And that's
22 the same premise that we follow for all of our
23 technical regulations.

24 And as of today, there is no

1 restriction, there is no manufactured product
2 that is restricted to Massachusetts only.

3 MR. DESALVIO: But by -- you know,
4 from the years that we have worked together
5 with all these manufacturers on different
6 products, I can see a scenario where IGT would
7 work with MGM and us for this particular
8 product.

9 If, in fact, another jurisdiction
10 either puts in a reg or asks other operators
11 to do this, what IGT typically would do is,
12 they would present, like they presented to us,
13 their current product. We all looked at it
14 and I think we all -- there were some
15 deficiencies in it. They're either going to
16 try to sell that product in a new
17 jurisdiction, or because of either a reg or an
18 ask by another group of regulators or
19 operators, they would then, in fact, modify
20 the software, if needed, for Missouri or some
21 other state that happened to be interested in
22 it.

23 They do this all the time. This is
24 fairly typical for the manufacturers. I know,

1 because we've done various upgrades throughout
2 the years, whether it was with Sci Games, or
3 whether it was IGT, even with our current
4 installation that we just -- we just upgraded
5 to the IGT advantage system out in Las Vegas
6 so we could jump on a multiproperty platform.

7 So they do this on a fairly regular
8 basis. And they look at new jurisdictions,
9 and either they sell the current product or
10 they modify it. I don't think it's outside
11 the norm of what they normally do.

12 COMMISSIONER CAMERON: I have a
13 question, I guess it is. I'm very much in
14 favor of the collaboration. I think it works
15 so well in this and, you know, just about
16 anywhere in business, or as regulators,
17 enforcers. Works really well. And I'm
18 thrilled that you're all this willing to
19 collaborate on this project.

20 You know, the one concern I did have
21 is, and Mark you pointed it out, is -- and
22 Mike, you mentioned this in your opening
23 remarks, you were talking about a diverse work
24 pool, but you mentioned the ability to

1 measure. And if you're not measuring, you
2 really -- you know, there's -- you could slip
3 or you don't know what you have. And so, that
4 really resonated with me. And I've seen many,
5 many programs that there wasn't an ability to
6 measure so we just didn't know how successful
7 it was.

8 But to ensure consistent
9 implementation and reporting across all MGC
10 licensees, I mean, that really speaks to our
11 ability to measure. Right? And that was one
12 of the advantages of -- and I think, when we
13 speak of a regulation we're talking about
14 something very broad with, maybe, some
15 procedures that could be changed easily,
16 frequently according to how this roll out
17 goes.

18 So that was my concern, was the
19 ability to -- apples to apples. Is this
20 really working? And if it's different in
21 different -- you know, the consistent player
22 experience is another piece of that, that I
23 think does get addressed in a broad
24 regulation.

1 So those were my -- the ability to
2 measure accurately, because I agree with you,
3 Bob, if this is not something working well,
4 why would any of us want to use it? So the
5 ability to measure accurately was one of my
6 concerns and one of the reasons I thought a
7 broad regulation made sense.

8 MR. DESALVIO: But when you look at
9 the Plainville program, you set it up with
10 certain increments, where there's a
11 notification at a certain point and then, if
12 they cross a threshold, there's another. You
13 know, those basic parameters could easily be
14 consistent.

15 So in other words, going back to, if
16 you wanted to look at us as operators, I don't
17 see why, if we sat with IGT and said this is
18 kind of the program we want -- I know that was
19 one of Mark's concerns, it didn't do, kind of,
20 what they were doing down in Plainville.
21 Well, IGT said, fine, just tell us what
22 they're doing down there and we can come up
23 and modify ours. It may not look exactly the
24 same. You know, there's certain intellectual

1 property issues that these guys get very
2 concerned about, so I'm sure they're going to
3 put their own little spin. But quite
4 honestly, there's no reason they couldn't set
5 up what I would call a very similar program,
6 something that would be easily measurable
7 amongst any of these operators. That's my
8 quote on that, Commissioner.

9 COMMISSIONER ZUNIGA: You know, in
10 the -- I want to make a distinction -- or
11 maybe the flip side of this looking the same
12 for measuring purposes. We have another
13 objective here, and we've already talked
14 about, which is this flexibility.

15 We came up with the notion that
16 there'd be, you know, incremental
17 notifications prior. Actually, we came up
18 with these numbers, as part of the Responsible
19 Gaming framework. I remember the discussion
20 was 50, 80, 90, something like that, the
21 division of addiction came in and said, no, I
22 think we should -- you should do it
23 differently.

24 Now there's, at least the question

1 in my mind, what might be -- now that we have
2 identified, you know, these atypical players,
3 the heavy players that have different ways in
4 which they're using the tool, I'm really
5 looking forward to the next evaluation
6 iteration, and we're only beginning to have
7 those discussions as to whether some of these
8 things could be configurable, which is
9 something we could do with IGT. In other
10 words, ask the player whether you want to be
11 notified before or until, or whether you want
12 periodic notifications, or whether you want
13 some kind of time notification.

14 All of those things, you know, are
15 really great to think about, but would require
16 a lot of flexibility into kind of what we
17 implement, which was the way I was first
18 thinking about this, when I read -- you know,
19 when I read all of the letters.

20 So I'm persuaded to the need to go
21 non -- in a collaborative way, nonregulatory,
22 because there's a big flexibility piece of
23 this. But the second one that Bob mentioned I
24 think is also compelling, which is the

1 statement that we make, because I believe and
2 I have no real scientific proof for this,
3 other than anecdotal evidence from the
4 GameSense advisers, that marketing the tool as
5 a benefit, as a benefit from the operator, as
6 another one of the -- of the distinction that
7 the operator can bring to differentiate
8 themselves is a good attribute.

9 And that -- to the statement that
10 Bob mentions, in my opinion, go a long way to
11 towards that principle of this is being
12 offered as a benefit. It's not the state
13 telling you that you should do this, but,
14 rather, something that might be of help if you
15 want this, because it's voluntary, because
16 it's in the suite of products that you have
17 within your benefits.

18 However, I think we still need to
19 write something down and -- which is why I was
20 asking the notion of an MOU, a spec sheet, or
21 whatever that may be.

22 CHAIRMAN CROSBY: Well, there's --
23 there will be, no doubt, a series of written
24 documents. You know, whether they're required

1 or in the law or not. Necessarily, this will
2 be an organized, formal, iterative development
3 process of software development, which we know
4 has to be highly documented and so forth, so
5 that will exist.

6 I think we've -- we all agree, and I
7 didn't know this is where we were to begin
8 with, nobody's talking about having a reg now
9 that has great specificity about anything.

10 The only reg that I was thinking about, and I
11 wasn't sure whether you were objecting to this
12 or preferring not to do this or not, was a
13 very broad-based reg. Something that
14 basically says this will be done. We delegate
15 to the director of Responsible Gaming &
16 Research, and to the executive director, the
17 oversight of research programming and
18 schedule, period, or words to that effect.
19 Report back to us from time to time, period.

20 Thinking that that would achieve
21 maximum flexibility, would delegate to
22 somebody, who the authority is here to oversee
23 this, and would make sure that research,
24 program development and schedule were under

1 their control.

2 I hear you say you don't even want
3 that, you prefer not even to have that. To a
4 certain extent it's academic, Mike, because
5 your sentence -- your letter to us says,
6 "First and foremost, the Commission has been
7 clear that the Category 1 licenses will be
8 required to implement a play management
9 system. And the Category 1, the gaming
10 establishments should assure that their
11 information technology will adapt to." So
12 this is, sort of, academic. You've already
13 acknowledged that we required this.

14 However, if you were okay with it,
15 Mark, I sort of like the idea of progressing
16 down a road where we try out working with
17 licensees to not use the ultimate hammer that
18 this industry has so been, you know,
19 accustomed to, and try to work it out on a
20 handshake.

21 There is a model to this. When we
22 first were talking about play management, Mark
23 was walking us through the discussion. As you
24 recall, the reaction to the industry was

1 anathema to the idea. We could have just
2 passed a reg right then and said, sorry,
3 folks, you're going to do a play management
4 system. We didn't.

5 Instead, what we did was write your
6 three CEOs and said, we would like you to
7 consider why this might be a good idea. And
8 it might be in all of our interest. Let's see
9 if we can get at the problem of problem
10 gambling by rolling up our sleeves and working
11 together to try to address it.

12 And I guess, you guys all --
13 somebody talked and I got a call from
14 Tim Wilmont saying you're going to get a
15 letter. We've agreed to work with you on
16 this, and Plainridge is willing to be the test
17 site.

18 So we did it that way the first
19 time. And it's worked, I think, to a --
20 fairly well. In fact, Mark and I are working
21 on a chapter for a book about the status of
22 responsible gambling in the world, and ours is
23 from a regulator's standpoint. And we use
24 that as an example of how the industry can

1 collaborate, and how MGM seems even to have
2 taken the idea, presumptively, for its
3 entire -- for it's entire corporation.

4 So if you -- it puts a little more
5 burden on you, Mark, to do careful tracking.
6 Not much. It doesn't change it much. But I,
7 for one, would be willing to give it a shot.
8 And I like the idea of, you know, if it's no
9 bullshit. You know, we're always looking
10 around corners and who's smoking us? Who's
11 trying to smoke us here? And we're nice guys
12 and, you know, we'll watch. And we have
13 somebody down here who's -- won't get smoked.
14 I might get smoked, but she won't get smoked.

15 But I would think it's worth a shot
16 to see whether we could do it this way. And
17 as you said, you can come to us at any moment
18 and say I'm sorry this isn't working. I need
19 the backup. I need some more specification.
20 I need a hammer. We can do that anytime we
21 want to on two day's notice.

22 COMMISSIONER ZUNIGA: That's right.

23 MR. VANDER LINDEN: Can I just
24 respond?

1 CHAIRMAN CROSBY: Excuse me. Can I
2 just -- one other thing. I'm mindful --
3 Floyd, I have tremendous respect for you. I'm
4 mindful of your concerns. I don't understand
5 them exactly. I can't figure out the
6 hypothetical.

7 If we were to go down this road, we
8 would be working with two of the heavyweights
9 in the industry, who can probably tell, pretty
10 much, any -- any provider or vendor to do
11 whatever they want. But we should watch -- if
12 we were to go down this road, we would watch
13 very carefully.

14 And I'm highly respectful of your
15 good faith on this. I know you're saying what
16 you believe. And so, we would keep watching.
17 And as soon as you see this issue, raise it,
18 if it comes up. And either we'll backtrack
19 and do it differently, or we'll talk to them
20 and see if we can solve it. Go ahead. Excuse
21 me for interrupting.

22 MR. VANDER LINDEN: Great. Thank
23 you. I will do whatever the Commission votes
24 on, so it's -- I appreciate that. I have

1 great respect for the three individuals --
2 well, four, including Floyd here. But from
3 the industry perspective and what -- what is
4 being put on the table for a discussion and
5 their willingness to do this, is really -- I
6 feel great about it. I think, Chairman, you
7 and I have talked a lot about this, but it's
8 an amazing step forward for Responsible Gaming
9 in the United States, that we have two of the
10 largest operators that are willing to step
11 forward into it, and a third operator that's
12 already done it. That's awesome.

13 And regardless of what direction the
14 Commission decides, it certainly is a
15 collaborative approach. And I would lean
16 heavily on their expertise from the industry
17 side, as well as many other -- many others to
18 develop what I think will continue to be a
19 model responsible gaming program in
20 Massachusetts.

21 I am compelled by, as well, by
22 Floyd's discussion of what a regulation offers
23 versus a nonregulatory approach. And so, that
24 is part of the reason why I continue to

1 stand -- stand behind a regulatory
2 recommendation.

3 The other piece is, this Commission,
4 from day one, has had a incredible commitment
5 to assuring that Responsible Gaming is central
6 to how we operate. I appreciate that to -- I
7 can't even describe to you how much I
8 appreciate that.

9 I see PlayMyWay as kind of one of
10 the cornerstones of the Responsible Gaming
11 program. More broadly, I see using technology
12 on the gaming floor as a -- as an incredibly
13 important tool for us to leverage. And we're
14 monitoring this on many fronts. We're not
15 just looking at what's happening at Plainridge
16 Park Casino. We're looking at what's
17 happening in other jurisdictions around the
18 world. And I have to say, I don't see this
19 going backwards in any sort of way. I don't
20 see us moving towards option number four,
21 which is backing away from PlayMyWay, backing
22 away from the use of technology to advance
23 effective responsible gaming tools in the
24 United States. And that's really important.

1 And I think, for that reason, as a
2 regulatory agency working with our licensees,
3 why not use the benefit of a regulation. If
4 it makes -- it makes certain aspects of this
5 easier, whether it's developing the reports
6 that we need to efficiently and effectively
7 evaluate this program, or the testing by which
8 this program goes through to make sure that it
9 meets the rigor that we expect as regulators,
10 and our patrons would expect the consistency
11 in the games, then let's do a regulatory
12 approach. But absolutely collaboratively with
13 our licensees.

14 So with that said, I will go with
15 whatever -- whatever the will of the
16 Commission is. And I am -- remain thrilled
17 that both of these options are on the table
18 for discussion.

19 COMMISSIONER MACDONALD: Mark, you
20 ask, you know, why not proceed on a regulatory
21 -- a regulatory basis.

22 CHAIRMAN CROSBY: Could I just make
23 sure, when you say you want to pursue it on a
24 regulatory basis, are you meaning the broad

1 regulation that I described, something like
2 that?

3 MR. VANDER LINDEN: Yes. Correct.

4 COMMISSIONER MACDONALD: I think you
5 may have just provided an answer to the
6 question I was going to ask. But in any
7 event, you say why not, what Mike says the
8 AGAs say and Bob has articulated is this
9 concern for rigidity. The concern that, if we
10 promulgate a regulation here, that there is
11 going to be a chilling effect on the capacity
12 of the licensees and their vendors to
13 innovate, and to develop the most effective --
14 the most effective type of play management
15 tool.

16 How do you respond to that concern,
17 because it's a concern that, as you know from
18 our private conversations that I've had as
19 well?

20 MR. VANDER LINDEN: Right. You
21 know, I think the regulation would need to be
22 flexible enough that key features -- so there
23 are certain things that I believe that we know
24 that would not change. What is the

1 information we need in order to evaluate the
2 program? What are some of the other features
3 that we know need to go into the back end of a
4 play management tool in Massachusetts, as
5 Floyd has described.

6 There are other pieces. What's the
7 frequency of the notifications? What does the
8 notification say? What are the options for
9 enrollment? I think that those need to be
10 more generally defined and allow for the
11 flexibility.

12 There was an article put out in
13 Gambling Compliance a couple days ago by --
14 and it was an interview of Jeff Freeman,
15 president of the American Gaming Association,
16 and he wanted -- I think -- I may be getting
17 this wrong, but it was moving away from the
18 check-the-box, sort of, response to
19 Responsible Gaming.

20 And I hear -- I hear our licensees
21 from Wynn and MGM say they want to move beyond
22 that check-the-box and really think creatively
23 and effectively about what types of
24 Responsible Gaming tools are there. But I

1 want to say that I'm hopeful that the
2 Massachusetts Gaming Commission, and that our
3 history, albeit short history with our
4 licensees, is one in which we are thinking
5 about these types of tools and initiatives and
6 far beyond a check-the-box, sort of, approach.

7 There's a time and a space and a
8 need for check-the-box approaches. This is
9 not one of them. And regardless of regulatory
10 or nonregulatory, it's cooperative and should
11 retain the flexibility to improve it and not
12 stifle innovation.

13 MR. MATHIS: Can I make a comment?
14 I'm not going to get in the way of
15 Commissioner Macdonald. You go first.

16 COMMISSIONER MACDONALD: I'll go
17 first because I'm -- be quoting you. In
18 Mike's earlier comments, he said he felt this
19 might be just a question of semantics. And in
20 our conversation -- and for the record, I met
21 with Commissioner Stebbins and Floyd and Mark
22 yesterday, and we talked through a number of
23 these -- a number of these issues.

24 And that, on the question of

1 semantics, if I recall right, Mark, what you
2 said yesterday, is that your concept of the--
3 of the content of a regulation would be that
4 you would be formalizing the essence of an
5 effective play management system. You would
6 not be prescribing the specifics of it. And
7 that -- I took from that that this would be
8 broadly articulated requirements. Going to
9 use your word, the essence of the
10 functionality of an effective play
11 management -- play management system.

12 What would a regulation here kind of
13 look like, in the broadest form, that would
14 address the concerns that -- that Wynn and MGM
15 have articulated?

16 MR. VANDER LINDEN: Right. So I
17 think that we would -- the regulation would
18 remain general. But there would be -- I'm --
19 may be working outside of my area and our
20 general counsel may want to weigh in. But I
21 think that there is a way through MOU or
22 through rules, or through specs, that we would
23 be specific up front in a current version.
24 But those versions would end up changing over

1 time as we continue to improve the program
2 through evaluation and experience.

3 The regulation should be specific in
4 some ways regarding reporting, regarding other
5 technical elements, but flexible enough that
6 the features of it can be defined through
7 another format. But that other format will
8 provide very specific direction so that the
9 developers can move forward with it. We need
10 to provide specific direction on how it's
11 moved forward, but I think that we can provide
12 that in a different format than that
13 regulation.

14 CHAIRMAN CROSBY: What would be --
15 say again, specifically, what would be in the
16 reg? You said --

17 MR. VANDER LINDEN: I think there
18 should be specifics on the fact it's -- the
19 stuff that we know. That this is voluntary
20 that -- for patrons to use. That we know the
21 type of data that we need to have, in order to
22 effectively evaluate this.

23 I think Floyd articulated some of
24 the -- or Floyd has talked about some of the

1 technical requirements that are, kind of, on
2 the back end of this that, I think, are
3 relatively set in stone, and probably are set
4 in stone for -- regardless of what the product
5 is, that there are certain technical
6 requirements that need to be in place for it
7 to be on the gaming floor.

8 The nontechnical are probably the
9 stuff that everybody thinks about, where we
10 become more general, is the stuff that
11 everybody thinks about. Notifications,
12 frequency of notifications, how a player
13 enrolls, or intervals at which a player's
14 invited to enroll. All of these things, I
15 think, are much more -- remain fluid through
16 our 18 months of experience in this and that
17 we would look to --

18 CHAIRMAN CROSBY: So set aside the
19 technical ones, because you can't -- or I
20 don't -- you and I can't talk about the
21 technical ones that would be in this reg. But
22 the reg would say that it would be voluntary
23 and there would be certain kind of data
24 reported, apropos of your piece of this, what

1 does that gain you? Why -- how are your
2 interests served by having that in a reg, by
3 saying it'll be voluntary and there'll be
4 certain kind of data available?

5 MR. BARROGA: So we can ensure that,
6 if we have the high-level requirements of the
7 play management system in your regulation, we
8 can ensure that the manufacturers implement
9 those requirements. They speak with their
10 development teams, and they'll have
11 conversations between those developers, the
12 operators and the MGC to ensure that they're
13 implementing a product, first and foremost.

14 CHAIRMAN CROSBY: But Floyd, if
15 Mark, under the no-stick reg scenario, Mark
16 write a memorandum that says, this will be
17 voluntary and we need to have this data, that
18 gets submitted to everybody, how is -- how is
19 that different? I just understand how that --

20 MR. BARROGA: By implementing the
21 regulations, it allows the test labs, whether
22 it's BMM or GLI in the test lab here to
23 conduct testing, not only on play management
24 system, but across all your products that are

1 offered at each casino property.

2 So we were just discussing the MOU
3 specifically for a play management system.
4 But with regulation, you'll go through the
5 process. And we can assure that a play
6 management product on a IGT machine, or a
7 Konami machine, it'll be evaluated, innovation
8 testing across each product type to ensure, if
9 a customer walks into the casino they can
10 trust a machine in Massachusetts and ensure
11 that every product on the floor will have a
12 copasetic functionality across the board.

13 COMMISSIONER ZUNIGA: But, Floyd,
14 we've done that already without a regulation.

15 MR. BARROGA: How so?

16 COMMISSIONER ZUNIGA: It's been
17 tested at PPC.

18 MR. BARROGA: Yes, it has been
19 tested at PPC, but we're testing on the floor.
20 Once we release that product, the MGC did not
21 see the product until, literally, hours before
22 the release. So that product did not go
23 through that process, did not go through
24 testing, as any other electronic gaming device

1 would.

2 MR. VANDER LINDEN: It was days.
3 But their point is still taken, that we had a
4 initial planned release. We were testing it
5 at PPC on the floor, and we pulled it back
6 because there were problems with it. And it
7 didn't go with the planned release date. Went
8 back -- Scientific Games went back, fixed
9 those problems, and then we came back for the
10 release date that we had. But I think, that
11 if there's a way to avoid that type of
12 scenario, I'm all for it.

13 MR. DESALVIO: But by the way,
14 just -- if we were working -- either one of us
15 were working with IGT - bless you - on a new
16 product, there is -- you don't need a
17 regulation to do GLI testing.

18 And if you wanted to take -- for
19 example, let's say IGT develops the new play
20 management version and it goes down to a GLI
21 and they want to make sure, across all the
22 games, that when you get to whatever
23 thresholds are set that the product actually
24 performs, I don't think you need a regulation

1 to hand a product over for either the MGC's
2 internal testing, or to flip that out to GLI.
3 I really don't see the benefit of that being a
4 reg. They're required to test whatever
5 they're given, and make sure that it operates
6 appropriately.

7 CHAIRMAN CROSBY: I agree with that.
8 There's no reason why we can't give it to them
9 to test them. We don't need a reg, A. And B,
10 when they do the testing they will be testing
11 against the detailed spec. They're not going
12 to be testing against a reg that says it has
13 to be voluntary. They're going to be testing
14 against that detailed spec --

15 MR. DESALVIO: Whatever the program
16 was.

17 CHAIRMAN CROSBY: Right. Whatever
18 the detailed software development is, which we
19 all agree isn't going to be in the reg.

20 COMMISSIONER ZUNIGA: That's right.

21 CHAIRMAN CROSBY: So I just --

22 MR. MATHIS: If I can, I think, you
23 know, one of the other -- one of the other
24 dangers of regulation and rigidity -- and I

1 would respectfully challenge quote, unquote
2 the things we know from the data.

3 For example, one of the -- to the
4 extent there was troubling aspect of the
5 report, one of the troubling things for me
6 was, I think the data showed that most
7 customers did not reach their budget, their
8 maximum budgets set. But for the ones that
9 did reach and exceed it, the majority of those
10 increased their budget.

11 And I think that's a little bit of,
12 once we gave the customer the information,
13 what did they do with the information. And
14 the data shows they ratcheted up their spend,
15 or their potential spend. There may be a
16 conversation about what happens when someone
17 reaches their maximum budget, for example.

18 And this is some of the granularity
19 that we can get into in a nonregulatory
20 environment and a regulatory environment.
21 That might lead to a two-week comment period
22 and a bunch of third parties chiming in, when
23 Bob and I on the floor, potentially, could
24 start experimenting, you know, selectively,

1 opportunistically.

2 You know, the other comment I make
3 is in terms of consistency being a danger is,
4 I think we could potentially convince the
5 staff and the Commission that you've got three
6 different opportunities to test different
7 scenarios, because, candidly, the Plainridge
8 customer is a very different customer than the
9 Springfield customer, is a very different
10 customer than the Boston customer, both from a
11 demographic standpoint and from a product
12 standpoint. Plainridge is, obviously,
13 slots-driven. We're going to be a little bit
14 of a hybrid. And I suspect, Bob's going to be
15 a little bit higher end table game business.

16 But the point is, I think it's a
17 mistake to potentially try to impose the same
18 standard in the same intervals in the same
19 limits to all of our products, and do it in a
20 regulatory environment that would cause us to
21 come back and raise these points. We just
22 lose some of the nimbleness to go back and
23 tweak it.

24 So all this can be done in either a

1 regulatory or nonregulatory environment, I
2 would just suggest to you, in a nonregulatory
3 environment it would be much more real time,
4 dynamic and nimble.

5 And, lastly, everything that a
6 regulation can do for a vendor, I guarantee
7 you MGM and Wynn can do even more effectively,
8 is, sort of, the CEO phone call. A CEO phone
9 call is much more effective than a regulation.
10 And that's similar to a phone call to a
11 vendor.

12 MR. BEDROSIAN: Mr. Chairman, may I
13 make one or two comments.

14 CHAIRMAN CROSBY: Sure.

15 MR. BEDROSIAN: So I generally,
16 99 percent of the time, support my staff's
17 recommendations. In this particular case, I
18 am supporting their comments. I do, however,
19 think about our experience at Penn. That sort
20 of informs my thoughts on this, which was a
21 voluntary experience. And I remember early
22 on, the amount of effort that Penn staff and
23 their technology folks put into this on our
24 behalf, I thought was extraordinary. And they

1 were, you know, a true partner. There was
2 some grumbling and I totally get that, but
3 they were a true partner.

4 I suggest we afford our Category 1
5 licensees the same opportunity at this case
6 with a few caveats. While this would be a
7 collaborative effort, and we are
8 collaborative, and we would listen, in the end
9 if Mark suggests a particular path forward, or
10 Floyd suggests a particular path forward,
11 that's the path forward.

12 Not to say that we would not listen
13 and take into account their considerations,
14 but we'd have to be -- we'd have to be
15 certain, in the end we would not be met with
16 too much resistance.

17 Secondly, I do -- Floyd's technical
18 concerns, I agree, Mr. Chairman, I don't
19 completely understand, but I defer to Floyd in
20 all things gaming technology, because he's
21 much more experienced than I am. I do
22 however, have my -- I'd like -- I think,
23 organically, I think there are ways around
24 some of those things. I think they're very

1 legitimate concerns.

2 But there may come a point where we
3 would come back to the Commission under this
4 voluntary regime and just say, hey, you know
5 what, there are some technical benefits to
6 have a regulation, or even a broad regulation
7 in place, because we are finding -- you know,
8 different slot manufacturers are coming in are
9 paying no attention and it's slowing things
10 down. However, I hear our licensees who say,
11 look we're pretty major players in this phase,
12 and if they need it this way, guess what, it's
13 going to be this way.

14 So to conclude my comments, I would
15 support, at this point, a voluntary regime
16 with the understanding that, at any point, as
17 I think conversations I've had with our
18 licensees, they understand we can come back to
19 the Commission and say hey, you know what, we
20 tried it and there's still goodwill, and I
21 expect always will be goodwill. But there are
22 some complications that really require a
23 regulatory environment.

24 And I hope, if we at least start it

1 that way, we could get our licensees, IGT in a
2 room, talk about what our minimum requirements
3 are, talk about time frames. And, also, tell
4 us from their point of view, IGT, are there
5 any downsides to us not doing this in a reg,
6 when you deal with other manufacturers or
7 testing facilities? And if there are, we're
8 going to revisit with the Commission. And
9 we're going to do it pretty darn quick,
10 because we are going to be working towards
11 timelines of having these things on the floor
12 in, at this point, a cooperative manner. You
13 know, whether it's a year. We'll come back
14 and update the Commission but get guidance
15 from the Commission on, you know, what the
16 time frame would be.

17 So having said that, I understand my
18 staff. I respect them. And I think
19 99 percent of the way, I agree with them.
20 Just maybe, as we start out, the environment
21 might be slightly different. And they might
22 come back to me in two or three months, or six
23 months or a year and say, see, we told you so.
24 If that's the case, we'll be right back here.

1 Thank you.

2 COMMISSIONER STEBBINS: I just want
3 to -- I want to chime in, because I think in
4 all this kind of granular discussion, we don't
5 want to gloss over some key points. The key
6 points are Massachusetts and our partners are
7 being a trendsetter, in terms of what we're
8 talking about today. I think, thankfully,
9 Mark, you've realized now, that three and four
10 are off the table and we're only debating one
11 and two.

12 I do like the collaborative
13 approach. I do not want -- I think we also
14 have an opportunity here through -- following
15 on Commissioner Zuniga's suggestion of some
16 type of, you know, let's take the advantage to
17 kind of beat our chest and blow our own horn,
18 as our Class 1 licensees are about to open,
19 and have some type of exciting MOU-signing
20 process that again shows our partnership and
21 our collaboration, and our willingness to
22 be -- to be unique trendsetters.

23 I, for one, kind of -- you know, I'm
24 willing to try the collaborative approach, but

1 also highlight Commissioner's Cameron's
2 suggestion, which is something we talked about
3 yesterday, of, you know, keep in the back of
4 our mind, an opportunity to structure a reg
5 similar to how we have instituted rules of the
6 game. There's a simple reg that says, rules
7 of the game. See the information in the
8 lobby.

9 That allows flexibility. That
10 allows that document to be upgraded, without
11 having to go through some rigid regulation
12 form -- formula and process. It allows the
13 conversations to go back and forth.

14 But I think, Mark, you just -- and
15 your last comments kind of touched on a
16 interesting topic that might have got lost in
17 all of this, is what does the patron need to
18 be aware of? What does the patron need to
19 understand, his or her rights under the
20 program, it is voluntary data collection, as
21 part of that?

22 I mean, there is -- just as we
23 employ rules of the game to help the patron
24 understand -- I mean, help our licensees be

1 flexible, in terms of what they want to -- the
2 products they want to offer their patrons,
3 rules of the game are also set up so the
4 patron understands what their rights are and
5 how something is being conducted.

6 So that said, I also -- I'm willing
7 to go with the collaborative process, as
8 opposed to, you know, a real rigid regulatory
9 process to make this collaboration not so
10 friendly. But I'd love to keep a conversation
11 ongoing, of how we might be able to structure,
12 I think as Commissioner pointed out, a broad
13 reg that simply refers to a document, rules,
14 ideas, concepts, research components,
15 technical components that we can constantly,
16 kind of, keep current, keep available.

17 CHAIRMAN CROSBY: Just to make sure,
18 are you saying, Commissioner, you're
19 suggesting that we go forward now, in a
20 collaborative approach without a reg, but in
21 due time maybe adopt a wide-ranging reg, which
22 points to something like rules of the road?

23 COMMISSIONER STEBBINS: Yeah.

24 COMMISSIONER CAMERON: Yeah. And I

1 think I started this morning, thinking I was
2 more in favor of the regulatory approach, only
3 because of the consistency. Consistent
4 expectations, we all know what to expect of
5 one another. But I'll be honest with you,
6 having not had the licensees in here, I think
7 I would have been in favor of that. But
8 having listened to the licensees explain their
9 perspective, and also, this was key for me, be
10 willing to say, hey, we understand you need
11 certain reporting requirements and we're -- we
12 understand that and we're going to be willing
13 to do that. We have a record with the
14 licensees. We do not have a record of
15 noncompliance or in any way trying to shirk --

16 CHAIRMAN CROSBY: Smoke us?

17 COMMISSIONER CAMERON: Well, that's
18 your word. But I am persuaded that this is --
19 and plus, it's so new. Do you know, writing a
20 regulation that we know we have to change at
21 some point, I'm persuaded that we can -- and
22 I'll tell you, I don't know that we would have
23 had the success, 10 percent of consistent
24 users of the Marquee rewards without that

1 collaboration.

2 Other jurisdictions that mandated,
3 frankly, have not had that kind of success so
4 I'm -- for a few different reasons, I'm
5 persuaded to -- to go ahead and move ahead
6 collaboratively. But of course, we'll have
7 clear understanding of what we need in order
8 to, A, evaluate, B, have consistent reporting.

9 COMMISSIONER STEBBINS: And, again,
10 I'd love to see us, again, find an
11 opportunity. You know, Mike, in his letter,
12 talks about all these areas in this, you know,
13 effort to institute PlayMyWay that we agree
14 upon. Let's beat our chest, let's blow our
15 trumpet and, you know, sign a perfunctory MOU
16 that keeps everybody moving in the same
17 direction.

18 CHAIRMAN CROSBY: Well, you know,
19 Elaine this is -- this is something to think
20 about. You know, this is an unusual step that
21 we're taking, and it's an important one. And,
22 you know, we'll try it. And it sounds like
23 there's at least three or four of us in favor
24 of it so it looks like we're going to try

1 this. And it might be worth tuning that out a
2 little bit, because it is. I mean, you're
3 trying to -- you're urging us to do something
4 a little different. Let us prove that we can
5 be good citizens without a hammer and -- so it
6 might be something we think about, talking
7 about making a point of, because it is -- it
8 is an important point. Any more comment, or
9 do we want to have -- somebody want to have a
10 motion?

11 COMMISSIONER MACDONALD: Well, I'll
12 make one final comment. And that is, I, too,
13 could support a collaborative approach. But
14 that, along with a document that sets out
15 whether we call them specifications or minimum
16 requirements, or presumptive standards,
17 which -- it's a phrase that I used, you know,
18 in December, that that ought to be -- that out
19 to attend and be part of this -- be part of
20 this decision.

21 CHAIRMAN CROSBY: Yeah. I think
22 that's -- we've already gotten one of those
23 that we're going to continue to work on,
24 right?

1 MR. VANDER LINDEN: Right.

2 CHAIRMAN CROSBY: And I think that's
3 absolutely clear, if I'm not mistaken, right?
4 Okay. Somebody want to...

5 COMMISSIONER ZUNIGA: Sure. I'll be
6 happy to move that the Commission advance play
7 management system, in cooperation with our
8 licensees through a nonregulatory path, as
9 described in the memo here in our packet and
10 as discussed here today.

11 COMMISSIONER CAMERON: Second.

12 CHAIRMAN CROSBY: Any further
13 discussion?

14 COMMISSIONER MACDONALD: Could I
15 just -- would that be option two?

16 COMMISSIONER ZUNIGA: Yes.

17 CHAIRMAN CROSBY: Is that clear,
18 just to be sure if we're -- is that clear?
19 Okay. You're clear on that. Okay. Was there
20 a second?

21 COMMISSIONER CAMERON: Yes.

22 CHAIRMAN CROSBY: There was a
23 second? Any further discussion? All in
24 favor? Aye.

1 MR. MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously. Good for us. That was a
7 good one. Thank you.

8 MR. DESALVIO: Thank you,
9 Commissioners. Thank you, Mark.

10 MR. BEDROSIAN: Mr. Chairman, can we
11 take, maybe, a three-minute break and then go
12 to Item 3C?

13 CHAIRMAN CROSBY: How about four?

14 MR. BEDROSIAN: Good enough.

15

16 (A recess was taken)

17

18 CHAIRMAN CROSBY: We are reconvening
19 public meeting No. 233, and we are going to be
20 Item 3C, is that what you said, Director?

21 MR. BEDROSIAN: It is, yes. Thank
22 you.

23 CHAIRMAN CROSBY: Okay.

24 MR. BEDROSIAN: So good morning,

1 Commissioners.

2

3 CHAIRMAN CROSBY: Good morning.

4 COMMISSIONER MACDONALD: Good

5 morning.

6 COMMISSIONER CAMERON: Good morning.

7 COMMISSIONER ZUNIGA: Good morning.

8 COMMISSIONER STEBBINS: Good

9 morning.

10 MR. BEDROSIAN: On behalf of staff,
11 who have been working very hard to prepare for
12 the opening at MGM Springfield, I'm here to
13 give you some insight in how we are tracking
14 our opening presentations. And I always start
15 this with the analogy of a duck.

16 CHAIRMAN CROSBY: Sorry, Shara.

17 COMMISSIONER CAMERON: A duck?

18 MR. BEDROSIAN: I said, a duck. If
19 you've ever seen a duck swim on a pond, above
20 the pond the duck seems very graceful, but
21 below the water, obviously, the duck is
22 paddling like heck. And I think, if you've
23 maybe seen staff, we seem calm, cool and
24 collective, but below the surface we're

1 actually paddling pretty darn hard to get
2 ready.

3 So let me -- although I and
4 Commissioner Macdonald were not here, let me
5 remind you of how MGC tracked opening
6 activities at Plainridge Park Casino. We
7 hired a construction management company, which
8 used a sophisticated construction tracking
9 tool, would enter tracking information, and I
10 think they had Gantt charts. And this
11 required a lot of meetings and a lot of
12 after-the-fact data entry. And we thought
13 about, what's the best way for tracking a big
14 project management and complex activities.
15 And there's a bunch of different ways.

16 As you know, there are checklists
17 and Gantt charts. And, indeed, we are
18 actually using some components of those, as we
19 get ready for all the responsibilities of
20 opening MGM Springfield. The challenge is,
21 the potential drawbacks to some of the
22 traditional methods, when you have a huge,
23 complex project to manage is, they take a lot
24 of time, a lot of meetings, and you're meeting

1 to enter data. And we didn't -- we were
2 hoping this wasn't the most efficient way to
3 do things.

4 We were introduced to this product,
5 Jura. Our folks became familiar with Jura.
6 It was a development tool that we used in
7 developing our license management system.
8 It's a proprietary issue tracking product that
9 provides sophisticated project management
10 functions.

11 Before deciding to use it as our
12 primary management tool for the MGM and Wynn
13 casino openings, our personnel in both IT and
14 finance departments are currently using it
15 just to track their day-to-day workflow.
16 Indeed, I understand Commissioner Zuniga has
17 seen the tool in use during his meetings in
18 the finance department.

19 CHAIRMAN CROSBY: I have.

20 MR. BEDROSIAN: So it would go
21 beyond our time here, for me to give you a
22 in-depth explanation of Jura. But the
23 advantages of Jura are that it gives you
24 ability to manage what I call large chunks of

1 work, by understanding all the subchunks. And
2 chunks is my term, and I think the Jura
3 development people would be horrified for that
4 term. It allows you to understand all the
5 tasks that go into the chunks.

6 In addition to tracking activity,
7 Jura, because it is a platform in which you
8 can enter information, allows you to update
9 people by just entering the information, as
10 opposed to having sent a separate e-mail or
11 updating the work. I'll try to explain this
12 in a rational term as we go on.

13 Let me put this in context. I've
14 already put some boxes up there. Last fall,
15 senior staff had a meeting with a Jura expert,
16 who helped us -- who helped us put our MGM
17 opening into chunks - I call them buckets - of
18 what we needed to do to be ready for the MGM
19 Springfield opening. Under these buckets,
20 we're able to track all the work we need to
21 get done.

22 CHAIRMAN CROSBY: These are all the
23 buckets?

24 MR. BEDROSIAN: These are the four

1 main buckets, yeah. So if you look at the
2 buckets, I'll describe them. The
3 postoperation certificate, in order for a
4 casino to operate in Massachusetts, they must
5 comply with 205 CMR 151. 151 cross references
6 other regulatory and statutory provisions, but
7 that is the gaming operating certificate.
8 That says you are ready to operate a gaming
9 facility. So that would be great, if they
10 were only operating a gaming facility.
11 They've done a lot of other things we have to
12 track.

13 Our licensees also made commitments
14 in their licenses, Section 61's findings and
15 Host and Community Surrounding Agreements. So
16 that's that second bucket, licensed agreements
17 and conditions. Mr. Ziembra is here. And he
18 and Mr. Delaney are mainly responsible for
19 that particular bucket. But that's an
20 enormous, enormous bucket.

21 So even if we were good at tracking
22 items one and two, and the licensees were good
23 with their operations -- gaming operations
24 certificate and they comply with all the

1 license conditions and agreements, we, as an
2 agency, actually have to be ready to regulate
3 them. So that's bucket number three. We have
4 to have trained personnel. We have to have
5 office space. We have to have revenue
6 accountants. Our GameSense folks have to be
7 ready. All those things have to be ready. So
8 those are the items in bucket three.

9 And, finally, our last item is
10 communications, which is a catchall, and just
11 covers a ton of areas. For example, how do we
12 let people know what our requirements or not
13 are going to be on service employees, on
14 licensing service employees. How do we let
15 people know what our responsibilities will be,
16 or options are for Responsible Gaming, so
17 that's communications.

18 So then, I talked about Jura being
19 able to -- as I said, I sort of gave you an
20 overview. And then there are subchunks. For
21 example, posting certificate of gaming
22 readiness. They have to certify the floor,
23 that the -- all the slot machines are tied
24 into our CMS, they're working, safety and

1 security plans, approval of internal controls.
2 All those things are discrete chunks of work
3 that we need to get done.

4 Under the license conditions, as I
5 said, construction commitments, Section 61
6 commitments, host community agreements under
7 regulatory readiness, trained personnel office
8 space, revenue process, GameSense
9 responsibilities, and as I gave you, examples
10 of communications. And then, these chunks are
11 broken down into smaller -- I'll use the term
12 tasks and subtasks. And you can see that it
13 gets -- it gets very complicated. But by
14 monitoring these things, and we'll show you an
15 example of how they actually get monitored,
16 people's works.

17 We've created an environment, and
18 folks have put all their, sort of, tasks in.
19 We're able to update these. We've created an
20 environment in which people have workflows.
21 And we measure workflows by commitments and
22 time frame durations. What you can get done
23 this month and what needs to get done. We
24 have an overall time frame that we've agreed

1 upon with MGM Springfield, when these tasks
2 will get done. Do tasks always get done on
3 time? They don't. Sometimes they slip. But
4 we're able to, through workflows and my
5 ability to look into other people's workflows
6 and have them report at our Monday morning
7 weekly senior staff meeting, we can recognize
8 when there are roadblocks.

9 You know, for example, we need to
10 have our technology available at our new
11 office space in Springfield. And if the
12 correct vendors don't install the correct
13 switches, we don't have technology. Our IT
14 folks, because they're so sophisticated using
15 this tool, are able to track all that
16 interaction with our vendors supplying the
17 technology. And if Dan McDonald is out one
18 day, well, guess what, all the information,
19 all the communications he's had with that
20 vendor is in one particular place and able to
21 be tracked. So anyone can pick up that --
22 that item and go with it.

23 And as a manager, our new CIO or
24 myself can go. We don't have to call Dan and

1 say, Dan, what's going on with this? We can
2 go and work, and actually see exactly what's
3 been going on. So this would be an example of
4 the workflow. You'd have things to do, things
5 in progress, and things you would get done.

6 The other advantage is, this has
7 strong reporting tools. And Floyd -- I'd be
8 remiss if I didn't say Floyd and Joan have
9 been the leaders of this for us, and stay on
10 top of helping us get comfortable with the
11 tool. And when people ask what are the
12 capabilities of the tool, if they don't know
13 we have the ability to go and find out exactly
14 what the capabilities of the tool are.

15 You know, this would be a standard
16 Gantt chart, which is great, and it would give
17 you a --

18 COMMISSIONER MACDONALD: Excuse me,
19 Ed. Can I ask you to take a step back, just
20 from the workflow slide?

21 MR. BEDROSIAN: Sure.

22 COMMISSIONER MACDONALD: What is a
23 Kanban board?

24 MR. BEDROSIAN: You know, so you're

1 going to ask me. So a Kan -- I think the --
2 do we pronounce it Kanban? Yeah, we pronounce
3 it Kanban.

4 COMMISSIONER MACDONALD: Kanban.

5 MR. BEDROSIAN: That is the -- I
6 think that is just a generic title for a
7 workspace. So I have a Kanban board, which
8 shows all my work, my particular work. And
9 that is distinct from the Jura product. The
10 Jura product is, in fact, the tool, the
11 overall management tool.

12 And if you're going to -- if your
13 next question is what does Jura stand for, I
14 can only tell you that I looked on the
15 Internet how accurate it is or not. It's not
16 an acronym. It sounds like it would be an
17 acronym. But it's actually -- and I'm going
18 to say this, and Joan's shaking her head so it
19 sounds like I'm right, it's actually the
20 designation.

21 The particular company that built
22 this, their product -- the competitor's
23 product was called Bugzilla, and Jura stands
24 for Godzilla. So, presumably, Godzilla

1 crushes Bugzilla. This is a little piece of
2 information I'm sure you didn't necessarily
3 need to know, but now you do know.

4 COMMISSIONER MACDONALD: And they
5 work off of Kanban boards.

6 MR. BEDROSIAN: Exactly.

7 COMMISSIONER CAMERON: They wanted
8 to crush the competition?

9 MR. BEDROSIAN: Apparently, they
10 wanted to crush the competition. So the
11 Kanban board is the workspace. And I will
12 tell you, at the end of this, I would
13 suggest -- obviously, this is a 30,000-foot
14 view, we'd love to spend time individually
15 with commissioners, as we have with
16 Commissioner Zuniga, and sit down and show you
17 a demonstration, get a little more in depth.
18 It would be hard to do it in this environment.

19 So I'm sorry. To get back to the
20 reporting options of this, which I think are
21 really important is, you know, you see here
22 this can report into a traditional Gantt
23 chart. But the advantage is, within the Gantt
24 chart, you could look and say, okay, not only

1 does it tell you what has to -- what's
2 happening in a particular time frame, it could
3 show you the particular tasks that are
4 associated in that particular time frame. So
5 that's something in -- I'd say we're on the
6 front end of trying to use that type of
7 reporting tool.

8 So the value of using this tool
9 are -- is beneficial. It is -- it's
10 transparent to all staff members, and I'd say
11 most of senior staff. And we have gaming
12 agents. It's not just senior staff. It's all
13 staff we're trying to get involved in this
14 tool. So you can let staff know what's
15 happening in projects that they might have
16 some effect on. So, you know, if budget can't
17 pay for our computers, IT can't put 'em in.
18 So ITs always want to know budget. Where are
19 you in paying for our computers so that we can
20 actually go out to Springfield and put those
21 computers in.

22 Timeliness, you know, use the
23 Dan McDonald example. If Dan has a
24 conversation with an outside vendor, they send

1 him an e-mail, that goes right into the tool.
2 Dan doesn't have to forward it to people.
3 Doesn't have to recreate it. That will always
4 exist in the tool. We love Dan. We hope he's
5 never out. But if Dan was out for a period
6 time, his workflow is there. It's
7 understandable. In fact, I think our CIO has
8 already benefited from being able to go in to
9 some of the projects IT has been working on
10 and see what the workflows have been.

11 Again, efficiency, I think
12 Commissioner Cameron would understand, you
13 know these types of tools have been, sort of,
14 now required in law enforcement, the ability
15 to measure data and understand it. And
16 responsiveness -- you know, on these Kanban
17 boards, if something's not moving over to the
18 right and it's in a particular time frame,
19 it's available for us to, you know, understand
20 and we can go to the workflow and understand
21 what's the quote, unquote block there.

22 And again -- and the big thing is
23 our goal really is that this is the model,
24 and, you know, it's not quite as easy as a

1 cut-and-paste, but that's -- you know, we are
2 going to be going from MGM right into Wynn. A
3 lot of posting certificate will be the same
4 regulations and same statutes. Our readiness
5 will be similar. Not exactly the same.
6 Similar.

7 I think probably for John and Joe,
8 the licensing conditions will change. I mean,
9 those things. But those are importable. But
10 this tool, in this way of thinking about
11 managing data and projects, I think is very
12 transferable to the Wynn opening. And we've
13 had more of a -- I'd say a slow incline
14 getting up to the opening of MGM. We will not
15 have that slow -- same slow incline as we will
16 with Wynn. The benefit is, we will have just
17 exercised those muscles of opening a casino,
18 so hopefully there'll be a lot of muscle
19 memory in that process.

20 So that -- and, again, we've had a
21 lot of people -- I don't want to sugar coat
22 this and say there aren't challenges of any
23 organization, or staff adopting a new -- you
24 know, whether it's a case management system,

1 new technology, we need to keep reminding
2 ourselves and using it and getting comfortable
3 with it. And I try and do that by our Monday
4 morning staff meetings and saying, okay,
5 what's in our -- either the Kanban,
6 Commissioner Macdonald, what's in our workflow
7 this week, and are we behind on anything. You
8 know, our -- that's our internal process for
9 preparations.

10 Our external process for
11 preparations is that, you know, we are meeting
12 at senior staff level monthly with the MGM
13 folks. In fact, we have another meeting
14 tomorrow morning. There are subgroups,
15 whether it is Floyd on the technology side,
16 Jill on the hiring side, or Mark on
17 Responsible Game -- there are submeetings that
18 are going on, also, with the MGM folks
19 responsible for those particular specialties.
20 And those, we try and get report up to the
21 main group at our monthly meetings.

22 And the tempo of those meetings will
23 increase. They'll probably go from monthly to
24 biweekly, or is it bimonthly? I don't know,

1 in the spring. And then, as we get closer to
2 summer, you know, we're going to have a lot of
3 staff out in Springfield. They'll probably be
4 weekly, if not at some point, I guess, in the
5 last 30 days, daily.

6 So that's where we are. And I don't
7 know -- and I -- again, I want to thank Joan
8 and Floyd. They were really the ones who --
9 who pushed this tool based on the experience
10 with LMS. And I think the long-term advantage
11 is, you know, if we can get people to think
12 about this as a general workflow tool, and I
13 would like to do it for myself, that it will
14 expand beyond just our project management into
15 our everyday lives.

16 So I can answer questions up about
17 this high. If there are detailed questions, I
18 have my folks here. But, again, like
19 Commissioner Zuniga, I think setting up some
20 time for you guys to come in. And, if for
21 some reason you have a workflow you want to
22 manage and we can teach you to do it, we'd
23 love that opportunity also.

24 COMMISSIONER ZUNIGA: Let me speak a

1 little bit because I'm familiar with, as you
2 mentioned, some of the progress here. I
3 attend -- sometimes attend the meetings that
4 Derek runs on finance. And the last one that
5 I attended, it was really a very -- a great
6 change, in terms of what is now being managed
7 through Jura.

8 They continue -- he continues to
9 manage a lot of other things that are not MGM
10 related the way he has done that in the past,
11 with an agenda, with an update from the
12 person, et cetera. But my impression was,
13 that now he's transitioning into MGM-related
14 activities. And it was very obvious to me,
15 that everybody else there is paying attention
16 to the tool because he's paying attention to
17 the tool, because you are paying attention to
18 the tool as well, Ed.

19 So I think a lot of what you alluded
20 to, it's unnecessary and more efficient. For
21 example, there will be no need to send each
22 other e-mails with attachments and who's got
23 the latest version of the latest spreadsheet
24 or have to review an issue because -- and be

1 reminded of the progression of that issue,
2 because anybody can just go see it in real
3 time, and there's only one version, the one
4 that's in this shared workspace.

5 So it obviously requires that
6 everybody be looking at it, at least
7 periodically. And like anything else, and you
8 spoke to this, there's different levels of
9 comfort and adoption. But at least that
10 little window that I already saw, and some of
11 the background I had, having just, sort of,
12 played around with the tool is very
13 encouraging, because not only this occasion of
14 MGM opening and then Wynn opening, but,
15 eventually, this could really stick to just
16 doing everything that you need to do.

17 The nature of meetings change a
18 little bit. There's still a need for those
19 meetings. But at least the hope is that a lot
20 of inefficiencies go away because there's this
21 shared environment. So I'm very encouraged by
22 this. Looking forward, very much, to how much
23 this advances.

24 COMMISSIONER CAMERON: I agree. I

1 think it's a terrific tool. I'm glad we don't
2 need a construction management team in here to
3 bring their --

4 MR. BEDROSIAN: Well, we have a
5 construction manager.

6 COMMISSIONER CAMERON: Well, I mean
7 we don't need their charts, their Gantt
8 charts, their systems. You know, we're able
9 to populate this on our own. And I love the
10 fact, and I've seen it used, as you pointed
11 out, in other settings, similar tools.

12 CHAIRMAN CROSBY: Oh, you've seen
13 this in a different --

14 COMMISSIONER CAMERON: Yeah. I've
15 seen this a little bit. Joan did -- I did
16 have an opportunity to see the system, but
17 other similar tools. When you have a task
18 sitting out there and your boss can see that
19 that task hasn't been completed, it's a
20 motivator to get that task done.

21 So it's, you know, basic. It helps
22 you manage and see where there is a block, as
23 you pointed out, and you can see it clearly,
24 others can see it. And I just see it helping

1 us tremendously. So thank you for that
2 high-level presentation.

3 COMMISSIONER MACDONALD: Just don't
4 recommend that it be incorporated into the
5 Commissioner's oversight.

6 COMMISSIONER ZUNIGA: We'll have
7 different levels of adoption, as well.

8 CHAIRMAN CROSBY: Yes. Glad you
9 said that. Does this -- besides your visual
10 meetings, where you look at the charts, is
11 there an electronic critical path function; in
12 other words, does something go red or yellow,
13 if there's something that's going to get in
14 the way or not get done? So Joan is noting so
15 I guess the answer to that -- nodding, I mean?

16 MR. BEDROSIAN: Yeah. Go ahead,
17 Joan, you --

18 CHAIRMAN CROSBY: You want to sit
19 here, Joan?

20 MR. BEDROSIAN: Got to come up
21 and --

22 MS. MATSUMOTO: Thank you.
23 Mr. Chairman, basically, what it does is it
24 operates very similarly to project management

1 software, but without the data entry need. So
2 because it's the actual workspace and people
3 are going in to complete their tasks, they
4 don't need to then go report out to anybody
5 else I'm in the midst of this, or I've
6 completed it, or it's on track or it's off
7 track.

8 Because you're actually doing the
9 work within the task, Dan Macdonald adding the
10 e-mail that the vendor has replied and here's
11 the latest version of the document, because
12 he's actually doing the work in that task
13 space, the system is monitoring and allowing
14 everybody else to see what the status is in
15 real time.

16 So things do go yellow, and they do
17 go red, and they do go green because you've
18 created these tasks in such a way that says,
19 in order for that big bucket that the
20 executive director has, which says post the
21 operating certificate, consists of, literally,
22 hundreds, if not, in John Ziemba's case,
23 thousands of tasks in order to get to complete
24 there's a measurement that says by these dates

1 we must be at this point. There are some hard
2 statutory deadlines, and there are some
3 dependencies. We cannot install the equipment
4 until it's delivered. And it's not going to
5 be delivered until it's paid for, et cetera,
6 et cetera, et cetera.

7 But instead of having to sit there
8 and call out, this is where I am, because it
9 is the actual workspace combining the
10 messaging, the document attachment and the
11 status in terms of a workflow to do, in
12 progress done, there's no need to report out.
13 It just happens automatically. The system is
14 giving you an appropriate view at your level.

15 So at the executive director level,
16 he doesn't have the time to go dive down into
17 the weeds, or sit there and listen to people
18 report out. He just wants to be able to look
19 at that one bucket and see, where are we in
20 progress? Are we on time, or we starting to
21 slide off track? And the folks who are
22 actually doing the work do not have to spend
23 time updating anybody. The lag goes away.

24 CHAIRMAN CROSBY: Great.

1 COMMISSIONER ZUNIGA: But there is
2 that need to at least initially -- but the
3 good news is that you can always modify. At
4 least, initially, you have to set up some
5 dependencies.

6 MR. BEDROSIAN: Right.

7 COMMISSIONER ZUNIGA: These have to
8 be done by X, Y, Z. And if not, you need to
9 modify. But the point about tracking a Gantt
10 chart, you first have to lay it out, that's
11 understood. But then, as you advance it, it
12 gets updated automatically, which is Joan's
13 point.

14 CHAIRMAN CROSBY: Yeah. It may not
15 be until after I come back from vacation, but
16 I'm going to get a visit, too.

17 MR. BEDROSIAN: Great.

18 MS. MATSUMOTO: Thank you.

19 MR. BEDROSIAN: Excellent. So I
20 suggest we can move to Mr. Grossman's item.
21 Revisit, once again.

22 CHAIRMAN CROSBY: What's that, is
23 that 3B?

24 MR. BEDROSIAN: It is 3B, yes.

1 CHAIRMAN CROSBY: Okay.

2 COMMISSIONER ZUNIGA: Is there
3 anybody with time restrictions here? I'm just
4 curious.

5 MR. BEDROSIAN: I think most of the
6 other issues are internal issues, if I'm
7 correct. We have a qualifier, but I don't
8 think the qualifier's actually here; is that
9 correct?

10 MR. STRATTON: Correct.

11 MR. BEDROSIAN: That's correct. So
12 I think they're just spectators.

13 CHAIRMAN CROSBY: Okay. Great.
14 Mr. Grossman.

15 MR. GROSSMAN: Good afternoon.

16 CHAIRMAN CROSBY: Good afternoon.

17 COMMISSIONER CAMERON: Good
18 afternoon.

19 MR. GROSSMAN: As a follow up from
20 last meeting, we have, before you, an updated
21 version of the enhanced Code of Ethics. It
22 incorporates all the changes that were
23 outlined at the last meeting. And there are a
24 couple of areas that I will just quickly

1 highlight before we move ahead.

2 The first involves, you'll recall,
3 the discussion of Commissioner's involvement
4 with nonprofits, charitable activities and the
5 like. That's on page -- well it's Section
6 15B. As discussed, we came up with some new
7 language to govern that subject area.

8 CHAIRMAN CROSBY: This is,
9 certainly, a great step in the direction that
10 I feel comfortable with. We'll see how
11 everybody else feels. I had a question about
12 your proposed language. What this says is
13 that I can't give money to the Red Cross, if
14 Wynn Resorts gives money to the Red Cross; is
15 that correct, that that's what that says? I
16 can't give a significant money to the
17 Red Cross.

18 MR. GROSSMAN: You're referring to
19 the significant contributor?

20 CHAIRMAN CROSBY: Right. That
21 receives any funding from a gaming licensee.

22 MR. GROSSMAN: Well that was not
23 exactly what I had in mind by a contributor.
24 But if that's the way you read it, certainly,

1 we should probably modify that language.

2 COMMISSIONER ZUNIGA: No, no. I
3 don't think it says that, Mr. Chairman. It
4 says a commissioner may not be involved as an
5 officer, director or -- oh, significant
6 contributor. Yeah, that's a -- that's a
7 glitch.

8 CHAIRMAN CROSBY: Yeah. I
9 couldn't -- if Wynn Resorts gave money to
10 Red Cross, I couldn't give a thousand dollars
11 to Red Cross.

12 MR. GROSSMAN: That wasn't the
13 intent. But if that's how you took it, then,
14 certainly, we should modify.

15 COMMISSIONER CAMERON: What was the
16 intent, Mr. Grossman?

17 MR. GROSSMAN: That you're, you
18 know, not necessarily a officer or director,
19 but you do a lot of work or a participant in a
20 substantial amount of activities.

21 COMMISSIONER CAMERON: So
22 contributor was a no-named -- you don't have a
23 title, but you're really very much involved in
24 that --

1 MR. GROSSMAN: That type.

2 COMMISSIONER CAMERON: Not, I'm
3 writing a check for charity?

4 MR. GROSSMAN: That was the intent.

5 CHAIRMAN CROSBY: A significant
6 fundraiser, would that say what you are saying
7 more?

8 MR. GROSSMAN: I mean, we don't,
9 necessarily, even need that language. The
10 point was, just that any organization that you
11 are involved with, in theory, should not be
12 one that the gaming licensees are contributing
13 to financially.

14 COMMISSIONER STEBBINS: It's more of
15 an appearance issue.

16 MR. GROSSMAN: That's the point.

17 COMMISSIONER MACDONALD: But would
18 that include, you know, the Chairman's
19 scenario, of not being able to contribute
20 significantly to the Red Cross, if Wynn
21 Resorts --

22 MR. GROSSMAN: No. I don't think
23 that -- if he's just making a financial
24 contribution, I don't think that implicates

1 any concerns that we would have. It's if he
2 serves on the board of the Red Cross, or
3 something of that nature, then that's where
4 we're concerned.

5 COMMISSIONER ZUNIGA: So maybe we
6 can delete significant contributor and include
7 fundraiser, as somebody suggested, because
8 it's the fundraising that really opens up --

9 CHAIRMAN CROSBY: I'm just groping
10 here, but I didn't think you meant the
11 Red Cross model. So if we could just write
12 this in a way. I certainly think it makes
13 sense to be precluded from being heavily
14 involved in a nonprofit to which a licensee is
15 a major -- a significant contributor. That's,
16 clearly, at least an appearance, if not the
17 potential reality of a problem. So it's just
18 a question of how to say it.

19 And I would think, if you said, or
20 significant fundraiser, I don't know why, you
21 know, if Mr -- if there was an organization
22 out there, you know, against domestic violence
23 and Wynn -- I'm not involved in it but Wynn
24 Resorts contributes a lot to it and I

1 contributed to it, I don't see any issue there
2 at all. But if I were a fundraiser for a
3 domestic violence organization, that would
4 pose a problem.

5 So if you said or fundraiser and
6 then added, for sake of discussion, you said
7 that receives any significant funding from a
8 gaming licensee, then, I -- from my
9 standpoint, that would -- that would do the
10 job.

11 MR. GROSSMAN: Okay.

12 CHAIRMAN CROSBY: Does that make
13 sense to everybody else?

14 COMMISSIONER MACDONALD: Yeah. I
15 was against -- as I said the last meeting, I'm
16 55/45, you know, against opening this up in
17 support of keeping it in its current -- in its
18 current form. But I gather I'm a minority on
19 that.

20 But I did have a further question,
21 Todd, with regard to the last sentence.
22 "Further, a Commissioner may not utilize their
23 title in any way so as to bestow an
24 unwarranted privilege on such organization."

1 The use of the word "such" there, you know,
2 then means that that prohibition of bestowing
3 unwarranted privileges applies only to
4 organizations that receive funding from any
5 gaming licensee.

6 I would think we would want to --
7 that we would want to have a provision here
8 that we shouldn't use our titles in any way so
9 as to bestow an unwarranted privilege on any
10 organization.

11 MR. GROSSMAN: I think that's right.
12 I mean, the language is somewhat superfluous
13 because you can't do that anyway. But, you
14 know, we're just clarifying the point there.

15 CHAIRMAN CROSBY: What does that
16 mean, exactly? Give me an example of what I
17 couldn't do under that clause.

18 MR. GROSSMAN: An unwarranted
19 privilege?

20 CHAIRMAN CROSBY: Yeah.

21 MR. GROSSMAN: You can't advertise
22 that Chairman Crosby will be speaking at this
23 Red Cross function, please -- you know, a
24 hundred dollars a seat, come see him speak,

1 because now you're using your title of chair
2 to draw people into the event. Or Steve
3 Crosby, chairman of the Mass Gaming
4 Commission, endorses this toothpaste or
5 something like that, you know, since he has
6 such a nice smile. You know, you can't do
7 stuff like that.

8 You can do it in your personal
9 capacity. You just can't use your title. The
10 state owns your title. So you can't do that
11 anyway, under the state Conflict of Interest
12 Law. But here, it was just an effort to
13 really hammer home the point that you can't be
14 fundraising in your official capacity for a
15 private organization, which you can't do
16 anyway.

17 CHAIRMAN CROSBY: Right. Okay.

18 COMMISSIONER MACDONALD: I think
19 it's clear, if it's not there. If it's
20 already covered by the -- by our, you know,
21 ordinary, ethical obligations, why clutter up
22 this enhanced -- enhanced ethics, because it's
23 not enhancing, it's already there?

24 MR. GROSSMAN: That's true. We can

1 take it out.

2 CHAIRMAN CROSBY: Yeah. I thought
3 that. Other comments on this one? So we
4 modify this slightly, but that seems like
5 you've hit the sweet spot.

6 COMMISSIONER ZUNIGA: So it's going
7 to be significant fundraising.

8 CHAIRMAN CROSBY: Director or
9 fundraiser with any educational, religious, et
10 cetera organization that receives any
11 significant funding, or significant funding.
12 Just drop and, and put significant, for the
13 sake of discussion.

14 MR. GROSSMAN: Right.

15 CHAIRMAN CROSBY: Scratch the last
16 words.

17 COMMISSIONER ZUNIGA: So, for
18 example, we could -- we could still contribute
19 to the National Council on Problem Gambling,
20 who received money from licensees, we just
21 couldn't be officers or directors or fundraise
22 for them.

23 CHAIRMAN CROSBY: Right.

24 MR. GROSSMAN: I think that's right.

1 Okay. Next one, just real quick, on
2 paragraph C right below, there's a citation
3 that needs to be adjusted. In red it says
4 Section 8C, it should be Section 11C, so I'll
5 make that adjustment.

6 And the last issue I thought we
7 would just hit on real quick, is paragraph 13
8 on the preceding page -- or two pages. Here,
9 we struck the words "in Massachusetts" on the
10 second line of paragraph 13, which would
11 preclude commissioners or employees from
12 staying overnight in any guest room at any
13 hotel anywhere owned or operated by a person
14 or entity licensed by the Commission.

15 So that would include, obviously,
16 hotels in Nevada or other where -- other
17 locations around the world. So that is a
18 change in policy. And I just wanted to --
19 since we didn't talk about it at your last
20 meeting, bring that to your attention.

21 CHAIRMAN CROSBY: So it doesn't say
22 that we can't stay in a Wynn resort; it says
23 that we can't stay in a Wynn Resort, except in
24 our official course of duty, if it's approved?

1 MR. GROSSMAN: That's right.

2 CHAIRMAN CROSBY: Okay.

3 MR. GROSSMAN: So you couldn't go
4 there on vacation.

5 CHAIRMAN CROSBY: Can't go there on
6 vacation, right.

7 COMMISSIONER ZUNIGA: What if
8 it's -- would this now -- if the purchase by
9 MGM Growth Properties of the Caesar's goes
10 through, would that include, also, all those
11 properties, under this reading?

12 MR. GROSSMAN: If -- so --

13 COMMISSIONER ZUNIGA: It would be
14 owned.

15 MS. BLUE: I don' think it would.
16 They would be owned -- those properties would
17 be owned under a different corporate entity.
18 They would be leased back to their individual
19 licensees. So I would say, no, they're no
20 longer owned by the licensee. They're owned
21 by a different entity.

22 COMMISSIONER ZUNIGA: I'm thinking
23 of the properties that are now going to be
24 owned by MGM Properties.

1 MS. BLUE: Well, they REIT is a
2 separate legal entity from MGM, the licensee.
3 So our licensee in Massachusetts is Blue Tarp.
4 It will no longer own the real estate that it
5 sits on if it gets -- let's assume it did get
6 transferred, we don't know if it will or it
7 won't, but it would be owned by a legal
8 entity, which was not, necessarily, a
9 licensee.

10 Now, again, if at some point we
11 license some of these entities, that might
12 make a difference. But I think, at the
13 moment, I do not believe that REITs are
14 licensed by us, and they don't hold a gaming
15 license from us.

16 MR. GROSSMAN: Unless they shifted
17 MGM Springfield into MGM Growth Properties.
18 In which case, MGM Growth Properties would be
19 licensed by us. So if, you know, Caesar's was
20 then owned by MGM Growth Properties, it would
21 be owned by MGM Growth Properties and operated
22 by MGM which -- I'm sorry, and operated by
23 Caesar's. So in theory -- I mean, we'd have
24 to work through these things, but you might

1 not be able to go there either, is the answer
2 to your question.

3 COMMISSIONER ZUNIGA: Not that I'm
4 rushing to go there. I'm just --

5 MR. GROSSMAN: Yes. Totally
6 understand it.

7 MR. BEDROSIAN: Again, that would be
8 in your personal capacity. In an official
9 capacity, if there was a reason...

10 COMMISSIONER ZUNIGA: Right. Yep.

11 MR. GROSSMAN: So those are --

12 COMMISSIONER MACDONALD: So just --
13 we spoke about this yesterday in the legal --
14 in the legal meeting, and I have,
15 functionally, no experience in the area of
16 REITs. But since we're -- since it's on the
17 table, that if the -- if MGM Springfield is
18 transferred into a REIT, then, the property,
19 MGM Springfield property would be in the REIT.
20 The hotel would be in the REIT.

21 COMMISSIONER ZUNIGA: Right.

22 COMMISSIONER MACDONALD: Under these
23 -- under the way it's phrased now, would we be
24 free to stay at the MGM hotel in

1 Springfield?

2 MR. GROSSMAN: No.

3 COMMISSIONER MACDONALD: Because
4 it's not owned by Blue Tarp Development?

5 COMMISSIONER ZUNIGA: It would be
6 operated.

7 MR. GROSSMAN: It would be operated.
8 But the REIT -- in Springfield the REIT would
9 become a qualifier. So they would be a
10 licensee anyway, so you wouldn't be able to
11 stay there.

12 COMMISSIONER MACDONALD: Okay.

13 MR. GROSSMAN: And that would
14 transfer to their other properties, too.

15 COMMISSIONER MACDONALD: Would be a
16 qualifier.

17 COMMISSIONER ZUNIGA: But we haven't
18 yet decided that.

19 MR. GROSSMAN: I mean, most likely.
20 Most likely, they would be a qualifier. It
21 hasn't been decided yet.

22 COMMISSIONER ZUNIGA: I was
23 specifically thinking of, you know, the -- all
24 the properties that get -- because they now

1 would be owned by MGM Growth Properties, are
2 an additional place where you cannot -- where
3 we wouldn't be able to go. But that's okay.

4 MR. GROSSMAN: Those are all the
5 comments I had.

6 CHAIRMAN CROSBY: Any other
7 questions on any -- I had a quick one. On
8 page six, under travel expenses, if a -- if
9 IGT wanted to pay our travel expenses to a
10 conference and it was deemed that it was a
11 legitimate public purpose, would that be okay;
12 it would be okay if one of our -- a licensee
13 of ours could pay our expenses, as long as it
14 is deemed by either Ed or me as a legitimate
15 public purpose?

16 COMMISSIONER ZUNIGA: Mm-hmm.

17 MR. GROSSMAN: That's right.

18 CHAIRMAN CROSBY: Okay. Anybody
19 else? Do I have a motion? Are we ready for a
20 vote? Do I have a motion?

21 COMMISSIONER STEBBINS: Mr. Chair, I
22 move that the Commission adopt the enhanced
23 Code of Ethics, the most recent version, as
24 provided in our packet.

1 CHAIRMAN CROSBY: Second?

2 MS. KRUM: Could I just make a
3 comment?

4 CHAIRMAN CROSBY: Which page you
5 looking at?

6 MR. MACDONALD: This would be on
7 15B. I mean, I had suggested that the last
8 sentence, "further a Commissioner may not
9 utilize their title," et cetera, that that be
10 deleted because it's -- it's superfluous --
11 not superfluous. Whatever the word.

12 CHAIRMAN CROSBY: Which Todd agreed
13 -- which Todd agreed to, I think?

14 MR. GROSSMAN: I'm sorry?

15 CHAIRMAN CROSBY: Which you agreed
16 to?

17 MR. GROSSMAN: Oh, sure.

18 COMMISSIONER MACDONALD: As revised.

19 CHAIRMAN CROSBY: As revised.

20 Right. Because there were a couple of
21 revisions made in 15B, three. Was there a
22 second, Commissioner Cameron?

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: Any further

1 discussion? All in favor of the motion
2 signify by saying aye.

3 MR. MACDONALD: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER CAMERON: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 CHAIRMAN CROSBY: Opposed? The ayes
8 have it unanimously. All right. It's 12:30,
9 but I think we ought to power through, right;
10 everybody cool with that?

11 COMMISSIONER CAMERON: Mm-hmm.

12 CHAIRMAN CROSBY: Okay. Next.

13 MR. BEDROSIAN: Item 6, please.

14 CHAIRMAN CROSBY: Did you have
15 anything on 3A?

16 MR. BEDROSIAN: No. I think I've
17 taken up enough of the Commission's time
18 today. Thank you.

19 CHAIRMAN CROSBY: All right. No,
20 no. We're --

21 MR. BEDROSIAN: Thank you, though.

22 CHAIRMAN CROSBY: Item 6.

23 MS. WELLS: Good afternoon,

24 Mr. Chairman, members of the Commission. So

1 for Item 6A, we have, on the agenda, a vote on
2 an MGM qualifier suitability determination.
3 So you've already been provided with the
4 investigative report, I'll just do a brief
5 summary.

6 The individual in question here is
7 Mr. John Kilroy, a qualifier for MGM Resorts
8 International. He was appointed to the board
9 of directors in 2017, and then submitted
10 application materials to the IEB. He is
11 expected to serve on both the steering and
12 audit committee, and may have other committee
13 appointments in his tenure.

14 As for education, he graduated from
15 Newport Harbor High School, then attended the
16 University of Southern California. Studied
17 general academics. Didn't complete that
18 degree, but that was back between 1967 and
19 1971.

20 Since then, he's had a very
21 successful career. He is currently the
22 chairman, president and CEO of Kilroy Realty
23 Corporation. That's a real estate investment
24 trust, REIT company, we were just talking

1 about those, founded by his father, with a
2 predecessor company in 1947.

3 Since 1981, he was responsible for
4 the overall all management of all facets of
5 Kilroy Industries, the predecessor to Kilroy
6 Realty Corp., and became the president, CEO
7 and director upon its incorporation in
8 September of 1996. The company made its
9 initial public offering the following year, in
10 1997, is considered one of the largest REITs
11 in the west coast, specifically, the
12 Los Angeles, San Diego, Orange County,
13 San Francisco Bay area and the greater Seattle
14 areas. The company specializes in acquiring,
15 developing, owning and operating suburban
16 office and industrial real estate.

17 As a result of his appointment to
18 this position, as a member of the board of
19 directors, he applied for licensure not only
20 in Massachusetts, but also in three other
21 jurisdictions. And we confirmed with the
22 other jurisdictions. Maryland, the
23 investigation is still pending. Michigan, he
24 was determined to be suitable. And New

1 Jersey, that investigation is pending.

2 As with the other suitability
3 investigations that the IEB conducts, he
4 conducted a verification of his identity,
5 confirmed his financial stability and
6 integrity, and we reviewed his directorships
7 and interests in other businesses, reviewed
8 litigation history, searched for criminal
9 records, we checked his references and did an
10 analysis of media coverage.

11 All in all, Mr. Kilroy demonstrated
12 by clear and convincing evidence that he's
13 suitable, and the IEB recommends that the
14 Commission vote to find him suitable as a
15 qualifier for MGM Resorts International.

16 CHAIRMAN CROSBY: Discussion?

17 COMMISSIONER STEBBINS: Karen, I'm
18 assuming that -- we know MGM owns properties
19 beyond Maryland, Michigan, New Jersey and us.
20 I'm assuming that there are no suitability
21 investigations going on because different
22 states have different requirements for
23 licensing board members?

24 MS. WELLS: Correct.

1 COMMISSIONER CAMERON: This is a
2 very clean investigation. No derogatory
3 information on Mr. Kilroy, and I recommend we
4 find Mr. Kilroy suitable as a qualifier for
5 MGM.

6 COMMISSIONER MACDONALD: Second.

7 CHAIRMAN CROSBY: Further
8 discussion? All in favor? Aye.

9 MR. MACDONALD: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: Opposed? The ayes
14 have it unanimously.

15 MS. WELLS: So the next item on the
16 agenda -- Mr. Connelly's sick today, so we
17 were going to work in tandem, but I'll just
18 cover that for the Commission's purposes
19 today.

20 We have been working with MGM on
21 this issue, because they do have an opening
22 coming up this year. So I've worked with both
23 Pat Madamba and Seth Stratton, who are here
24 today, and Loretta Lillios on the enforcement

1 side of the house.

2 So as you've probably seen in the
3 packet, I submitted a memo for you just
4 outlining that there has been, as you know, a
5 statutory change as it pertains to the
6 registration of service-level employees. So
7 these are gaming service employees employed by
8 the casinos in Massachusetts.

9 So in a nutshell, what that change
10 to the statute encompasses, is the -- it gives
11 the Commission the ability of that subset of
12 employees, that service level of employees, it
13 gives the Commission the authority to exempt
14 certain job positions in that category of
15 employee from the requirement of registration.
16 So -- it also requires that the Commission
17 report out to the legislature on that -- on
18 those actions.

19 So it's important to note, if the
20 Commission makes the decision to exercise that
21 discretion and exempt certain job positions
22 from the registration requirement, basically,
23 the change would be that the casinos would do
24 their own background investigations, like any

1 employer has the authority to do in
2 Massachusetts. But the Massachusetts Gaming
3 Commission and the IEB would not be doing a
4 different subsequent regulatory background
5 investigation.

6 So what the Commission is looking
7 at, when you exempt an employee, you're
8 relying on the casino to do the appropriate
9 background check for the -- for that
10 particular job position and make a
11 determination about employment.

12 So one example I've talked about in
13 the past, it would be as if the employee that
14 works at -- you know, with the person that
15 gives out the shoes in the bowling alley, they
16 would be in the same position as the person
17 that gives out the shoes in the bowling alley
18 at any other bowling alley in Massachusetts.
19 There's not that enhanced regulatory oversight
20 by a state agency.

21 CHAIRMAN CROSBY: And they are not
22 subject to the automatic disqualification.

23 MS. WELLS: Correct.

24 CHAIRMAN CROSBY: So there's two big

1 things. If we exempt a category, it means
2 that they are not subject to the automatic
3 disqualification for the various criminal
4 offenses, A. And B, that we will not be doing
5 any other background checking.

6 MS. WELLS: Correct. So the
7 employer would have access to -- through
8 iCORI, they would have access to background
9 information regarding criminal offenses that
10 any other -- that any other employer would
11 have in Massachusetts. There would, sort of,
12 be a level playing field.

13 CHAIRMAN CROSBY: Right. So if they
14 found a bad apple with what they deemed to be
15 a significant -- a problematic criminal
16 record, they had every right not to hire the
17 person, it's just that there's no categorical
18 bar for that category person.

19 MS. WELLS: It would be under
20 employment law across the Commonwealth, it
21 would be the same. So the IEB, you know,
22 recommends that the -- when the Commission
23 looks at this issue, that when they look at
24 what, if any, positions you make a

1 determination should be exempt, that you
2 remember that -- you know, aside from the no
3 background check, there's also the lack of an
4 enforcement mechanism.

5 So if there is no registration -- if
6 Karen Wells works at the bowling alley and
7 does not require to be registered, the
8 Commission, as an agency, does not have the
9 authority to revoke that registration. The
10 employment is up to the employer. So it's
11 something to bear in mind.

12 And aside from the fact that an
13 employer has a different level of access to
14 information, then, a law enforcement agency,
15 like the IEB does, you're giving up not only
16 the enhanced background check, but you're also
17 giving up the authority to revoke the
18 registration. So you should be mindful of
19 that when determining, which, if any positions
20 it would be appropriate for you to do that
21 with.

22 And, you know, some of the
23 considerations, public safety, the integrity
24 of the gaming operations, the reputation of

1 the Massachusetts gaming industry and the
2 casinos, the protection of personal
3 information and the regulatory
4 responsibilities of the Gaming Commission, I
5 would suggest should all be considered, when
6 you're looking at what you want to do, as far
7 as these determinations.

8 I also think it's important for us
9 all, as members of the agency and you as
10 members of the Commission, to remember we have
11 not yet opened a resort casino. So we still
12 have yet to have experience in regulating
13 table games, in understanding what we're
14 looking at with these -- with these exempt
15 positions.

16 So the regulatory change, which will
17 be coming later in the pack, when we talk
18 about a regulatory change, we are recommending
19 some flexibility. So the Commission has the
20 ability to make determinations, change their
21 mind, if that determination is -- they find
22 that the data indicates was probably not such
23 a good idea, you have that flexibility. And,
24 also, the determinations you make on day one

1 that you're making these choices, you may want
2 to expand down the road, based on information
3 and based on our experience and what we learn
4 about these positions. Particularly, after
5 we've had the opportunity to regulate these
6 large casinos in operation. So I just bring
7 that to your attention.

8 So what would be helpful at this
9 juncture, is for the Commission to give some
10 overall policy guidance on what kind of
11 factors the Commission believes would be
12 appropriate for determining which positions
13 should be exempt, and which positions should
14 not be exempt.

15 So I just indicated in the memo to
16 the Commission, we've had some discussions
17 internally, and some -- based on what we've
18 learned from other jurisdictions, what we see
19 in our own experience, and even speaking with
20 the casino licensees themselves, what the
21 IEB's recommendation at this point for you to
22 consider, is that there should be certain
23 factors that, if applicable to a job position,
24 we should probably still register them at

1 least at this point, until we have some
2 experience.

3 And then, I've also indicated some
4 factors. I'm curious the Commission's
5 position on some other issues, because that
6 will inform our recommendation to the
7 Commission about which position should be
8 exempt.

9 So in the list of factors the IEB is
10 suggesting the Commission should consider for
11 positions that should not be exempt, those
12 include information about whether or not the
13 position involves work on the casino floor.

14 The casino floor is the heart of
15 operation. That's where all the money is.
16 And I think it's important to remember, sort
17 of that -- the basis for why there is this
18 strict regulatory scheme for casinos in the
19 first place. And we remember, you know, even
20 with talking with MGM, the expectation, the
21 amount of cash that's involved in a casino
22 operation is unlike any other industry in the
23 world. And that's what we're, you know,
24 looking at, when we're looking at a casino

1 floor. There's a lot of movement. A lot of
2 cash is being moved around the floor. Not
3 only the opportunity for theft of -- on the
4 cash itself, but, also, of greater concern is
5 any kind of collusion with another individual
6 or group of individuals regarding, you know,
7 theft from a casino could also result in
8 physical harm to an individual.

9 We get reports of armed robberies
10 and other such things where people might get
11 hurt. So I'm very concerned about protecting
12 the floor where all the cash is. At least, at
13 the beginning of the Commission's
14 determination on these, that should be
15 something we take very seriously.

16 There are -- certainly, particularly
17 with MGM, there are hundreds of jobs that
18 don't work on the casino floor so there's
19 plenty of opportunity to give folks, who may
20 have some kind of difficulty with the
21 registration process an opportunity to work
22 and get jobs at the casino.

23 So aside from working on the casino
24 floor, we're also looking at jobs where the

1 position involves access to secure casino
2 back-of-the-house areas without a security
3 escort, that may be the art macabre, where
4 there's liquor storage. I differentiate that
5 between -- against the -- you know, for
6 example, where the office -- I mean, the
7 casino cafeteria is. Obviously, that's not on
8 the floor. It's sort of back-of-the-house,
9 but you don't need a security escort to get
10 there. It's not what you call a secure area.

11 One of the other factors we're
12 looking at is departmental managerial
13 responsibilities. So when we looked at the
14 list of job positions, particularly with MGM,
15 when they gave it to is very helpful. They
16 gave us, sort of, breakdowns by categories of
17 where people were working.

18 And in other jurisdictions, we've
19 looked at, you know, what they -- an approach
20 they have, which I would recommend, is that --
21 particularly, say, for example in a
22 restaurant, they may register, sort of, the
23 top level managers, but not the lower level
24 employees. And I do think, at this point

1 that's a good idea, because there's somebody
2 in the chain of command that's responsible to
3 the Commission. There's someone that we're
4 putting eyes on. There's someone where we
5 could take some regulatory action, if
6 necessary. Someone who has some supervisory
7 responsibility.

8 So I would recommend that, as far as
9 being a regulatory agency and having some
10 control of what's going on at the agency --
11 pardon me, at the facility, but not
12 necessarily going all the way down to those
13 lower-level employees.

14 The other issue I think that the
15 Commission should consider is being, if the
16 position involves being responsible for
17 alcohol sales, distribution service and/or
18 storage. As you are aware, we give the
19 casinos the liquor license. So we, you know,
20 are particularly concerned with things such as
21 overservice and folks that are -- patrons of
22 the casino that may pose a danger to others,
23 if they are getting in a car leaving a casino.
24 I'm very concerned about that from a public

1 safety standpoint.

2 So having a very tight regulatory
3 control over who is serving alcohol and having
4 the opportunity to take some action, if
5 necessary, on their registration is a -- I
6 would suggest, a good thing for public safety.
7 And, also, the reputation of the casinos.
8 That we're really taking a good look at
9 anything involving alcohol because we own the
10 alcohol license, and that's our
11 responsibility.

12 COMMISSIONER MACDONALD: Excuse me,
13 Karen. As I read these bullet points, I see
14 two categories here. The first one, which is
15 the one you're in the midst of describing, is
16 introduced by saying that IEB strongly
17 recommends that the Commission consider the
18 following factors.

19 The second -- the second group of
20 bullet points follows that you say the
21 Commission may consider. As a practical
22 matter with regard to these first ones, the
23 casino floor, the back of the house,
24 managerial, now you're saying alcohol, et

1 cetera, et cetera. For all practical
2 purposes, are you saying that, at this point,
3 that you would recommend that these categories
4 of service employees not be exempted?

5 MS. WELLS: Correct. So the first
6 list of bullet points, that would -- I would
7 suggest is your basic threshold. These job
8 positions that -- that involve these types of
9 things, we should keep in the registration
10 process, and then you may consider exempting
11 folks that are not in that group.

12 COMMISSIONER MACDONALD: So a
13 bartender -- a bartender who -- who had a
14 misdemeanor theft conviction within the
15 10-year period, would be automatically
16 exempted?

17 MS. WELLS: Yes.

18 COMMISSIONER MACDONALD:
19 Automatically excluded?

20 MS. WELLS: Yes. Yes.

21 COMMISSIONER ZUNIGA: Even if
22 they're in the bowling alley, let's say.

23 MS. WELLS: Yep. That's my
24 recommendation, at this point.

1 COMMISSIONER ZUNIGA: Because
2 they're serving alcohol?

3 MS. WELLS: Right.

4 COMMISSIONER ZUNIGA: One could
5 assume that they'll serve alcohol in the
6 bowling alley or the movie.

7 MS. WELLS: So the -- I think, when
8 you do an analysis and you look at all these
9 factors, there are hundreds of jobs that are
10 available to individuals after -- you know,
11 other positions. And I think that we have to
12 look at this, sort of, from a bigger picture
13 perspective.

14 There are only so many either
15 convicted felons or convicted -- people
16 convicted of theft offenses and, you know,
17 what is the -- and other offenses, because
18 it's not just about the automatic
19 disqualifier. During the registration
20 process, we can also get information about
21 dishonesty, associations. There's other
22 things.

23 So when you give up the registration
24 process, you're also giving up that analysis.

1 And if there are hundreds of other jobs that
2 are available, it's, okay, this person can
3 work. Where is the best position for them to
4 work, if there are other opportunities.

5 I think, at least initially, when
6 we're looking at opening this resort casino,
7 as long as there are sufficient positions for
8 folks in the community to get good paying
9 jobs, then the whole system will be more
10 effective. So that's quickly run --

11 COMMISSIONER MACDONALD: And same
12 with human resources?

13 MS. WELLS: Yeah. Human -- I mean,
14 I'm not as -- I'm recommending human resources
15 sales and/or marketing and finance. Those are
16 certain positions. I'm not as concerned about
17 the automatic disqualifier for those positions
18 because there are fewer of those positions.
19 And the type of position, the individuals with
20 a criminal background, that's usually not a
21 match up when they're in the hiring process so
22 there's a low impact on that.

23 And, you know, human resources
24 there's access to personal information, and

1 there's also a recruitment component,
2 marketing and sales, anecdotally, in speaking
3 with our own gaming agents and their
4 experience, that's where you can get a lot of
5 regulatory issues and problems on the
6 marketing side of the house. We want to make
7 sure -- until we are familiar with how these
8 things operate, we don't give up that ability
9 to have some kind of regulatory control over
10 those particular positions, and then
11 accounting and finance, we're dealing with the
12 money. So the numbers are lower and the risk
13 to the reputation of the industry and
14 potential problems is higher. So I would
15 suggest, to start out we'll capture those
16 individuals.

17 The other piece that we're looking
18 at is what we call right access to casino
19 databases that are gaming related. So if they
20 can adjust things on the gaming-related
21 databases through other research about other
22 jurisdictions, other jurisdictions are
23 concerned about that.

24 And then, we did think it was

1 appropriate to have some kind of integrity
2 catchall. If the position potentially impacts
3 the integrity of the gaming operations, that's
4 something, at this point, we'd want to have
5 the flexibility that we would recommend that
6 that --

7 COMMISSIONER ZUNIGA: Can you give
8 me an example of that, because at first read
9 it just seems quite broad.

10 COMMISSIONER STEBBINS: It's broad.

11 MS. WELLS: Yeah. It is a little
12 broad. So I'm thinking, potentially, access
13 to confidential and sensitive information. So
14 someone that, say, works in the executive
15 offices, or the executive suite, say, is a
16 support person who, in and of itself, that
17 position may not rise to that gaming or key.
18 But because of their access to information and
19 messages and things like that, because it
20 really relates to gaming and the integrity of
21 the gaming operation and what's going on,
22 that's someone, I would suggest, you want to
23 be registered.

24 It's a little -- that one's a little

1 tricky, as far as communicating to the IEB
2 what positions. But we are trying to limit
3 that to gaming operations, so focus on people
4 that have access to --

5 COMMISSIONER ZUNIGA: Like, for
6 example, credit, credit information, for
7 example? Or what are you -- give me a --

8 MS. WELLS: I don't know how many of
9 these positions would fall into that category.
10 The executive offices was what I had in mind,
11 in drafting that. And the Commission's
12 free --

13 COMMISSIONER ZUNIGA: Which we catch
14 by being an executive --

15 MS. WELLS: Well, not necessarily,
16 because you could be an SER, say a secretary
17 or an administrative assistant in the
18 executive offices, but I don't -- not sure
19 where that would fit, if that's necessarily
20 back -- you know, back of the house without a
21 security escort. So we just wanted to make
22 sure there was a little flexibility with that.
23 So I can take direction from the Commission
24 in, sort of, an oral communication.

1 COMMISSIONER ZUNIGA: Well, it's
2 just -- I'm just a little -- it's hard for me
3 to imagine because it's written such broadly.

4 MS. WELLS: Right.

5 COMMISSIONER ZUNIGA: If what you're
6 saying that could be one aspect, access to
7 sensitive information, that sounds very
8 reasonable, however sensitive information is
9 defined. It's purely access. Not of writing
10 like the immediately above. But any -- and
11 potentially, has in my view, a very broad -- I
12 understand the flexibility argument. I just
13 think it seems quite broad.

14 MS. WELLS: And so, what we're
15 planning to do, as far as getting information
16 about these positions, the -- we'll go through
17 these and then the other ones, and I'd like to
18 hear from the Commission, sort of, what your
19 position is on which, if any of these, you'd
20 like us to consider.

21 What the expectation is, that we
22 would have some kind of form and/or document
23 for the licensee to fill out information about
24 each position, because I don't know what, even

1 necessarily, a position in the MGM casino, if
2 they are, necessarily, related to any of these
3 issues. So we have the applicant -- pardon
4 me, the licensee document that. So if they
5 have to give us any information about, you
6 know, their position involving
7 responsibilities that impact the integrity,
8 they would submit it and then we could
9 consider it. It wouldn't be like a check box,
10 a yes or no. It would just give us some
11 information on this as to this position. Does
12 it impact the integrity of the gaming
13 operations; if so how, and then we'd have the
14 information to present to the Commission on
15 whether or not you would determine that that
16 position should be exempt or not.

17 COMMISSIONER STEBBINS: Karen, a
18 quick question. As you were considering all
19 these factors, do you kind of weigh or look
20 at -- and we'll just talk about MGM for a
21 minute. Do you have an idea or an overview of
22 MGM's hiring practices, the background process
23 they might put somebody through, as well as
24 how they might discipline an individual.

1 And it may be segmenting this out a
2 little bit because, you know, I'm curious
3 about the alcohol sales distribution. I
4 understand our role there. But let's say a
5 waitress over serves somebody, and that's on
6 us, too, but it's also -- you know, there's
7 also somewhat of a shared burden that our
8 licensees carry. Did you have an idea of what
9 their penalty actions or disciplinary actions
10 might be on an individual, not just under
11 alcohol but some of the other...

12 MS. WELLS: Yeah. I wouldn't want
13 to, necessarily, speak for them. I think --
14 you know, we have folks from MGM here, if you
15 want to ask them in particular. But I think
16 that's where we get into that, sort of, the
17 proof's in the pudding. Like, that's where
18 you want to see what happens. Like, what do
19 they actually do?

20 Anybody can say anything, but having
21 some experience on how they take action, it
22 has a little more weight than, you know, oh,
23 we take care of that in X, Y or Z type of way.
24 You know, we do have licensees that have

1 properties in other jurisdictions, and they
2 can give us some history on that, if that's
3 helpful to the Commission.

4 COMMISSIONER STEBBINS: I'm sorry.
5 But as you're thinking about this template for
6 our licensees to complete, is it a fair
7 question to add, if an individual was found in
8 violation, you know, how do you handle a
9 personnel matter like that?

10 MS. WELLS: Yeah. We could add
11 that, if you think that's appropriate. We can
12 sort of -- we could add a section on past
13 practices on disciplinary actions for
14 employees in this job position, or something
15 like that.

16 COMMISSIONER ZUNIGA: Added to what?
17 I'm not sure I follow.

18 CHAIRMAN CROSBY: So, I guess you're
19 saying, so that if you found out that, in your
20 judgment, they handle these kind of problems
21 well, you might exempt them; is that the
22 point?

23 MS. WELLS: Well, I get -- you might
24 exempt them.

1 CHAIRMAN CROSBY: You might propose
2 that we exempt them, or we might exempt them.

3 COMMISSIONER ZUNIGA: I want to be
4 careful about going that route --

5 MS. WELLS: It's tough because the
6 job's not guaranteed.

7 COMMISSIONER ZUNIGA: -- because the
8 statute gives us the ability to exempt by job
9 title; doesn't it, Counsel?

10 MS. BLUE: It gives you the ability
11 to exempt by job position.

12 COMMISSIONER ZUNIGA: Position.

13 MS. BLUE: So you're looking at a
14 job classification. Not everybody does it
15 specific to their own business, but you're
16 exempting based upon classification. And I
17 would also say, that what a licensee does on
18 the employment side is up to the licensee. We
19 have two processes here. Our licensing
20 process, and the licensee has an employment
21 process, and they're separate and distinct.

22 COMMISSIONER ZUNIGA: Yeah. I want
23 to -- I would love to keep it that way.

24 MS. WELLS: Yeah. And I was going

1 to get to this a little bit later, but as far
2 as exemptions, I would describe it, given how
3 the statute reads and how the process is
4 playing out with these factors, there may be
5 a -- sort of, what you may consider a
6 presumption that an X position at MGM, if
7 they're -- you know, MGM gives us information,
8 we exempt them, that that would be the same
9 across the board. But the IEB is going to --
10 because you cannot necessarily tell from job
11 title, if job responsibilities are the same,
12 so we're going to have to do a case-by-case
13 analysis to make sure they are consistent.

14 If there's, you know, some rationale
15 basis that a job here that's called the same
16 is different from a job in another casino, we
17 might take different action. But we would
18 have to have a rational basis for that, and we
19 would be fair across the board in applying the
20 factor.

21 COMMISSIONER ZUNIGA: Yeah. Thanks
22 for that clarification. I think job duties
23 and job title may be different and we have to
24 be careful about that.

1 MS. WELLS: Right.

2 COMMISSIONER ZUNIGA: But prior
3 history on how you handle certain things, I
4 want to make sure that we don't go that route
5 because we could get into a bad scenario.

6 COMMISSIONER CAMERON: This is going
7 to be a learning experience.

8 MS. WELLS: Right.

9 COMMISSIONER CAMERON: And I think
10 the licensees can help you with some of this.
11 For example, the -- you mentioned assistants.
12 Well, maybe it is assistants are not, you
13 know, depending on what the job description
14 is, but executive assistants, maybe they get
15 registered because of the level of information
16 that they're now having access to. So I
17 think -- I think they're going to be able to
18 assist you in giving you the proper
19 information, in order to make an accurate call
20 on whether or not they are going to be exempt
21 or not, right.

22 And I think the other piece that's
23 important here, is we do start a bit
24 conservative and, you know, we're using

1 several factors and then, you know, a year
2 into this we look and say, wait a minute, we
3 thought this may be an issue but we see no
4 evidence of it, we're comfortable now
5 exempting that category. I mean, I think this
6 will be a work-in-progress for us as we gain
7 experience and we have a chance to assess
8 risk.

9 COMMISSIONER ZUNIGA: I agree with
10 all of that. I just think that -- I assume
11 that this is only the first time we're looking
12 at it. We're going to get to, either a
13 regulation that the legal department would
14 draft with some specificity about job titles
15 or duties, or --

16 CHAIRMAN CROSBY: This is just
17 giving guidelines.

18 COMMISSIONER ZUNIGA: This is just
19 the beginning.

20 COMMISSIONER CAMERON: An idea.
21 Right.

22 COMMISSIONER ZUNIGA: An idea. This
23 is not the -- this is not the end.

24 COMMISSIONER CAMERON: No.

1 MS. BLUE: So this is the first time
2 that you're looking at it. The regulation
3 that comes up later on your agenda will not
4 have a degree of specificity, unless, you
5 know, you would like us to do that.

6 We wouldn't recommend that a reg
7 have specificity on job positions. But we do
8 think it's important for guidance from the
9 Commission to tell us how and what things you
10 want to us consider, in terms of how we exempt
11 positions.

12 MS. WELLS: The thing --

13 CHAIRMAN CROSBY: Can you remind me,
14 what's the next -- who's in the next category
15 up from SER?

16 MS. WELLS: That would be a gaming
17 employee.

18 CHAIRMAN CROSBY: And that -- and
19 who's in that?

20 MS. WELLS: Those are, you know, for
21 example, your dealers, your security officers?

22 CHAIRMAN CROSBY: Right. With the
23 floors. Okay.

24 MS. WELLS: Right. So the

1 expectation is that, if we can -- because in
2 particular MGM is very concerned about their
3 hiring setup and getting some information from
4 the Commission about who's exempt, because
5 they need to go out and do the work, as far as
6 getting all these employees.

7 So the thinking was, if we can get,
8 sort of, the factors from the Commission at
9 this meeting, maybe even by as early as the
10 next meeting on February 1st, if there's some
11 kind of -- we can get the information from,
12 say, MGM because they're the most motivated at
13 this point on certain job positions, we may be
14 able to present to you a certain number of job
15 positions that match up, and that, you know,
16 IEB can relate to you that the positions that
17 MGM has identified, they give us information
18 that the job positions don't cause any concern
19 with any of these factors, and then the
20 Commission may be able to sign off on some
21 exemptions.

22 That doesn't mean that's the be all
23 and end all and they couldn't do some more
24 later, or change their minds on the ones they

1 did, but at least to get this process going
2 and assist MGM in getting the hiring process
3 going for their opening later this year.

4 COMMISSIONER MACDONALD: So do you
5 want our feedback?

6 MS. WELLS: Yeah. So what I'm
7 looking for on -- the general help I would
8 need from the Commission is that, on that
9 first group of bullet points, that's the IEB's
10 recommendation, at least do these. You know,
11 this is, sort of, that basic -- this would be,
12 sort of, that initial threshold for the folks
13 that we would what to capture not exempt.

14 And then, I'm also looking -- you
15 know, I point out some other factors that the
16 Commission may want to consider in its own
17 discretion about some other factors. My
18 expectation with that would involve some more
19 robust discussion by the Commission on those
20 factors on whether you want to include them.

21 Those I've listed this -- whether or
22 not the position involves working in an area
23 that is only accessible through the casino
24 floor, that's a rule they had in Maryland.

1 Any supervisory responsibilities, that is
2 taking that managerial responsibilities one
3 step further.

4 So instead of just saying the top
5 level -- that top person or their deputy, who
6 is ultimately responsible for that area,
7 anybody with supervisory experience that was
8 responsible for training or supervising
9 another individual, you could capture that
10 person.

11 The third category of a factor, that
12 potential access to patron cash or valuables,
13 that's an area where I think I've gotten some
14 different feedback on, particularly, the
15 position of valets and guest room attendants.

16 So those are both positions where
17 patrons that are coming to the casino, they
18 may leave valuables or cash in the car, or
19 they may -- you know, a casino is -- you know,
20 a casino hotel is different from a hotel in
21 another area of Massachusetts.

22 You may have high rollers who have a
23 lot of cash, and they may put the cash in
24 their rooms, and the guest room attendants

1 have access to the rooms. I do expect that
2 the casino will have safes available in each
3 of the rooms in their casino.

4 COMMISSIONER STEBBINS: It was on
5 their bid list.

6 MS. WELLS: Yeah. So that's
7 something -- that's one of those factors, I'd
8 like to get some feedback from the Commission.
9 There are, certainly, a number of jobs in that
10 category, unlike these human resources in the,
11 you know, sales or marketing. There's a high
12 volume of jobs, which may be available to the
13 folks in the Springfield area. So I'd like to
14 see what the Commission's position is on that,
15 before making a packet together for the
16 Commission's approval.

17 COMMISSIONER CAMERON: Have you had
18 the opportunity, Director, to speak with MGM
19 about certain categories and why -- what they
20 see as the risk and why they don't see risk;
21 have you had those conversations?

22 MS. WELLS: Yeah. We've talked a
23 substantial amount. And they're here, if you
24 want to ask them any questions. I'm very

1 comfortable with that.

2 I mean, so part of it is the
3 question, you know, to the casino, do you --
4 you know, for example, valets, those people
5 have going to have access to other -- to
6 patron's cars, you know, the public's
7 valuables, do you want them registered? Do
8 you not want them registered? What's the
9 position?

10 You know, their conversations that
11 they've had with us, they indicate they would
12 be comfortable with doing their own background
13 check and not going through the registration
14 process.

15 So it's helpful to get the feedback
16 from the licensees, whether they think they
17 can do their own process, be sufficiently
18 accountable for putting the right people in
19 place, or is it appropriate to have that
20 enhanced regulatory look at the employees and
21 have some enhanced scrutiny?

22 COMMISSIONER ZUNIGA: I think some
23 of these categories catch -- catch up a lot of
24 people.

1 MS. WELLS: It does.

2 COMMISSIONER ZUNIGA: And I know
3 there's a desire to be conservative, to begin
4 with. But when I hear -- when I read the
5 words "any," read-only access, I mean, a host
6 with just -- you know, it's going to have
7 read-only access to a lot of information from
8 patrons so it might be blacked out because --
9 like social security numbers. But even this
10 way, read-only can catch a lot of positions.
11 I'm comfortable with the ones on top, with the
12 exception of the point I made about the
13 catchall, which I understand --

14 CHAIRMAN CROSBY: The catchall,
15 which one is that?

16 COMMISSIONER ZUNIGA: The last
17 bullet on the first tier. Because, you know,
18 any reason -- a reasonable person could say,
19 even though the responsibility's very narrow,
20 there's a responsibility. And just about
21 anything has the potential to impact the
22 integrity of gaming operations. I just -- I
23 understand that -- the need but --

24 COMMISSIONER CAMERON: I hear you.

1 And I -- that's why I would love to almost
2 see, is there a way to, after you have further
3 discussion, a chart that would be helpful to
4 say --

5 COMMISSIONER ZUNIGA: There is.

6 COMMISSIONER CAMERON: -- okay, so
7 this many people fall into this first nine
8 areas that we see -- we assume or we see that
9 there will be risk and we're comfortable
10 registering those folks. But this next group,
11 how many people? What are the categories?
12 What are -- and conversations with MGM, why
13 they don't see the risk.

14 I mean, it just seems to me that
15 listing these things it's very hard for us to
16 say, okay, exclude everyone, when we don't
17 have a sense of how many people.

18 MS. WELLS: Well, as far as -- I
19 mean, we've worked with MGM. They can come up
20 here.

21 CHAIRMAN CROSBY: Yeah.

22 MS. WELLS: We've talked about what
23 this means on a practical level and job
24 positions. And, you know, these are rough

1 numbers, so, you know, just giving an estimate
2 for purposes of discussion.

3 But if we just looked at those top
4 categories that the IEB is saying this is,
5 sort of, your threshold, and I'm -- in line
6 with what Commissioner Zuniga was saying, that
7 that catchall provision, I'm looking at it
8 from a very limited perspective. That, sort
9 of, that limited catchall. If there's really
10 a concern and it doesn't quite fit in the
11 other categories, we do have the option of
12 capturing that employee so when we did the
13 analysis we were on the same page.

14 So we don't have all the positions.
15 Yeah, we're still looking for some from the
16 entertainment block. The estimate is between
17 five and 600 employees would be exempt, if you
18 included all those bullet points from the
19 first set, which I would suggest, given what
20 the, you know, Commission's policy directive
21 was, more than sufficient for opening. So we
22 were actually surprised at how many fell into
23 that category. We're talking about a lot --

24 CHAIRMAN CROSBY: Are you saying

1 five -- these would be nonexempt, five to 600
2 would --

3 MS. WELLS: Five to six -- if you
4 use these factors, approximately, five to 600
5 employees would be exempt from the
6 registration process.

7 CHAIRMAN CROSBY: And just, in the
8 similar rough numbers, how many would be
9 nonexempt; how many of these SER, what's the
10 total SER number, more or less?

11 MR. STRATTON: Roughly --

12 MS. WELLS: 1100?

13 MR. STRATTON: A thousand to 1100.

14 CHAIRMAN CROSBY: So this would be
15 exempting, about a half of them?

16 MS. WELLS: Correct.

17 CHAIRMAN CROSBY: Okay.

18 MR. STRATTON: That's right.

19 MS. WELLS: Correct. And if you
20 work through the, you know, what I would
21 consider the factors to also consider, then
22 your numbers of exempt employees would go
23 down.

24 So the -- for example, the potential

1 access to patron cash or valuables, that might
2 drop it down another hundred. So you only
3 exempt, maybe, four to 500. You know,
4 supervisory responsibilities, that's going to
5 impact it. Working in an area that's only
6 accessible through the casino floor.

7 A lot of the positions that -- when
8 you look at it with these factors, a lot of
9 the positions are in the food and beverage
10 side of the house. Not the alcoholic
11 beverage, but the -- you know, your
12 nonalcoholic beverages.

13 So a lot of the cooks, the -- you
14 know, the wait staff, people that work in the
15 restaurants around the facility that are, by
16 and large, suit the entry-level positions,
17 which are, sort of, that target for who would
18 want to capture it to increase the employment
19 level in the community. So it, sort of,
20 matches up quite well as far as --

21 COMMISSIONER ZUNIGA: But any server
22 would be exempt -- would be included, though.
23 You mentioned waitress.

24 MS. WELLS: Well, yeah, we talked

1 about that. Yeah. So we hadn't done the
2 alcohol -- on the alcohol service, so just let
3 me look at some of these.

4 COMMISSIONER ZUNIGA: Is there going
5 to be any --

6 MS. WELLS: Stewards, cooks, pastry
7 cook, cleaners, things like that.

8 COMMISSIONER CAMERON: They're all
9 exempt?

10 MS. WELLS: Correct. The only
11 concern would be -- you know, if you're
12 serving alcohol and there's a potential
13 problem with alcohol, for right now, we'd like
14 to keep an eye on that.

15 COMMISSIONER MACDONALD: So any
16 waiter or waitress would be -- would still be
17 automatically excluded, if they had a
18 conviction within 10 years of their applying
19 for the job?

20 MS. WELLS: Correct.

21 COMMISSIONER CAMERON: Certain
22 things. Theft.

23 MR. STRATTON: If I --

24 CHAIRMAN CROSBY: Go ahead.

1 MR. STRATTON: If I could comment,
2 and I might turn to Pat, he has some more of
3 the specifics on industry and some of these
4 categories. But if you recall, we were pretty
5 aggressive on this early on, and we had some
6 tough, robust conversations with staff, and
7 with Karen and Loretta.

8 I just want to say, that Karen and
9 our team were imminently reasonable in these
10 discussions. We've had no less than,
11 probably, six to eight conference calls over
12 the past two weeks, going through this list,
13 talking through these criteria, and it's been
14 a really productive and collaborative process.

15 So the criteria -- the, kind of, top
16 section of criteria, we appreciate your
17 comments, Commissioner Cameron, that it's a
18 conservative approach, initially, and that we
19 could revisit it, because there are some
20 categories -- for instance, a hotel manager
21 that we think shouldn't be treated differently
22 than a hotel manager down the street. But
23 that's not a big number, and let's try it out,
24 let's capture the numbers. And that's, kind

1 of, the attitude that we took back and forth
2 with Karen and her team.

3 So we're very comfortable with that
4 top group of criteria, with the exception that
5 I think you highlighted today, Commissioner
6 Zuniga, which we didn't -- we knew the
7 positions we were talking about so that
8 category seemed less broad to us, because we
9 had the context of the discussions. But I
10 agree that it could be defined for more clear
11 direction.

12 But when you get to the additional
13 criteria, we think it gets really dangerous
14 and really broadens the pool to capture almost
15 everyone and you'd have very few exempt. So
16 we think we'd be happy to -- and I'll pass it
17 to Pat to talk through some of those, but it's
18 a -- we're going to lose the benefit of the
19 rule, if we get too far into it.

20 COMMISSIONER CAMERON: Is there a
21 way to help with this situation by job titles?
22 I mean, you know -- you know our concerns.

23 MR. MADAMBA: What we've done with
24 Karen, both in conference calls and

1 face-to-face meetings and what have you, is we
2 went position by position in the MGM jobs
3 compendium and talked about the various
4 responsibilities of those positions. And we
5 came to agreement on the -- there's no
6 disagreement at all, be clear. We came to
7 wholehearted disagreement on those primary
8 factors.

9 The secondary factors, we don't
10 look at -- I look at them that they inform
11 your decision, but they don't bar a position
12 from being exempt. They simply inform your
13 decisions, whether you want to include those
14 or not. But we went through and went through
15 the compendium with the primary factors.

16 We also did another exercise for
17 your staff. We took and we looked at what
18 that position would be licensed at or
19 registered at in other jurisdictions. And we
20 did a spreadsheet position by position with
21 New Jersey, Michigan, Maryland and Nevada.
22 And we are -- for the large part, we are
23 consistent. The conclusion that we ended with
24 is consistent, for the most part. There are

1 some differences and what have you, but, you
2 know, you're a new agency, in terms of dealing
3 with a full-scale casino. You wanted
4 experience, what have you, we took that into
5 consideration. But we came, essentially, to
6 agreement, subject, of course, to what the
7 Commission wants to do, agreement of where --
8 an agreed-upon position, if you will, on the
9 various positions in the jobs compendium.

10 CHAIRMAN CROSBY: I'm going to just
11 take a shot here. I actually -- I'm not
12 comfortable with a lot of these. But I think,
13 particularly the notion at the outset, the
14 middle ones, you know, from managerial
15 responsibilities down to accounting or
16 finance, applying those to people who are
17 outside, essentially, the casino environment,
18 like to the entertainment block, you know, why
19 should the somebody who is the manager of the
20 movie theater or the bowling alley, or does
21 accounting, bookkeeping for the theater, or
22 marketing for the theater or the bowling
23 alley, if you only -- if you said casino and
24 adjacent facility, i.e., the hotel, all the

1 hotels which are -- I mean, all the
2 restaurants, which are abutting, which are
3 adjacent to, you know, I could certainly live
4 with this for the time being, at least. But
5 to apply -- or to whoever ends up populating
6 the Armory. You know, why should those people
7 be caught up in that. So with that change, I
8 would be comfortable with this.

9 MR. MADAMBA: Just one clarification
10 for -- for purposes of how they were -- how we
11 characterize these. With respect to the
12 finance accounting, there's simply one staff,
13 and we looked at how they were treated in
14 other jurisdictions. And that recommendation,
15 at least with respect to accounting, is
16 consistent with the other jurisdictions.

17 CHAIRMAN CROSBY: Well, if you
18 outsource the management of the movie
19 theater --

20 MR. MADAMBA: That would be
21 different. It wouldn't fall in our jobs
22 compendium, then. I mean, it'd be a different
23 --

24 CHAIRMAN CROSBY: I mean, but it

1 wouldn't fall -- you're saying wouldn't fall
2 under this criteria?

3 MR. MADAMBA: It wouldn't fall. I
4 don't believe it would fall under that
5 criteria.

6 MS. WELLS: Yeah. The other issue
7 that I'm thinking out loud a little bit, is,
8 sort of, the vendor employees. So the
9 regulation change that, you know, the legal
10 department's going to bring up encompasses
11 that. So if the -- one of the facilities in
12 the entertain -- MGM's a little -- that's why
13 --

14 CHAIRMAN CROSBY: I know. It's kind
15 of a weird --

16 MS. WELLS: It is a little weird.

17 CHAIRMAN CROSBY: Right. I mean, if
18 we were talking Wynn, it would be a different
19 structure.

20 MS. WELLS: Yeah, it's very
21 different. And so, maybe -- you know, maybe
22 the -- you know, we talk about the
23 entertainment block verse -- you know, at MGM
24 versus the rest of the gaming establishment.

1 I think, to your question about you
2 know, why do we care, all of this is the
3 gaming establishment. The Commission decides
4 what the parameters of the gaming
5 establishment. And the Commission has a
6 responsibility over the entire gaming
7 establishment, so there is some difference.
8 The model of having somebody at the top level
9 have some kind of connection with the
10 Commission, and we have some kind of
11 authority, I suggest is a good model because
12 of that reason.

13 And, also, there's more to this,
14 sort of, registration and background process
15 than just, you know, the bad guys saying no to
16 certain people. Also, you get to know people.
17 They have a connection with the Commission.
18 They have to go through the process through
19 LMS. We have information on them, and it does
20 build a relationship.

21 And remember, by and large, our
22 experience, for the most part, these
23 registrations are easy. These people fill
24 them out very quickly. They're registered the

1 same day. They don't have a problem with the
2 background and it's not an issue.

3 And particularly, you know, in
4 speaking with MGM, someone who's a manager
5 level, they're not going to have a problem
6 with the background or the registration
7 process. So we're, sort of, getting an
8 advantage without having the disadvantage that
9 the Commission is concerned about. So in a
10 practical level, it does make a lot of sense
11 because there's some value added to it and
12 there's really no downside.

13 MR. STRATTON: If I could comment on
14 that. I think, it's a valid concern,
15 Chairman Crosby, and we struggled with some of
16 those positions. But to Karen's point, one of
17 the really important things is, time is of the
18 essence here. We need some clarity. We need
19 to get this moving. And it's not as impactful
20 at those levels, both on numbers and the folks
21 that we're recruiting.

22 So if we -- to get it done, if we
23 need to start conservatively, we can all agree
24 and get these positions exempted, we're

1 comfortable with that. And I appreciate
2 Commissioner Cameron's comments that, you
3 know, we're open to revisiting, maybe we were
4 too restrictive. But let's all agree on
5 some -- some positions that are big numbers,
6 have high impact and are hiring, get clarity.
7 And that's what we're hoping for, and I think
8 that informed our discussions with Karen.

9 COMMISSIONER MACDONALD: So, Seth,
10 do I understand, then, from MGM's perspective,
11 that you're comfortable with, for example,
12 that anybody working in the human resources
13 department would still be subject to the
14 automatic disqualification. And anybody
15 working in marketing, no matter how junior,
16 would be automatically excluded?

17 MR. STRATTON: With the caveat that
18 we'd like the opportunity to continue to look
19 at it and revisit it, yes, we're comfortable,
20 based on the discussion that let's keep those
21 folks registered now. It's not hugely
22 impactful on numbers and based on the
23 backgrounds of the folks that we're dealing
24 with in those positions, and let's go for the

1 categories that are really driving the hiring
2 efforts in the numbers.

3 COMMISSIONER MACDONALD: Right. I
4 would assume the numbers in those two
5 categories would not be very -- very high.
6 But at the same time, I would also -- and I
7 have no experience in this, but my hunch is
8 that, particularly at the lower level of sales
9 and marketing and human resources, you can
10 very well have somebody who misstepped within
11 10 years of applying for the job.

12 MR. MADAMBA: Sure. You would be
13 dealing with, for example, someone at the
14 MLife guests, there's a clerk at the MLife
15 desk. But when we looked at the positions, we
16 really tried to make sure that the changes in
17 the legislation benefited the people that were
18 going to fill particular -- were likely to
19 fill particular positions. And those are the
20 ones that we wanted to make sure that we could
21 get an exemption for those.

22 I mean, we could revisit whatever
23 we're going to revisit in the future, but we
24 wanted to make sure that the real -- the

1 targeted benefit for the legislation was we
2 were going to now reap for the potential
3 workforce, those benefits.

4 CHAIRMAN CROSBY: I have your same
5 instinct. But I would let it go, if we
6 exempted the entertainment block. I think
7 contiguous gets what you care about, if you
8 say contiguous. If you wanted to say and the
9 top person at the bowling alley, the top
10 person, if you've gotten one link. I mean, if
11 you want to do that it'd be fine. But I don't
12 see why the person who sells beer in the
13 bowling alley should be subject to this.

14 COMMISSIONER ZUNIGA: I don't
15 either. I would also just go with -- if I
16 could revisit that last bullet on the any
17 responsibilities that potentially impacts --
18 could we write it in a way that just deletes
19 the word "any," and assumes that, at least the
20 bulk of the responsibilities that may impact
21 the gaming operation would suffice.

22 And I know you looked at details
23 and, you know, you already have some agreement
24 as to the total numbers. But I am a little

1 hung up on the last bullet on the top, where
2 it says "any responsibilities." Could we
3 write it as just deleting the word "any"? To
4 have a catchall that is mostly about --

5 MS. WELLS: Yeah. And my
6 understanding -- if the Commission's
7 comfortable with that, that works for me, that
8 that would include potential access to
9 confidential or sensitive information. I'm
10 thinking someone that, sort of, works at --
11 you know, potentially, in the -- you know, the
12 C suite area that may have access, not
13 necessarily every day, but is privy to
14 information that we'd be comfortable with.
15 But what I hear you saying, it's not just the
16 very miniscule chance that they have access to
17 that. But their responsibilities include
18 that; is that fair?

19 COMMISSIONER CAMERON: Yes.

20 MS. WELLS: Is that something the
21 Commission's in agreement with?

22 CHAIRMAN CROSBY: Yep.

23 COMMISSIONER MACDONALD: Can you say
24 it again?

1 MS. WELLS: It would just be --

2 COMMISSIONER MACDONALD: I was
3 thinking about it for my next question.

4 MS. WELLS: Responsibilities that
5 potentially impact the integrity of the gaming
6 operation, so take out the word any.

7 COMMISSIONER ZUNIGA: Take out the
8 word any from the last bullet, to allow her to
9 have a catchall, because I understand that.
10 But it's not just so broad that any kind of
11 responsibility catches that person.

12 COMMISSIONER MACDONALD: Karen,
13 would you be uncomfortable with an amendment
14 of the human resources and marketing, you
15 know, bullet to limit that to supervisors?

16 MS. WELLS: I would not. I really
17 think that's one of those areas where we
18 really need to gain some experience and
19 expertise in exactly what they do, who they're
20 involved with, and how that's going to work
21 until -- and then, at a later time,
22 potentially, revisit.

23 You know, human -- they've access to
24 a lot of information. And remember, when the

1 employer's doing a background check, there's
2 information they can't get that we have access
3 to. You know, for example, gang affiliations.

4 You know, if someone's in -- you
5 know, working in the HR department, they're
6 involved in recruitment and MGM doesn't know
7 that there's some kind of gang affiliation
8 there -- maybe, you'd want to know that. It's
9 not just about the automatic disqualifier.

10 And I understand the concern about
11 the automatic disqualifier. But what I think
12 is helpful in this setup that the legislature
13 has passed, is that if Karen Wells is not --
14 for whatever reason she had some kind of
15 felony conviction eight years ago, you know,
16 and -- you know, done very well, she could get
17 a job at the casino. There'd be hundreds of
18 jobs she could get. And then, you know, at
19 the time, when she has the ability to either
20 seal her record, you know, for a misdemeanor
21 within five years or after the 10 years when
22 they can demonstrate rehabilitation, then
23 there's an opportunity.

24 And the advantage in this setup, is

1 that they now have the potential backing of
2 the casino. Say, hey, this person has worked
3 for two years at this job. Never had a
4 problem. Done a good job. And when they do
5 do a background check, we take that
6 information into consideration.

7 So there are opportunities for
8 movement and growth. You know, I would be
9 remiss, if I didn't remind the Commission
10 about, you know, the ceiling for the
11 misdemeanors is, I think, a significant
12 provision in the law, particular for theft
13 defenses, things that the Commission may not
14 think of as a concern. That there is an
15 opportunity, once they have hit that five-year
16 mark, that that's no longer a disqualifier.

17 COMMISSIONER STEBBINS: Karen, I
18 like what you've put in the top grouping of
19 nine. I would kind of impress upon us to keep
20 an eye on the alcohol piece. Not necessarily
21 from the bartender but, you know, again, let's
22 start off conservative, as Seth suggests. You
23 know, watch -- you know, let's see how things
24 develop.

1 But, you know, a casual restaurant
2 server that was just carrying the alcohol from
3 the bar to a table might be one that, once we
4 get some experience under our hat, I'd have us
5 keep an eye on whether that's something we
6 could free up.

7 The five bullets below, I think
8 there are a couple of them that tie into the
9 nine above. You know, having access to
10 information on the database is a concern, so
11 that knocks off the bottom two. Supervisory
12 responsibilities might tie into departmental
13 managerial responsibilities. But you and I
14 had talked about, if there was an infraction,
15 you know, is there a person who manages that
16 person that we can hold accountable? So to a
17 degree, I think that any supervisory
18 responsibility, kind of, aligns with that.

19 It's the first one and the third one
20 that I just have a concern about maybe being
21 too limited in the -- in the career options or
22 the job options that might be available to
23 people. One is -- you know, the first one is,
24 obviously, dependent upon layout, how does the

1 person get from point A to point B. Even if
2 they're on the culinary side I still got to
3 walk through.

4 And, you know, the access to patron
5 cash or valuables, I'm concerned that limits
6 job opportunities for folks that may be
7 looking for a lot of entry-level positions,
8 whether it's managing -- you know, working the
9 coat room, being a valet, being a room service
10 attendant. I'm having some hesitation and
11 caution.

12 COMMISSIONER CAMERON: But I'd love
13 to hear from our friends at MGM about that,
14 Seth. Let's -- if we can just start with the
15 first one, knowing your layout, are there any
16 positions here that would cause a concern
17 because there's an access?

18 MR. STRATTON: Actually, I think --
19 this one is unique in that I -- I actually
20 don't think this would really disqualify many
21 folks. If we were to say that -- because of
22 the nature of our project, you can always go
23 around the casino floor to get to your job
24 somewhere else.

1 Now, what I would be concerned about
2 is, if during the course of their job
3 activities they happen to walk through the
4 casino floor, they're nonexempt, that's harder
5 to control. But there are very few, if any
6 positions not already subject to licensure
7 that would -- could only get to their job
8 through walking in the casino.

9 COMMISSIONER CAMERON: Okay. So
10 this really isn't all that applicable, is what
11 you're saying?

12 MR. STRATTON: Right.

13 MS. WELLS: This is just -- the
14 language was from Maryland, so I thought the
15 Commission should consider -- some -- you
16 know, at least look at what -- how another
17 jurisdiction looked at the layout. MGM is
18 different because they have all those egresses
19 to the outside.

20 COMMISSIONER CAMERON: Right. And I
21 assume you're going to be working closely?

22 MS. WELLS: Yep.

23 MR. STRATTON: Yes.

24 COMMISSIONER CAMERON: And, you

1 know, if -- and you could give direction to
2 employees, hey, get to your job site this way,
3 right? I mean it just --

4 MR. STRATTON: Yeah.

5 COMMISSIONER CAMERON: Okay. So
6 then, if we go to the second one, supervisory
7 roles, it is covered up -- how is this
8 different than --

9 MS. WELLS: So this would be -- so,
10 for example, let me just look at the
11 spreadsheet.

12 COMMISSIONER ZUNIGA: Middle
13 management, in other words.

14 MS. WELLS: Yeah. So, you know,
15 whatever -- like some kind of -- you know,
16 whatever restaurant. If the manager -- and we
17 include the assistant manager. And they've
18 done that other jurisdictions because the
19 manager might not be on site. So there should
20 be somebody, you know, that's responsible for
21 the running of the restaurant that has such
22 accountability.

23 COMMISSIONER CAMERON: He's
24 registered.

1 MS. WELLS: But the supervisory
2 responsibility would capture, maybe another
3 three levels of employees, and then, the
4 bottom three we would still exempt, as opposed
5 to you just capture the top two. So it's,
6 sort of, how deep into the organization do you
7 feel the registration is necessary.

8 Under that theory that somebody
9 needs to be accountable, is it just the top
10 level that are responsible for the whole
11 staff, or do you want the top-level and the
12 mid-level managers responsible for the lowest
13 level staff? And that's just a policy --

14 CHAIRMAN CROSBY: So like the person
15 who supervises all of the house -- are they
16 room attendants?

17 MS. WELLS: Correct. Correct.

18 CHAIRMAN CROSBY: The supervisor of
19 room attendants.

20 MS. WELLS: That's a good example.
21 That's an excellent example.

22 COMMISSIONER ZUNIGA: The floor
23 person.

24 MR. STRATTON: For various

1 departments, we'll have -- venues or
2 departments you'll have a manager, an
3 assistant manager, then you start to get to
4 shift manager, assistant shift manager,
5 supervisor. So there's a number of levels of
6 supervisory responsibility. And I think what
7 these factors are intended to represent, which
8 was part of our discussions, is that the top
9 one and two in the department, the idea was
10 that Karen thought, and we agreed, that it
11 made sense to have them registered.

12 If we're talking about anyone with
13 any supervisory responsibility, that threatens
14 to swallow the exception, because of the
15 number of folks who have various levels of
16 supervisory --

17 COMMISSIONER CAMERON: So one and
18 two are covered up top, and you've agreed to
19 that?

20 MR. STRATTON: Correct.

21 COMMISSIONER CAMERON: But it's just
22 the shift supervisors that you think really
23 impact your operation?

24 MR. STRATTON: Correct.

1 COMMISSIONER CAMERON: And I would
2 think that, if you have one and two, they're
3 going to be responsible, right; and that's
4 what you're expecting of them?

5 MR. STRATTON: Yes.

6 COMMISSIONER MACDONALD: When you
7 say "one and two," what's one and two?

8 COMMISSIONER CAMERON: The manager
9 and the assistant will be registered, but not
10 the shift supervisor. I'd be comfortable with
11 one and two, frankly. I think that they have
12 to be responsible. Right?

13 COMMISSIONER STEBBINS: Is there
14 anything relative to a shift supervisor's work
15 that would make them responsible for meeting
16 internal controls? I'm not talking about
17 somebody managing the bowling alley. Somebody
18 who's doing something that puts them in a path
19 of violating our regulations.

20 MR. STRATTON: So important to
21 recognize in this context, is we're really
22 only talking about the nongaming related stuff
23 to being with, because security, dealers,
24 gaming, they're all already registered or

1 licensed. So every level of supervisory,
2 where it really matters from the integrity of
3 the licensing process is covered. So an
4 assistant manager in one of the restaurants or
5 the bowling alley, I think the answer's no.

6 MR. MADAMBA: You've already
7 excluded those employees that have some role
8 in your Section 138, which are the internal
9 control procedure regulations. But again,
10 that second category it was really was just to
11 inform your decision. It wasn't to mandate a
12 decision.

13 The top category was to,
14 essentially, mandate --

15 COMMISSIONER CAMERON: Agreed.

16 MR. MADAMBA: -- a decision, because
17 you could -- not only that, but read-only
18 access for example, that could bring in a
19 whole host of people that have read-only
20 access to certain data. Your front desk,
21 because they have to go into MLife and what
22 have you, and we would look for the front desk
23 to be exempt.

24 And that read-only access category

1 is one that is, frankly, consistent among many
2 jurisdictions, where we've agreed, because of
3 the way that our IT system is set up at MGM,
4 it's an enterprise-provide system that we're
5 not going to capture people outside of
6 property that might have read-only. So that's
7 the -- that's the distinction that's been
8 made. And read-only, you're typically not
9 registered or licensed. If you can write
10 because you can then change -- you can change
11 course revenue, for example, or play
12 information, you need to get licensed.

13 COMMISSIONER CAMERON: So you're
14 explaining why it really does impact, in your
15 opinion, too many people?

16 MR. MADAMBA: Correct.

17 COMMISSIONER CAMERON: Well, this is
18 very helpful to really know what category and
19 what kind of person we're talking about. And
20 I want, certainly, Director Wells to be
21 comfortable with decisions. But see, you say
22 this will inform our decision, but it really
23 does impact our decision knowing enough about
24 these categories.

1 MS. WELLS: So that last category,
2 any access to a gaming establishment database,
3 which contains personal, identifying
4 information, what I'm thinking in that -- you
5 know, I was particularly thinking of the
6 hotel. Where, you know, someone checks into
7 the hotel, name, address, what -- you know,
8 some information there.

9 So my question to the Commission,
10 you know, someone working at the front desk
11 that has access to that, do you want them
12 registered, or do you want them exempt?
13 That's my --

14 COMMISSIONER CAMERON: So you'd be
15 talking everyone that worked at a desk?

16 MS. WELLS: Right. So that's why --
17 my question, because it does impact a
18 significant amount of people. You could go
19 either way on that.

20 COMMISSIONER CAMERON: I'm much more
21 concerned about the real risk at the casino
22 itself. If somebody's name -- if they find
23 out they have a front desk person that's
24 leaking information, I would assume MGM would

1 take appropriate action.

2 MR. STRATTON: Yeah. It's no
3 different than -- I mean, I understand it's a
4 gaming establishment and it can reflect that
5 condition, but it's no different than the
6 Sheraton down the street, or the restaurant,
7 or other retail venue, in terms of the access
8 that we all experience every day in our lives.

9 CHAIRMAN CROSBY: If you're at the
10 front desk and you register, does that person
11 have access, like, to your MLife database?

12 MR. STRATTON: Read only.

13 MS. WELLS: That's where the read
14 only comes in.

15 MR. MADAMBA: Front desk would have
16 access to -- they would want to see what the
17 person's privileges are, whether they have
18 self-comp available, whether they have --
19 whether they have a special rate available to
20 them and what have you.

21 CHAIRMAN CROSBY: So that's your
22 MLife status. Does that -- well, okay, I get
23 it.

24 MR. STRATTON: And then, I think we

1 skipped -- I think we skipped one, which is, I
2 think the most concerning, actually, which is,
3 potential access to patron cash or valuables,
4 which could apply to virtually any position,
5 especially, the nature of the -- the nature of
6 the casino.

7 I think, one of the categories that
8 we discussed were valets, room attendants.
9 Those are big categories of jobs that we
10 really do want to exempt and think it would be
11 important to. And based on our experience in
12 other jurisdictions and our background, our
13 team has no concerns about not having those
14 categories subject to licensure. And
15 depending how broad you interpret that, that
16 could be, I mean, virtually anyone. People
17 are walking around with cash and valuables
18 throughout the casino. So that could, again,
19 swallow the exception, and that would be our
20 concern.

21 MS. WELLS: And that, to Seth's
22 point, I did struggle with that one.
23 Particularly, the valets and the room
24 attendants. What was helpful to me in, sort

1 of, moving that from the top level to the
2 second tier, as far as you're concerned, was
3 the what other jurisdictions did for those.
4 So that's why that's sort -- it's still
5 something that -- it nags me at the back of my
6 mind and concerns me, but I see what other
7 jurisdictions do.

8 That may be one. I'll give you an
9 example. Say we exempt room attendants and
10 then we do, you know, a data analysis over the
11 first year and there are 27 thefts from rooms
12 over -- you know, from room attendants over
13 the course of the first year, will I be back
14 before you suggesting that you maybe change
15 your mind on whether to exempt them, probably.

16 COMMISSIONER CAMERON: Yeah. Maybe
17 MGM didn't -- their background missed
18 something, if that's the case, right?

19 MS. WELLS: It's hard. A predictive
20 analysis is always very difficult.

21 COMMISSIONER CAMERON: Well, you
22 know, this can go both ways. You're
23 absolutely right. Meaning, certain categories
24 we'll look at and say, you know what, we don't

1 see the risk. We're willing to exempt this
2 next category. And then, there may be one
3 category that we think now, you know, we
4 exempted it, and as you say, we have evidence
5 that there really was a risk. So we can use
6 that both ways, right?

7 And I think MGM's being a willing
8 partner here. I am very pleased that you've
9 had five or six meetings, phone conversations,
10 and you've agreed on the top nine. I think
11 it's a great place to start. And going
12 through these bottom five one by one, I --
13 MGM's willing to take that risk. Their
14 experience tells them that they haven't had a
15 real problem in these areas in other
16 jurisdictions, so I would certainly be willing
17 to exempt those folks that may fall into the
18 bottom category. And, again, we're going to
19 be assessing constantly.

20 CHAIRMAN CROSBY: That was helpful.
21 Thank you. There were two ideas on the table
22 that I would like to just do, like, a straw
23 pole. You suggested that for human resources
24 department and sales and marketing, that that

1 be department heads only, did you say?

2 COMMISSIONER MACDONALD: No.

3 Supervisors and above.

4 CHAIRMAN CROSBY: Supervisors only.

5 COMMISSIONER MACDONALD: No, no.

6 CHAIRMAN CROSBY: I'm sorry?

7 COMMISSIONER MACDONALD: Supervisors
8 and above.

9 CHAIRMAN CROSBY: Yeah, supervisors
10 and above.

11 COMMISSIONER MACDONALD: So that,
12 somebody that's coming in as a -- as a, you
13 know, first level assistant in the marketing
14 department, I wouldn't -- I wouldn't have them
15 automatically excluded.

16 CHAIRMAN CROSBY: Okay. I happen to
17 agree with that. I just wondered how -- does
18 anybody else?

19 COMMISSIONER ZUNIGA: I agree with
20 that.

21 COMMISSIONER CAMERON: Yeah. I'm
22 persuaded that they've agreed on this list for
23 us now to -- after many, many conversations
24 and many back and forth about the categories

1 for us to think at this point we're going
2 to --

3 COMMISSIONER ZUNIGA: Well, they
4 agree because it's very few people.

5 COMMISSIONER CAMERON: Yeah. But
6 Director Wells is not comfortable. She
7 sees -- in talking to colleagues she sees some
8 risk there and would like to at least assess
9 risk before we -- and MGM has agreed with
10 that, so I'm comfortable leaving the nine the
11 way they are.

12 CHAIRMAN CROSBY: And just to be
13 fair, I think -- we talked about this quite a
14 bit, Director Wells and I, and others prior to
15 this happening. And she was saying, I want
16 you all to tell me what you think. I'll tell
17 you what I think, but I want you to tell me
18 what you think.

19 You know, so this wasn't meant -- I
20 don't think this was meant to be presented as
21 a fait accompli. It was your best judgment,
22 and you wanted our reaction to your best
23 judgment. So I'm making those two supervisor
24 and up, sounds like that would be one --

1 Commissioner Stebbins do you have a --

2 COMMISSIONER STEBBINS: I don't have
3 a problem with that.

4 CHAIRMAN CROSBY: With making that
5 change?

6 COMMISSIONER STEBBINS: Yep.

7 MS. WELLS: So not manager and up,
8 supervisor and up?

9 CHAIRMAN CROSBY: Right. And then,
10 the other one was, my suggestion about the
11 noncontiguous places, the entertainment block
12 and the tower, the rect -- what do they call
13 them? Not reformatory. The --

14 COMMISSIONER ZUNIGA: The armory?

15 COMMISSIONER STEBBINS: The armory?

16 COMMISSIONER ZUNIGA: Armory.

17 CHAIRMAN CROSBY: The middle
18 categories, departmental -- I think I would
19 certainly be comfortable having manager and
20 assistant manager of offsite facilities be
21 SERs. I, for one, would not want the rest of
22 the folks on those offsite facilities in those
23 middle categories. Managerial, alcohol sales,
24 human resources, sales and marketing,

1 accounting and finance. If it's the same
2 group, if it's one accounting and finance
3 group that does the casino that's covered, I'm
4 fine.

5 MS. WELLS: Yeah. I haven't seen
6 the list of those employees yet so I can't
7 really comment on that.

8 MR. STRATTON: You're saying
9 employees of third parties?

10 MS. WELLS: Well, that's different.
11 See, that's part of we haven't quite flushed
12 all the entertainment block out. I mean, what
13 we could do -- I think -- what was the total
14 number in the entertainment block, at 40 or
15 50?

16 MR. STRATTON: Somewhere in that
17 range, yeah.

18 MS. WELLS: But so, we could, sort
19 of, put those in a separate bucket and come
20 back to the Commission with something --

21 CHAIRMAN CROSBY: Well, let us give
22 you whatever sense we have of it. You know,
23 so my suggestion was, except for the manager
24 and assistant manger, that those middle five

1 categories be exempt.

2 COMMISSIONER ZUNIGA: I agree.

3 CHAIRMAN CROSBY: Okay. And anybody
4 else? Just a -- Commissioner Cameron?

5 COMMISSIONER CAMERON: You're giving
6 your ideas. I'm comfortable with the way it
7 is, because of all the work they've done.

8 CHAIRMAN CROSBY: Okay.
9 Commissioner Macdonald?

10 COMMISSIONER MACDONALD: I've given
11 my views.

12 CHAIRMAN CROSBY: So you would be
13 comfortable --

14 COMMISSIONER MACDONALD: Is this a
15 formal approval?

16 CHAIRMAN CROSBY: Well, we're going
17 to have to give her some feedback so she
18 can --

19 MS. WELLS: So what I hear you
20 saying, is that for the entertainment block,
21 these people that never work on the casino
22 floor, known have access to the back of the --
23 you know, that whole thing, if they work
24 there, it's just the manager and the assistant

1 manager, we wouldn't -- what would you do
2 about alcohol service, if you work in the
3 entertainment block?

4 COMMISSIONER ZUNIGA: I would exempt
5 them too.

6 CHAIRMAN CROSBY: I would, yeah,
7 exempt them. If you're selling alcohol,
8 you're a waitress or a bartender in the
9 entertainment bar, I would exempt you.

10 MS. WELLS: So can I get a sense
11 of --

12 COMMISSIONER STEBBINS: Well, let me
13 ask you a question. The entertainment
14 block -- I'm trying to not to get granular,
15 but I'm also trying to offer some direction.
16 Is that entertainment block employee going to
17 the back of house to get his or her uniform,
18 before they go out to work; is that considered
19 part of the secure access to the back-of-house
20 piece?

21 MR. STRATTON: So there's back of
22 house secured and unsecured. And I think the
23 distinction is, is would you need a security
24 escort to go somewhere? And so EDR, which is

1 employee dining room, uniform room, locker
2 room, bathrooms, those are all unsecured
3 back-of-house areas that all employees would
4 have access to.

5 Once you start to get into more
6 sensitive areas, the secured areas that are
7 controlled by badge access, slot repair shop
8 and cage and account functions, et cetera,
9 they wouldn't be able to go in there anyway.

10 COMMISSIONER STEBBINS: That helps
11 me better -- I mean, there's a little more
12 definition in the second bullet.

13 CHAIRMAN CROSBY: So what's your
14 sense on the noncontiguous?

15 COMMISSIONER STEBBINS: Would those
16 folks in the noncontiguous entertainment block
17 be covered under our alcohol license?

18 MS. WELLS: Yes.

19 COMMISSIONER STEBBINS: I'd say, the
20 folks working back there with -- again, I hear
21 Director Wells' concern about the folks that
22 fall under our liquor license, and that,
23 initially, we should be thoughtful about that
24 but review it over time.

1 COMMISSIONER CAMERON: So you want
2 to keep it the same, the way it is now?

3 CHAIRMAN CROSBY: For alcohol sales?

4 COMMISSIONER STEBBINS: Yeah.

5 CHAIRMAN CROSBY: Would you make --

6 COMMISSIONER STEBBINS: For the
7 folks in the entertainment block.

8 CHAIRMAN CROSBY: But the other four
9 you would exempt, under the manager and
10 assistant manager?

11 COMMISSIONER STEBBINS: Yes.

12 CHAIRMAN CROSBY: You would not
13 exempt alcohol, but you would the other four?

14 COMMISSIONER STEBBINS: Right.

15 COMMISSIONER MACDONALD: I'm a
16 little bit confused on where we are on this.
17 Is it either the third with the category,
18 Department Managerial Responsibilities?

19 CHAIRMAN CROSBY: Starting from
20 departmental down to accounting, all these
21 custodial functions.

22 COMMISSIONER MACDONALD: And your
23 proposal is what?

24 CHAIRMAN CROSBY: That if you're in

1 those functions in the noncontiguous space,
2 the entertainment block, or as I said,
3 happened to be whenever you get the armory
4 programmed, or that other building that might
5 be built on the corner there somewhere, that
6 those would be exempt. Those five middle
7 categories would be exempt, except for the
8 manager and the assistant manager of those
9 entities. And Commissioner Stebbins would say
10 that he would not want to exempt the alcohol
11 sales within those five. Commissioner Zuniga
12 and I would exempt all five.

13 COMMISSIONER CAMERON: Many of them
14 don't apply, though, because they have one
15 sales and marketing. It doesn't have anything
16 to do. They're not going to have a separate
17 one over in the entertainment block. So many
18 of those --

19 MS. WELLS: Right. They're really
20 relevant --

21 CHAIRMAN CROSBY: If there's nobody
22 in it, then, there's nobody in it. But if
23 there are people there -- was that clear?

24 COMMISSIONER MACDONALD: Yeah. I'd

1 be with you and Commissioner Zuniga.

2 CHAIRMAN CROSBY: Okay. And you're
3 going to -- the whole thing. So it looks like
4 there -- if we took a formal vote, there would
5 be a three -- three people in favor of
6 exempting those three. So I don't think any
7 of this is an absolute rule, but you wanted
8 our sense so...

9 MS. WELLS: Yeah. So what I'll do
10 is, sort of, I'll put -- work with the team at
11 MGM and sort of -- I'll put this together.
12 And if I have any -- you know, I'm hearing
13 what you're saying. If I have any questions,
14 I'll come see you individually, or we can
15 discuss it at the next commission meeting.
16 But I hear what you're saying.

17 CHAIRMAN CROSBY: That's why I
18 didn't want to take a vote, because this is
19 not an absolute. We need to get our sense of
20 what we're trying to do.

21 MS. WELLS: Yeah. The expectation
22 is, potentially, if we, you know, can work
23 fast enough, at the next commission meeting we
24 can give you, at least, a preliminary list.

1 And you can look at the job positions and you
2 can approve it. And we can keep going or, you
3 know, that may be it, depending on how quickly
4 we can work. But these parameters, this is
5 extremely helpful. Given that we seem to be
6 on the same page, all of us, that I expect you
7 can get a package that will -- you know, that
8 you'll be very comfortable with. We can get
9 this going.

10 CHAIRMAN CROSBY: And, you know,
11 this is what we're paid to do. This is
12 reconciling two various, difficult competing
13 issues. You know, trying to make things
14 accessible to people who might want these jobs
15 on the one hand, and protecting the integrity
16 of this industry on the other. It's a gray
17 area.

18 So this is exactly the kind of
19 conversations -- there is no right or wrong.
20 It's just judgment calls. These are exactly
21 the right kinds of conversations to be having.
22 So thank you, Karen, for the receptivity. And
23 you guys for participating, you all for coming
24 to an agreement. That's great. Thank you.

1 COMMISSIONER MACDONALD: Can we have
2 a brief -- can we have a lunch break?

3 CHAIRMAN CROSBY: Yes, we will.

4 COMMISSIONER ZUNIGA: I think we
5 should break for lunch.

6 CHAIRMAN CROSBY: We might need
7 lunch. Yes. I didn't realize how long we
8 were going to go. How much more do we have
9 that's substantive?

10 MS. BLUE: We have Mr. Ziemba's
11 Saugus application, we have regulations in
12 legal, which will take some discussion, and we
13 have the economic development white paper.

14 CHAIRMAN CROSBY: We have excluded
15 persons.

16 MS. BLUE: Yeah. We have a couple
17 of regulations and stuff.

18 CHAIRMAN CROSBY: We'll take a
19 30-minute. We'll come back at 2:15. We are
20 temporarily adjourned.

21

22 (A recess was taken)

23

24 CHAIRMAN CROSBY: All right. We are

1 reconvening public meeting No. 233 at about
2 2:20. And we are on agenda item seven. Okay.

3 MR. ZIEMBA: Thank you, Mr. Chairman
4 and Commissioners. Up for consideration today
5 is a request from the Town of Saugus to
6 utilize 28,256 -- \$28,256 of its reserves for
7 the implementation of some strategies that
8 were developed by a consultant that it hired
9 to develop various methods so that the Town of
10 Saugus could take advantage of opportunities
11 relative to the Wynn Boston casino.

12 A little bit of background regarding
13 the funding. As you recall, in 2015, we
14 established a hundred thousand dollar reserves
15 for a number of different communities,
16 including Saugus. In 2016, Saugus asked for
17 permission to utilize some of its reserves --
18 actually, all of its reserves at that point.
19 They asked for the opportunity to use 35,000
20 for our consultant to develop the strategies,
21 and then \$65,000 for the implementation of
22 those strategies.

23 At that time, the Commission told
24 Saugus that we would approve \$35,000 for the

1 consultant's report, but that we would ask 'em
2 to come back at a later date for the approval
3 of their implementation items once they were
4 determined, because, obviously, they had to do
5 the consultant report before they could
6 determine what the implementation items were
7 going to be.

8 Subsequent to that, we have since
9 approved a transportation planning grant for
10 Saugus, but we required Saugus and Revere to
11 identify how that reserves would go towards a
12 portion of that transportation planning grant.
13 So as a result, \$50,000 out of that remaining
14 \$65,000 is now being scheduled for the
15 transportation planning grant. So there's now
16 only \$15,000 that is remaining out of that
17 initial 65,000 for implementation. But,
18 thankfully, the consultant's report came in
19 under budget. The budget, as I stated, was
20 35,000 for the consultant report and it came
21 in at 21,744.

22 So what Saugus is asking for is to
23 be able to use the 15,000 that is remaining
24 out of its reserves that's been unallocated

1 and a repurposing of \$13,256 for the
2 implementation of the report -- or a section
3 of the report. And specifically, what they
4 want to do, is they want to help create a
5 brochure that can focus on highlights on their
6 open spaces and some of their recreational
7 opportunities in Saugus. And then, they
8 wanted to develop a wayfinding and a branding
9 campaign that would further highlight some of
10 the town's resources.

11 I will note, that the economic
12 development report, the independent report
13 that the Commission -- that's not a Commission
14 product, so we don't vouch for its accuracy
15 one way or the other. But it did note that
16 Saugus could potentially, significantly gain
17 from some strategies relative to the Wynn
18 facilities. And, specifically, one of its
19 findings was that, if they implement all the
20 findings of the independent report, they could
21 potentially gain up to \$8 million more in
22 economic activity per year for Saugus. And if
23 they do nothing versus what they currently
24 have, they may gain about \$2 million per year,

1 once the Wynn facility is open. But if they
2 implement all of the recommendations, they can
3 potentially gain up to \$10 million in annual
4 economic opportunities from the Wynn Boston
5 Harbor facility. So in this regard, we do
6 recommend the \$28,256 for these implementation
7 strategies.

8 And one thing I do note, is that, if
9 you take a look at the action plan that was
10 included in the independent report, there are
11 a number of other items that were high items.
12 And the two strategy items that are being
13 requested for approval today are in the medium
14 category. We asked the town why they chose to
15 move forward with the request for the medium
16 items in advance of the higher items, and what
17 they reported was that some of the higher
18 items, which involved job training and other
19 activities, they may involve other regional
20 partners so that they might not necessarily
21 need any future resources from the Commission,
22 and they'll require a lot more legwork
23 reaching out to some of those regional
24 partners.

1 And so, that, together with the fact
2 that they've been working hand-in-glove with
3 the regional planning agency, metropolitan
4 area planning council, on some of these same
5 type of recommendations, they're asking for
6 the approval of those items today.

7 COMMISSIONER STEBBINS: John, my
8 only comment -- you addressed one of the
9 questions -- I guess my only comment is, they
10 make reference to connecting the attractions
11 they're trying to promote, or the open space
12 they're trying to promote with folks at Wynn
13 upon Wynn's opening, so it's more of a
14 suggestion that, you know, we make sure that
15 the two entities meet up and have a chance to
16 talk about that.

17 MR. ZIEMBA: Yeah, absolutely. We
18 have forwarded the plan to the Wynn team, and
19 we plan to talk to them as -- and we hope --
20 and we will work with Saugus to make sure that
21 they actively work with the Wynn team to
22 develop these strategies.

23 CHAIRMAN CROSBY: Commissioner
24 Stebbins, that's a really interesting point.

1 That sort of reminds me, MGM is absolutely
2 going out of their way to be integrated into
3 the other activities and to involve them, and
4 the rooms are themed after other places and
5 activities, like Seuss museum and so forth.
6 Is Wynn of a similar mind? It's not quite the
7 same situation, but are they -- do they seem
8 to be as sensitive to those ideas, of trying
9 to integrate the attractions and so forth, as
10 MGM?

11 MR. ZIEMBA: No. I do think so. I
12 can't remember, specifically, any license
13 condition in the Wynn license regarding the
14 regional marketing plan, but I believe that
15 there's a comparable condition. We placed a
16 condition on MGM Springfield that has to come
17 back to us with, sort of, a regional tourism
18 plan at least 90 days prior to their opening.
19 And we will carefully evaluate that at the
20 time. But it's my recollection that we also
21 have a similar condition with the Wynn
22 license.

23 CHAIRMAN CROSBY: But I wasn't
24 asking -- I wasn't asking so much as do we

1 have a --

2 MR. ZIEMBA: Yes. But they are
3 focusing a lot of effort on working with all
4 of the surrounding communities. Saugus is not
5 a surrounding community. But I think that
6 they are spending a lot of time and attention
7 to make sure that they're integrated within
8 the fabric.

9 You know, one example is they're
10 paying a lot of attention, for example, on the
11 pedestrian bridge that would connect up the
12 whole North Shore through one -- you know, one
13 pathway right into Boston and -- with a lot of
14 the entertainment venues in Boston and the
15 environs, that's the whole part of their plan.

16 CHAIRMAN CROSBY: You might put that
17 on the agenda for one of their next reports,
18 because I'd be interested in hearing from them
19 what they're doing.

20 MR. ZIEMBA: Sure.

21 CHAIRMAN CROSBY: Any other comments
22 on the Saugus proposal?

23 COMMISSIONER ZUNIGA: You know,
24 yeah, I think it's great. They're looking at

1 all aspects, which I think is very
2 appropriate. But at least, in my review,
3 there's a notion of developing strategies, and
4 do you know -- which is great and, you know,
5 apropos. But do you know if anybody's
6 thinking about some specifics, like using
7 technology, geo location, Google Maps or Siri,
8 or something like that. Is anybody at that
9 level yet or is this --

10 MR. ZIEMBA: I don't think so. I
11 didn't see anything in the consultant's
12 report. You know, perhaps, I missed it. But
13 I didn't see anything like that. It was more
14 on the -- just the general connectivity
15 focusing on a brochure doing some of these job
16 training programs.

17 One interesting thing from the
18 report was that Saugus is trying to develop
19 its own river walk. And what the consultant
20 recommended is, that, obviously, we're going
21 to have a very, very nice pedestrian river
22 walk at the Wynn facility. So when they
23 say -- when Saugus develops its river walk,
24 that it really needs to distinguish itself, in

1 some way, from the Wynn facility to try to
2 attract tourists to that area, in addition to,
3 you know, some of the more traditional
4 locations in Saugus. But that is not, sort
5 of, a geo-caching item that you mentioned, I
6 think.

7 COMMISSIONER ZUNIGA: Well, I'm just
8 curious if anybody's at that level yet. I
9 think it might be a little premature. But if
10 they're taking a careful planning ahead and
11 trying to capitalize on everything, like they
12 have scheduled here, I'm wondering if anybody
13 might be at that level of specificity.

14 MR. ZIEMBA: It's something I can
15 definitely bring up with the town and with --
16 with the Wynn folks.

17 CHAIRMAN CROSBY: It's true. The
18 other surrounding communities too. It's
19 apropos of your idea, about how do we build on
20 the economic development that's going on. You
21 know, maybe, sort of, giving a helping hand to
22 these communities to think a little bit
23 outside the box, and to think about how to use
24 technology and so forth. You know, that's

1 something that fits right in your bailiwick,
2 too. I mean, that's a really interesting --

3 COMMISSIONER STEBBINS: Well, one of
4 the -- the -- Jill mentioned it, the
5 partnership between MGM and in other tourist
6 destinations out in western Mass, is that part
7 of the apprentice program is that there's,
8 kind of, a concierge education program. So
9 every employee has the opportunity to know
10 about regional assets around the region.

11 You know, the concierge desk person
12 might just be as qualified as, you know,
13 somebody working in the restaurant to suggest,
14 you know, hey, how far away is X, Y, Z? And,
15 hey, I know that. I can tell you how to get
16 there, or the best way to get there. So it's
17 a unique program. I know that convention and
18 visitors bureau has been pushing on it for a
19 long time, and I'm glad that MGM is being a
20 partner. But it starts to empower more people
21 on the casino property to help a patron visit
22 other amenities in the area and be aware of
23 it, as opposed to, I don't know what you're
24 talking about.

1 MR. ZIEMBA: I think it's really fun
2 where we are right now, that we can start
3 focusing on, you know, what is going to be the
4 future after the facilities are up and
5 operational. How do we, not only within the
6 host community but regionally, take advantage
7 of all these opportunities through -- you
8 know, as Commissioner Stebbins's been doing a
9 lot of work on the Gaming Economic Development
10 Fund, but, you know, where it's appropriate
11 out of the Community Mitigation Fund, and just
12 generally from our, sort of, staff assistance
13 and commissioner assistance. I think, you
14 know, that's a -- that's, sort of, a real fun
15 place to be.

16 CHAIRMAN CROSBY: Great. I agree.

17 COMMISSIONER STEBBINS: Mr. Chair, I
18 move that the Commission approve the 2018 Town
19 of Saugus Community Mitigation fund reserve
20 application, as presented in the packet, and
21 allow them to use the balance of their reserve
22 fund.

23 CHAIRMAN CROSBY: Second?

24 COMMISSIONER MACDONALD: Second.

1 CHAIRMAN CROSBY: Further
2 discussion? Looked like he was taking some
3 notes but I guess he's not, to discuss.

4 COMMISSIONER MACDONALD: What?

5 CHAIRMAN CROSBY: I thought maybe
6 you had some notes you wanted -- questions you
7 wanted to bring up.

8 COMMISSIONER MACDONALD: No. I was
9 sketching out a motion, but Commissioner
10 Stebbins took my fire away.

11 CHAIRMAN CROSBY: Good. So all in
12 favor say aye.

13 MR. MACDONALD: Aye.

14 COMMISSIONER STEBBINS: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 CHAIRMAN CROSBY: Opposed? The ayes
18 have it unanimously.

19 MR. ZIEMBA: Thank you.

20 CHAIRMAN CROSBY: Thank you. Did we
21 finish everything before seven? I guess we
22 did. Your update you didn't have so we're on
23 to number eight?

24 MS. BLUE: Yes. Thank you. Good

1 afternoon, Commissioners. We're going to take
2 Item 8A first. This is a discussion. And
3 this regards our regulation 205 CMR 140. It's
4 what we commonly refer to as use of the vig.
5 Right now, we do have a regulation on use of
6 the vig. The question, really, is whether we
7 should make a change in that for things like
8 table games.

9 So there are differing ideas on
10 this. And I have, today, CFAO, Derek Lennon,
11 and I have Supervisor Sterl, who's last name I
12 forgot and I apologize for, Carpenter, and
13 then we also have Deputy General Counsel
14 Grossman to discuss what the reg currently
15 provides and how we drafted it that way.

16 So after our discussion, if it's
17 your direction to have -- to amend the reg, we
18 will do that. But if you want the reg to stay
19 as is, then there's no further action to take.
20 But we'd like you to understand the different
21 points of view on it, and then we can proceed
22 from there.

23 CHAIRMAN CROSBY: Okay. Supervisor
24 Sterl Carpenter, or CFAO Lennon.

1 MR. LENNON: Good morning,
2 Commissioners.

3 CHAIRMAN CROSBY: Good morning.

4 COMMISSIONER ZUNIGA: Good
5 afternoon.

6 CHAIRMAN CROSBY: Good afternoon.

7 COMMISSIONER MACDONALD: Good
8 afternoon.

9 COMMISSIONER CAMERON: Good
10 afternoon.

11 COMMISSIONER STEBBINS: Good
12 afternoon.

13 MR. LENNON: Sorry. Good afternoon.
14 So we're here to explain, I guess a little
15 bit, the history of why it's written the way
16 it is, and then our point of view that we'd
17 like to have it changed, at least the point of
18 view of the two members sitting here.

19 So when we first wrote 140, the only
20 thing we were looking at, mainly, at was
21 slots. We didn't have a lot of table game
22 expertise, and we wrote it so that for the
23 calculation of gross gaming revenue vigorish
24 would be handled the same way as free play.

1 Basically, taken off the top. There were some
2 points of view during that time period that,
3 if we didn't do it, we'd be at a competitive
4 disadvantage in this market. I think that
5 we've done some research and found that we
6 might be the only jurisdiction that's allowing
7 it right now as -- to be taken off the
8 calculation of gross gaming revenue, so we
9 actually wouldn't be in a competitive
10 disadvantage, and to explain the impacts of it
11 and the -- more of the practical experience.
12 And we're really only looking at one game
13 here. It's baccarat.

14 MR. CARPENTER: Traditionally, it's
15 baccarat. So baccarat will have your largest
16 players on the game. And by allowing the
17 licensee to exclude or excuse the tax
18 ramifications on the commissions owed, it sets
19 a bad precedent for both the patrons and the
20 licensee.

21 So as I submitted a little history,
22 is that casinos they use math behind all their
23 games. So all their games and all their comp
24 points, all the things in which they do are

1 all behind what's called a theoretical win.
2 So when you take into account excusing the
3 commission on a baccarat game, you're giving
4 that player a competitive advantage, because
5 it's to his advantage to bet the bank, rather
6 than the player. So what you're doing, in
7 turn, is allowing him an advantage, like an
8 advantaged player. If you do that, or if you
9 allow him not to pay his commission, as it
10 stated in regulation 143.3.13, it states that
11 after the end of every shoe or leaving the
12 table, that they will pay their commission.

13 What this does, what happens in my
14 experience, is a patron will say I'll pay it
15 next shoe. And then the next time he'll say
16 I'll pay it next shoe. Unfortunately, it
17 becomes a very high amount quickly, and now,
18 he's almost at -- if you wait five times, he's
19 at, like, five times his average bet that he's
20 playing. So now, he's at a point where he
21 might have lost all his money that he's
22 planned on paying for the commission so now he
23 has to go and get more money just to pay for
24 the responsibility of the commission. If we

1 don't allow him to do that and he sees where
2 he stands at the end of every shoe, it gives
3 him an ability to see whether he's winning or
4 losing and it's not a false representation of
5 how he's actually doing on the game.

6 So that, combined with the licensee,
7 having the ability to also run their game the
8 way they project and give comp points and what
9 not is -- keeps everybody on the same playing
10 field. That's why it was very important that
11 we thought you should not excuse any of the
12 commission. Especially, in baccarat. And
13 this will be the only game that you will have
14 this problem.

15 The baccarat's commission is stored
16 on each shoe, but the commission games of
17 Pai Gow is actually taken out immediately when
18 they win. So the patron never owes anything
19 because they see exactly what they have in
20 front of them. That's why I feel that we need
21 to make sure that it gets collected at the end
22 of each and every shoe and that the
23 regulations are followed -- they're written
24 that way for their protection.

1 COMMISSIONER ZUNIGA: So let me make
2 sure I understand. There's two elements that
3 you're asking us to look at or to change. The
4 collection of the vigorish at the end of the
5 shoe be required.

6 MR. CARPENTER: We're not asking
7 change, just enforced. What happens is, the
8 licensee will make special considerations for
9 high-end clientele.

10 COMMISSIONER ZUNIGA: Right.

11 MR. CARPENTER: This is when you
12 usually run into your large problem. And, of
13 course, once that one person gets that
14 advantage, the next person will also ask for
15 it, and it just keeps going on. So it's not a
16 change to the regulation, just the enforcement
17 of the regulation that's written.

18 COMMISSIONER ZUNIGA: Now, but was
19 there a second element that perhaps, you spoke
20 about first, which is the elimination of --
21 the ability to write it off as part of the --
22 as part of free play?

23 MR. CARPENTER: The regulation
24 that's written of collecting is in the rules

1 of game. What it affects is the regulation
2 140, which we are discussing right now. So
3 140 is the GGR. And how that's affected by
4 them not collecting on the commission owed, is
5 it affects the tax ramifications of that
6 commission. Sometimes that commission can be
7 thousands and thousands of dollars.

8 COMMISSIONER ZUNIGA: I get that.

9 MR. BAND: I think the main point
10 here is to not allow them to write that off.
11 Let's say, if I run out of money and I can't
12 afford it, there's actually a form that let's
13 the casino comp him the vigorish. Under the
14 present thing, if I'm -- correct me if I'm
15 wrong, but they could write that off and not
16 pay tax on it. We want to tax that amount.

17 MR. LENNON: Correct. So we're not
18 asking to make the business decision for them,
19 of whether they comp it or not, or whether
20 they write it off, that may be a different
21 discussion. What I'm looking at is, we're not
22 consistent with other jurisdictions, and that
23 we are allowing it to be excluded from the
24 calculation of gross gaming revenue.

1 COMMISSIONER ZUNIGA: In which case,
2 what you mentioned, Sterl, the two parties
3 will have a strong incentive to --

4 MR. LENNON: To comp.

5 COMMISSIONER ZUNIGA: To comp.

6 MR. LENNON: To comp it, correct.

7 COMMISSIONER ZUNIGA: First, not pay
8 it because, you know, I've seen it before.
9 And then, sure, I'll give it to you because I
10 don't even get taxed.

11 MR. BAND: And unlike the slots,
12 this can be a lot of money.

13 COMMISSIONER ZUNIGA: I get that.

14 MR. BAND: All these same players
15 that come in with 20 million and are betting
16 200,000 a hand, that can add up really fast.

17 COMMISSIONER ZUNIGA: Yeah, no, I
18 just remember those vividly, those free play
19 discussions. However, I don't remember that
20 vigorish discussion, I guess because it wasn't
21 relevant at the time, or as much as relevant.
22 But we will keep the free play the way it is.

23 MR. LENNON: So in statute, free
24 play -- so if you remember these conversations

1 early on, free play we actually cannot tax on.
2 So in the statute that's excluded, we talked
3 about limiting the amount that we would
4 authorize, like other jurisdictions do, and we
5 decided not to do that.

6 We also had similar discussions
7 around the vigorish at that time. They
8 weren't as thorough because we didn't know
9 what table games were, we weren't really
10 looking at them, we didn't know how many it
11 impacted or didn't impact. So we left the
12 regulation as was drafted to us.

13 Right now, as we start to get more
14 information and we're looking at it, we are an
15 outlier. It can amount to some significant
16 money, and we feel that's a business decision
17 that the casino should make, but not
18 necessarily --

19 COMMISSIONER ZUNIGA: On the
20 Commonwealth's money.

21 MR. LENNON: Yeah.

22 COMMISSIONER MACDONALD: So the text
23 of the existing regulation is okay?

24 MR. LENNON: The text of the

1 existing regulation is not okay because it
2 excludes it. It excludes the vigorish from --

3 COMMISSIONER MACDONALD: Is that
4 because it's easy -- the easy baccarat
5 exception?

6 MR. GROSSMAN: It's 140.02, which is
7 the --

8 COMMISSIONER MACDONALD: So it's not
9 147?

10 MR. GROSSMAN: 140.02 talks about
11 the calculation of gross gaming revenue. And,
12 specifically, it's paragraph 2A, which talks
13 about bank games, which is what baccarat is.
14 And it's -- what we excluded from the
15 calculation are complimentary vigorish forms,
16 specifically, for this situation. This is
17 what we contemplated, when wrote this
18 regulation, was for baccarat.

19 And just to put a finer point on
20 this, and I'm not taking a position whether
21 you should or shouldn't do it at this point,
22 but the thinking at the time, was that we
23 should take the long view on comping vigorish
24 and allow the casinos to exercise their

1 marketing know-how so as to best retain their
2 customers, whereas they are 75 percent
3 partners to our 25 percent. And that, by
4 allowing them to comp vig, it's a similar
5 thing to allowing promotional play not to be
6 taxed. And by the way, we allow discounts on
7 markers altogether.

8 So all of those things are -- were
9 done collectively really for the same reason,
10 which was that an understanding that we have
11 two really high-level gaming operators here,
12 who, in theory, would only comp things like a
13 vig for a specific reason. Not just to give
14 money away, because they don't do that. They
15 do it in an effort to retain their customers.

16 Now, that said, that principle was
17 explored early on. We didn't, certainly,
18 spend a lot of time talking about it now, and
19 it was done before there was, really, any
20 reality setting in that we were about to open
21 a casino. But that was the principle that was
22 discussed, at the time we decided to exclude
23 comped vig from the calculation of gross
24 gaming revenue from bank table games.

1 So to answer your question, we would
2 need to amend that regulation to take out
3 comped vig forms from the calculation.

4 MR. LENNON: And just a minor
5 distinction. Promotional play is excluded in
6 the statute, vigorish is not.

7 COMMISSIONER ZUNIGA: So have we had
8 any discussions with licensees, as to how they
9 operate elsewhere, or whether they would have
10 one -- comment on any of this, or this is --
11 this would be the regular --

12 MR. BAND: I think most
13 jurisdictions use the comp form, or they -- if
14 they want to, you know, pay somebody's
15 vigorish, that's fine, they rate the comp and
16 they pay the tax on that because it doesn't
17 affect the hold on the baccarat game. So I
18 think almost all jurisdictions do it in some
19 form or fashion.

20 CHAIRMAN CROSBY: Do it, meaning --

21 COMMISSIONER ZUNIGA: But to answer
22 my question, has there any input from
23 licensees, or --

24 MR. BAND: Not at this point.

1 COMMISSIONER ZUNIGA: This could be
2 the regular way we do, we'd issue some
3 draft --

4 MR. LENNON: Public comment.

5 COMMISSIONER ZUNIGA: -- public
6 comment.

7 MR. LENNON: Correct.

8 MR. CARPENTER: Commissioner Crosby,
9 I think your question is, that form that Bruce
10 is speaking of adds it back into the
11 responsibility. So the licensee is paying for
12 their commission.

13 CHAIRMAN CROSBY: Right. Paying the
14 tax on their commission.

15 MR. CARPENTER: Correct.

16 CHAIRMAN CROSBY: I like the logic
17 that we initially used. I mean, it seems to
18 me that a company makes a decision to comp vig
19 out of it its own best financial interests.
20 That's what drives it. You know, they're not
21 going to do it, if they don't think, in the
22 long run, it's in their financial interest.
23 Furthermore, the idea of taxing air is kind of
24 noxious. You know, you're taxings revenues

1 that don't exist.

2 MR. LENNON: No. They were played.

3 MR. BAND: They do exist.

4 MR. LENNON: They were played. It's
5 a debt owed. And what you're doing is you're
6 adding to their marketing budget. So let's be
7 clear, you're taking tax dollars and you're
8 adding to the marketing budget.

9 CHAIRMAN CROSBY: But you're taxing
10 money that they never received, right?

11 MR. LENNON: Well, they've decided
12 to write it off.

13 CHAIRMAN CROSBY: I understand that.
14 But --

15 MR. LENNON: It was played --

16 MR. CARPENTER: But they should have
17 received it. And I apologize for putting a
18 couple of regulation numbers in this. We're
19 speaking of regulation 140, which is the
20 figuring out the gross gaming revenue per the
21 day. That's what needs to be changed, because
22 in that we're allowing the licensee to write
23 off their responsibility of collecting it.

24 Now, is that debt owed to the

1 licensee every single hand that they wager and
2 win on that? So the person that gains that
3 has won. So the only way you owe this
4 responsibility to the licensee is because
5 you've won money from the licensee. So that's
6 why you charge, because it's an advantage to
7 play on that.

8 So charging them, it's kind of like
9 the buy on the four and the 10. So you charge
10 because you're going to get paid 2-to-1,
11 rather than what the true odds. You're
12 gaining the true odds without the
13 responsibility of losing that initial roll.

14 So all those -- you're gaining
15 things from the licensee but you're paying for
16 'em. And if you excuse it, then, you're not
17 paying for it. You're getting something for
18 nothing. I hope that made it a little
19 clearer.

20 CHAIRMAN CROSBY: I think I get
21 that. But I don't think --

22 COMMISSIONER ZUNIGA: No, no. But
23 to be more emphatic on the answer, and I think
24 they were, it is owed, it's -- it just

1 hasn't -- the transaction hasn't happened.

2 CHAIRMAN CROSBY: Owed, meaning, the
3 player owes it to the house.

4 COMMISSIONER ZUNIGA: Owes it to the
5 house.

6 CHAIRMAN CROSBY: Right. But if --

7 COMMISSIONER ZUNIGA: And because
8 we're also the house, they owe it to the
9 Commonwealth. The notion being that, when we
10 confounded with the ability to write it off,
11 there may be an incentive, because there's not
12 costing them a hundred percent, to be more
13 loose into that writeoff.

14 CHAIRMAN CROSBY: It's like paying
15 income tax on a debt that was paid back, or on
16 interest that wasn't paid. You know, if you
17 accrue interest on an accrual basis and then
18 they don't pay it but the government -- you
19 can reverse it out of your P & L and the
20 government doesn't go ahead and tax you on the
21 interest on that that you never received.

22 COMMISSIONER ZUNIGA: Well, if you
23 have a debt forgiven, you owe taxes on it.

24 And I guess that's --

1 CHAIRMAN CROSBY: No. But it's --
2 yeah, but it's -- in that case, if you've had
3 a's debt forgiven, you've made the money. But
4 I'm talking about when you're not getting the
5 money, when you're not getting your interest.
6 If you're owed interest on something and you
7 accrue it as income and then you don't get
8 paid, you reverse it out. You don't pay taxes
9 on it.

10 So here we're -- I don't -- I mean,
11 if all the other jurisdictions do it, I'm not
12 sure this all that big a deal, can't be that
13 onerous, but it just -- it just doesn't make
14 any sense to me. They're not going to be
15 doing it unless they think it's in their
16 financial interest. Therefore, it's in our
17 financial interest.

18 I mean, it's not going to be
19 perfect, because sometimes they're going to
20 say, oh, rats, you know, I really hate to give
21 this guy a break because he's a nasty guy or
22 whatever or -- but as a practical matter, it's
23 a strategy that they use to service their
24 customers, in order that they stay their

1 customers and keep playing happily.

2 MR. CARPENTER: That sounds
3 reasonable.

4 COMMISSIONER MACDONALD: But if I
5 understand it, right, we do get hurt by it,
6 the Commonwealth gets hurt by it because that
7 vigorish, which is waived --

8 CHAIRMAN CROSBY: But they get
9 hurt -- they lose 75 cents of every dollar
10 that's given up, we lose 25 cents. So the
11 house is making a decision that it's worth
12 losing 75 cents on that dollar because, in the
13 long run, that customer will stay a good
14 customer.

15 COMMISSIONER MACDONALD: It's
16 basically a marketing decision on their part.
17 If they paid the same amount of cumulative
18 money to a marketing consultant, that's just a
19 cost of doing business. But they would still
20 owe the GGR, the percentage of GGR.

21 MR. LENNON: Basically, what we're
22 doing is, but through this tactic, and I've
23 worked through this with Commissioner Zuniga
24 on an income statement, you're basically

1 taking revenue out and you're adding it to
2 their marketing budget. So what you're doing
3 is you're taking tax dollars and supplementing
4 a marketing budget. That is, in fact, what
5 you're doing. You have a waiver to do that
6 with promotional play. You don't have a
7 waiver on the vigorish to do that. So -- in
8 statute.

9 CHAIRMAN CROSBY: Waiver statute?

10 MR. LENNON: Yeah, statutorily
11 waiver. So, you know, we've decided not to
12 limit promo like a lot of other jurisdictions
13 do. Once again, this is just adding one more,
14 one more, one more thing. That's with one
15 person's point of view, you know.

16 COMMISSIONER ZUNIGA: Right. No.
17 And the other argument that you made, was
18 that, if players know that this is
19 something -- if they see in real -- because a
20 promo play can be between the casino and the
21 player. But if on -- at the table they see
22 that somebody's never really paying the
23 vigorish, when is -- you know, I'm just like
24 them, when is my turn?

1 MR. BAND: Every player.

2 CHAIRMAN CROSBY: But, again, that's
3 a decision that the house -- you know, the
4 house suffers that consequence.

5 COMMISSIONER ZUNIGA: I don't
6 disagree with that. I don't disagree with
7 that. But the argument they made is that then
8 everybody's going to want that. And that's
9 something for us to consider.

10 MR. CARPENTER: I really don't want
11 to convolute this, but your analogy of a debt
12 owed, if they collected when they're supposed
13 to, it would not be a large debt. That's the
14 problem. That's why I quoted that regulation.
15 They don't follow the regulations, by large.
16 When patrons are high end, that'll break
17 regulation and not collect and allow it to get
18 prohibited. So you know, when we're trying to
19 protect them through GameSense and protect,
20 like, the gambler in them we sometimes are --
21 they're being put off by paying it because it
22 reaches too much --

23 CHAIRMAN CROSBY: But I thought I
24 understood -- those are two different issues.

1 One issue is, should the vig be paid at the
2 end of each -- either when the player leaves
3 or at the end of each shoe. That's already in
4 our statute -- our reg. You're saying we
5 should enforce it.

6 MR. CARPENTER: Yes.

7 CHAIRMAN CROSBY: There's a second
8 issue, which is can they comp people on that
9 vig at that time?

10 MR. BAND: And that's the main issue
11 that we're putting before you.

12 MR. LENNON: Yeah. I'm not
13 disagreeing whether they should comp it or
14 not. I'm just saying that it shouldn't be
15 augmented through the GGR process. That's a
16 business decision.

17 CHAIRMAN CROSBY: No, no. Right,
18 right. You know, I -- do you have an opinion
19 on this in particular, Mike, or do you want
20 to give it, as long as you're here? We'll be
21 asking for comment, but as long as you're
22 here.

23 MR. MATHIS: Thank you. Yeah, there
24 are definitely people in the company that

1 would want to be involved in this process. So
2 as I understand the --

3 CHAIRMAN CROSBY: In this
4 discussion?

5 MR. MATHIS: In this discussion.
6 Sorry.

7 CHAIRMAN CROSBY: Yeah, okay.

8 MR. MATHIS: To kick off a public
9 comment, we're perfectly fine with this. But
10 I agree with you, Chairman, which is, to me
11 maybe going back to -- it's almost a semantic
12 argument. If we had a promotion that said we
13 waive the vig, that would fall within the
14 exception. I think, generally, the philosophy
15 that we're perfectly aligned, in fact, more so
16 because we'll take a bigger haircut than the
17 state ever will, you could -- you know, you
18 could ride on our backs on most of these
19 decision so...but happy to have the -- bring
20 my experts in, talk about other jurisdictions
21 and the nuances of what's being discussed
22 here.

23 CHAIRMAN CROSBY: Okay.

24 MR. MATHIS: But thank you.

1 CHAIRMAN CROSBY: Thank you.

2 COMMISSIONER ZUNIGA: Thank you.

3 I'm very familiar with Connecticut, Sterl, and
4 I'm curious, I forget if I asked you, but what
5 are other nearby jurisdictions do, in terms of
6 what our player is used to?

7 MR. CARPENTER: I did research, and
8 there's no other jurisdiction that does this.

9 CHAIRMAN CROSBY: "Does this,"
10 meaning?

11 MR. CARPENTER: Gives them the right
12 to take off the commission.

13 CHAIRMAN CROSBY: Without --

14 COMMISSIONER MACDONALD: Of the GGR.

15 CHAIRMAN CROSBY: Of the GGR.

16 MR. CARPENTER: On the GGR.

17 COMMISSIONER ZUNIGA: I'm also
18 asking about the -- what players are used to.
19 But thank you for that. What are players used
20 to?

21 MR. CARPENTER: In what regard?
22 Like -- they're used to seeing high-end
23 clientele get catered to and then they all say
24 the same thing, why is that? Why does he get

1 to the break the rules and I don't? And it
2 just continues. But that's not -- that's not
3 even the biggest part. It's just that you --
4 like we said, they're allowed to make their
5 business decisions. It's a bad avenue to go
6 down. And that, we shouldn't have -- take the
7 responsibility from the Massachusetts, you
8 know, earning their 25 percent. If they want
9 to make that decision, that's on them.

10 CHAIRMAN CROSBY: Okay. Well, so
11 we've got it on the table to discuss. We'll
12 have a formal comment. I guess we send it out
13 for comment.

14 COMMISSIONER CAMERON: You're going
15 to put this in the regulation form -- memo?

16 COMMISSIONER ZUNIGA: Do we need to
17 draft this?

18 MS. BLUE: Well, I guess the
19 question is, if you would like us to amend the
20 regulation to remove it, we'll certainly do
21 that. Then it'll go through the normal
22 process. We'll bring you the reg to look at,
23 it'll go out of for comment. We'll have a
24 hearing, the whole thing. If that's the way

1 you would like us to proceed, we can
2 definitely do that.

3 COMMISSIONER MACDONALD: So moved.

4 CHAIRMAN CROSBY: Well, it sounds
5 like -- I think it sounds like we would like
6 to have comment on, particularly, this second
7 issue. Should -- can they take comp vig out
8 of GGR.

9 COMMISSIONER CAMERON: So we need to
10 rewrite the reg in order for them to comment
11 on it?

12 MS. BLUE: Yeah. I mean, so what
13 we'll do is we'll change the language in the
14 reg that allows them to take the vig out now.
15 We'll bring it to you. You will give us the
16 go-ahead to go ahead and put it through the
17 process. We'll get comments through the
18 process. Then, you can look at it again.

19 CHAIRMAN CROSBY: But couldn't we
20 just skip that step and just ask now, ask for
21 comment on whether or not they think the
22 statute as written is appropriate, or whether
23 we ought to change it?

24 MS. BLUE: I think the easiest way

1 to get comment is for our licensees to see
2 what the reg says.

3 CHAIRMAN CROSBY: Okay.

4 MS. BLUE: So we'll just make the
5 change and move it through.

6 CHAIRMAN CROSBY: Okay. Fine.
7 Thank you.

8 COMMISSIONER CAMERON: Thank you.

9 CHAIRMAN CROSBY: Interesting. I
10 never thought I'd be sitting talking about
11 what you do with vig. Tony Soprano.

12 MS. BLUE: The next item in your
13 packet, 8B, is amendments to 205 CMR 152.
14 This is the excluded persons list. We've
15 discussed this regulation before, and we got
16 your guidance on a number of issues. And
17 we've incorporated that guidance into this
18 regulation, in terms of we have changed the
19 hearing process so this follows the normal
20 hearing process, both sides have the ability
21 to appeal. We added in language about how the
22 state police should be contacted and when, if
23 an excluded person comes into the casino.

24 We would ask for your guidance on

1 another couple of other issues, where we've
2 made some changes but we're not sure we
3 captured where you wanted us to go. That
4 would be in Section 152.032. We had a long
5 conversation last time about the standard for
6 what injurious to the interests of the
7 Commonwealth and the gaming establishment
8 means. So we made some tweaks to that section
9 to determine -- to change that standard a
10 little bit.

11 We would also ask for your guidance,
12 for example, on how long someone should be on
13 the excluded persons list before they can
14 petition to be removed. Currently, the reg
15 has five years, but that's, clearly, something
16 that we as a Commission determines, so the
17 Commission can change that, if you'd like.

18 And then, we also have a section
19 on -- during the appeal process, the way it's
20 set up is that you could either stay the
21 person's name going onto the list, while they
22 go through the appeal process, or you can put
23 them on until their decision is overturned. I
24 mean, I think the legal department's

1 recommendation is you should go through the
2 process before your on it. But there are
3 different point of view on that.

4 So I have Deputy Director Lillios,
5 and I have Deputy General Counsel Grossman
6 here to answer any questions you may have on
7 this. But if you're comfortable with what's
8 here, that's obviously fine and we'll take it
9 through the process. If not, we can make some
10 further changes.

11 COMMISSIONER ZUNIGA: I have a
12 couple of comments and questions on the
13 revisions -- under revision mode. Maybe we
14 could take them in order. Section 2, 150 --

15 COMMISSIONER CAMERON: 02?

16 COMMISSIONER ZUNIGA: 152.03,
17 Subsection 2, so it's page two of the
18 regulation. We were talking about the
19 standards. I made the point last time, and I
20 still want to make it, I may be the only one,
21 which will be fine, on Subsection C, I was
22 looking for repeated, the word repeated,
23 because it's the one -- the one area where our
24 first offense could put you in the list.

1 Now, grant it, it's now -- the
2 standard is now of egregious -- egregious
3 conduct --

4 CHAIRMAN CROSBY: And a clear
5 threat.

6 COMMISSIONER ZUNIGA: And a clear
7 threat, which is something we did discuss.
8 But is there anywhere to put in the notion --
9 here's what I'm thinking about, somebody gets
10 into a fight, is that going to be considered
11 egregious and a clear threat to the safety of
12 other patrons?

13 MS. LILLIOS: Okay. If I could
14 address this. Good afternoon.

15 COMMISSIONER CAMERON: Good
16 afternoon.

17 MS. LILLIOS: So remember, these
18 factors in Subsection 2 just are factors that
19 may be utilized, when determining whether
20 somebody falls into criterion E above.
21 Whether someone's presence in the gaming
22 establishment poses a potential of injurious
23 threat to the Commonwealth.

24 And in order to figure that out, the

1 Commission or the IEB may consider, without
2 limitation, the factors in 2A through E. With
3 respect to the C, we did draw on language that
4 Commissioner Macdonald had suggested.

5 In terms of repeated, I do recall
6 the discussion about repeated. And I had
7 incorporated that notion in the term
8 egregious. If it's a term you'd like to see
9 in there, my suggestion would be egregious or
10 repeated conduct, because conduct could be
11 very egregious, even if it was only the first
12 time.

13 So I wouldn't -- my suggestion is
14 egregious or repeated. But the way I had
15 initially viewed it was, you know, repeated is
16 a notion captured in egregious.

17 The the bar fight, given where the
18 IEB was even before our recent discussion in
19 December, but especially after our discussion
20 in December, where it was clear from the
21 direction that you gave to the IEB, that you
22 wanted only serious conduct -- and I don't
23 mean to minimize a, quote, bar fight, which is
24 not even a well-defined term, but standing

1 alone that would not necessarily be egregious
2 conduct that would warrant placement on the
3 list.

4 CHAIRMAN CROSBY: What would your --
5 so would this apply to the case that caused
6 this to arise, the woman who left her
7 nine-year-old and 12-year-old in the car, if I
8 remember the case correctly. If this were the
9 standard, would she have gone on the list or
10 not?

11 MS. LILLIOS: Well, we usually make
12 that determination in a group setting, hearing
13 input from a number of people, including the
14 director. There were aggravating factors in
15 that case, but there were also mitigating
16 factors in that case.

17 CHAIRMAN CROSBY: This is what we're
18 trying to do, is put words to a feeling sort
19 of so -- and you're the one who's writing this
20 so you're the one that needs to tell the IEB,
21 here's what it means. So, you know, would it
22 be -- are you meaning to include that --

23 MS. LILLIOS: Well, let me ask
24 you --

1 CHAIRMAN CROSBY: I know you don't
2 know for sure.

3 MS. LILLIOS: Would you -- I mean,
4 really, with all due respect, this should be
5 the reverse. We should be asking you. Is
6 that what you -- we're looking for your
7 direction.

8 COMMISSIONER MACDONALD: I can
9 answer that. I would not mind find the facts
10 of that case to be egregious.

11 MS. LILLIOS: That's very helpful.

12 COMMISSIONER ZUNIGA: And that was
13 the consensus last time, when we discussed
14 this.

15 CHAIRMAN CROSBY: And that was my
16 feeling too. And I felt -- I wanted to find a
17 standard that would not have captured that
18 circumstance. But if you're not sure whether
19 it does or not, I'm puzzled.

20 COMMISSIONER ZUNIGA: Yeah. Then,
21 we need to rewrite it.

22 CHAIRMAN CROSBY: Right.

23 MS. WELLS: I just have a question,
24 just to help me. Another hypothetical set of

1 facts, someone leaves a six-month old baby in
2 a car and it's 90-degrees out and she's in
3 that -- that baby's in the parking garage,
4 does that person go on the exclusion list?

5 CHAIRMAN CROSBY: I mean, that might
6 very well --

7 COMMISSIONER MACDONALD: Well
8 that's, certainly, egregious.

9 COMMISSIONER CAMERON: That would
10 absolutely go on the list, in my mind.

11 MS. WELLS: I'm telling you right
12 now, I would put that person on -- that is
13 egregious.

14 COMMISSIONER CAMERON: And I think
15 it's hard to ask them to go back with a new
16 standard and say what would you do, because
17 the whole team has to talk about mitigating
18 and aggravating and what -- you know, and the
19 mitigating -- you know what I'm saying? So I
20 think that that's a little difficult to do,
21 because you'd all have different opinions on
22 what that means.

23 COMMISSIONER ZUNIGA: Oh, but
24 there's a very concrete example that prompted

1 this whole thing to begin with.

2 COMMISSIONER CAMERON: Which I never
3 had a problem with her on the list, I'll be
4 honest with you. I think it's atrocious she
5 leaves kids in the car.

6 COMMISSIONER ZUNIGA: But that's a
7 3-to-1.

8 MS. WELLS: So what I hear you
9 saying is, that the eight- to 12 year-old
10 range, at least on a first offense, you would
11 not put on the list --

12 COMMISSIONER ZUNIGA: No.

13 MS. WELLS: Despite the fact that
14 a -- an individual left the car running in the
15 garage, and that added a certain level of
16 increased risk to those children, because, A,
17 someone could steal the car, or they could hit
18 something in the car and set it in reverse.

19 But that the Commission, if it was
20 an infant or a more vulnerable child, or, say,
21 an extremely vulnerable elder, say someone
22 with extreme Alzheimer's left in the car, you
23 know, in a hot day, things like that, so
24 its' -- that's sort of the line you're giving

1 me, as far as the placement on the exclusion
2 list, because I need to know. Ultimately,
3 it's your call. I'm telling you --

4 MS. BLUE: Can I weigh in just a
5 little bit here. You know, what we're trying
6 to create here is a regulation that applies
7 across a number of situations. And I think
8 the IEB is correct. When they sit down and
9 look at individual situations, then they make
10 assessments based on the facts, and that's
11 appropriate.

12 Part of the change to this section
13 was because the hearing officer read this
14 section as being limited to what the IEB could
15 do. And so, we changed that language and we
16 said without limitation. So they're not
17 limited to just what's in here. But this is a
18 set of guidance.

19 I think that, if you try to craft
20 language around a particular situation or a
21 particular group of situations, that really
22 doesn't give the IEB the flexibility that they
23 need.

24 So while I appreciate thinking about

1 it that way, I think what you want to think
2 about here is, how much flexibility does it
3 give the IEB, and are you comfortable that
4 these items listed under two provide an
5 adequate definition of the injurious threat to
6 the interest of the Commonwealth and the
7 gaming establishment, knowing that this not a
8 complete list, because we're not saying this
9 is all they can consider. This is what --
10 this is the -- what defines that Section E
11 that, you know, we pointed out.

12 So I would try not to get too
13 involved in actual, factual conversations
14 here. But I think what we want to think about
15 is, how does this work? Does it give the IEB
16 enough flexibility to make decisions? And
17 then, ultimately, it will come before a
18 hearing officer or come before you, and those
19 facts will be decided upon and we'll see how
20 that plays out and what body of case law that
21 builds. But I would just caution us of
22 getting too tied up in a particular example.

23 COMMISSIONER MACDONALD: I think
24 that's a very good -- I think that's a very

1 good point. I think the question here, is
2 there a better word than egregious? I may
3 have suggested it, but I'm not suggesting that
4 I wouldn't be open to another word.

5 The policy issue is that this is --
6 the exclusion list, in my view, is to be
7 reserved for particularly, you know,
8 dangerous, potentially harmful, or actually
9 harmful conduct. I don't know a word better
10 than egregious and, also, a clear threat.

11 COMMISSIONER ZUNIGA: I think it's
12 fine.

13 CHAIRMAN CROSBY: I think the
14 repeated is a constructive -- but I think we
15 are -- in this conversation, you're getting,
16 again, a flavor of where we're coming -- it's
17 not a majority view -- I'm sorry. It's not a
18 unanimous view, but it is a majority view on
19 how -- what we're trying to get out of this.

20 The only thing I wonder about is the
21 use of may, as opposed to must or will,
22 because if we say may, it means we can just
23 forget about it and use the E as it stood
24 before and make the same decision we made last

1 time. So what would be wrong with saying the
2 Commission --

3 COMMISSIONER ZUNIGA: Let me
4 advocate for may here.

5 CHAIRMAN CROSBY: Okay.

6 COMMISSIONER ZUNIGA: Because we're
7 trying to give that discretion, precisely what
8 we're asking. That they may, without
9 limitation, part of the context of this was
10 that the hearing officer, who's a third party
11 here that has a very important role, read that
12 to be exclusive. And by adding both the
13 ability and then -- you know, and the without
14 limitation then gives the discretion for this
15 group to weigh all the mitigating and
16 aggravating factors and come up with a --

17 CHAIRMAN CROSBY: I understand
18 you're giving the heads-up to the hearing
19 officer, which is fine. He'll get the
20 difference here. And either word would
21 accomplish that objective. But when you're
22 saying may, it means you also may not. And
23 that means you would just read Section E,
24 which is the way it was.

1 COMMISSIONER ZUNIGA: Well, anytime
2 I see a must, then, my take is that people,
3 like the IEB, would feel compelled to anytime
4 any of these happen, regardless of mitigating
5 factors, must be placed on the list.

6 CHAIRMAN CROSBY: It says must
7 consider. But you're not comfortable with
8 that.

9 MS. WELLS: I mean, I think -- I
10 hear your point. But I think, as a practical
11 matter, we have to remember that, you know,
12 this is agency -- an agency and agency law
13 that we're dealing with. So there is that
14 connection and that respect for authority and
15 the will of the Commission. So we are not
16 talking about some rogue individual making
17 decisions, who doesn't consider the import of
18 the Commission's direction here.

19 CHAIRMAN CROSBY: And as Catherine
20 said, it will come back to us.

21 MS. WELLS: Right. That's the
22 ultimate test on how you make, you know, these
23 determinations. Is, eventually, there'll be
24 some case law or administrative law based on

1 Commission decisions. And it's frustrating
2 because we don't have that now because we're a
3 new agency. But that's how this ultimately
4 works, and then there's guidance there. So
5 between those two principles, I'm very
6 comfortable that your concerns would not
7 really come to fruition.

8 COMMISSIONER MACDONALD: The further
9 perspective on this is that each of those
10 factors that's listed in Subsection 2 are
11 factors that are taken into account in making
12 this very evaluative judgment as to whether
13 there's a potential of injurious threat to the
14 interest of the Commonwealth.

15 CHAIRMAN CROSBY: In the gaming
16 establishment.

17 COMMISSIONER MACDONALD: Yeah, in a
18 gaming establishment. So that itself is
19 very -- you know, is very loose. So that'll
20 be appropriate -- it seems appropriate to have
21 a may in there because that says you can take
22 these kinds of factors into account. It's not
23 necessary. But, ultimately, there's a
24 judgment as to the potential injurious threat

1 to the interest of the Commonwealth and the
2 gaming establishment.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER ZUNIGA: So could we
5 add repeated or egregious?

6 MS. LILLIOS: Yes.

7 COMMISSIONER ZUNIGA: I would also
8 like to talk about the or near the premises,
9 because we --

10 COMMISSIONER CAMERON: Where's that,
11 Commissioner?

12 COMMISSIONER ZUNIGA: Same. C.
13 "whether the individual's egregious conduct
14 poses a clear threat to the safety of
15 employees or others on or near the premises."
16 What's the idea behind the near the premises;
17 how far are we going to go, near the premises?

18 COMMISSIONER MACDONALD: Isn't that
19 the parking lot?

20 COMMISSIONER ZUNIGA: Well, that's
21 part of the premises.

22 COMMISSIONER MACDONALD: Well, I
23 don't know. Wasn't there an argument --

24 MS. BLUE: Well, and that's part of

1 the gaming establishment.

2 COMMISSIONER ZUNIGA: That's part of
3 the gaming establishment.

4 MS. BLUE: Like, the garage would
5 be -- the road -- it depends on each facility.
6 But in PPC, for example, the garage is
7 probably part of the gaming establishment.
8 The road might not be.

9 COMMISSIONER MACDONALD: I mean, I
10 would think so. I thought there was an
11 argument that it wasn't, that the garage was
12 not.

13 COMMISSIONER ZUNIGA: No, no. I
14 think the garage is a gaming establishment.
15 It's not the gaming area. But are we going to
16 go across the street to the Lowe's?

17 MS. LILLIOS: No. I don't think
18 that was -- I think it was language taken from
19 the discussion. And I don't see a problem
20 with limiting it to the premises of the gaming
21 establishment.

22 COMMISSIONER ZUNIGA: I would be
23 comfortable with that.

24 CHAIRMAN CROSBY: Excuse me, could I

1 just interrupt.

2 MS. WELLS: The only -- I'm just
3 trying to think because I think we're
4 thinking --

5 CHAIRMAN CROSBY: Karen,
6 Karen, Karen. Excuse me.

7 MS. WELLS: Oh, sorry.

8 CHAIRMAN CROSBY: I should have
9 brought this up beforehand, but I have an
10 appointment at the statehouse at four o'clock
11 that I need to do a little prep for, so I'm
12 going to dash out. And if you would take
13 over, Treasurer. And I will go along --
14 please feel free to vote on this one, if
15 you're going to vote without me here, because
16 I'm comfortable with wherever we come down.
17 Okay?

18 COMMISSIONER ZUNIGA: Okay.

19 CHAIRMAN CROSBY: Sorry, Karen.

20 MS. WELLS: Oh, no, that's all
21 right. Just the near -- I think we've been
22 thinking in terms of Plainridge, because we
23 are familiar with that property. But now, as
24 I think about, you know, Springfield, you

1 know, the gaming establishment does not
2 include the sidewalk. So hypothetically,
3 something happens, some kind of incendiary
4 device, something like -- something where
5 there --

6 COMMISSIONER CAMERON: Very serious.

7 MS. WELLS: You could be right next
8 to it.

9 COMMISSIONER MACDONALD: A child
10 left in a car in a -- in a parking space on
11 the street.

12 MS. WELLS: Yeah, or something like
13 that. So with Plainridge, I think taking near
14 out makes sense. I just wonder -- I'm just --
15 because we haven't really operated in
16 Springfield. I'm just thinking about because
17 there's that distinction, there's the building
18 and then the parking -- then the --

19 COMMISSIONER CAMERON: Plus, their
20 judgment is very sound. They're not going
21 across the street to the Lowe's.

22 MS. BLUE: But you have to
23 understand, though, we only have authority
24 over the gaming establishment. Authority does

1 not extend to the sidewalk, if it's not in the
2 gaming establishment. So we just want to keep
3 in mind where we're going.

4 COMMISSIONER STEBBINS: I want to
5 offer more -- I want to offer more flexibility
6 and more consideration from IEB. But, again,
7 not to draw on a specific case, but we had an
8 incident the other day, Massachusetts woman
9 followed from a gaming establishment back to
10 her house. If that happened at Plainridge,
11 would we want to take some type of action on
12 the individual who committed the crime, you
13 can't come back into the gaming establishment.

14 MS. BLUE: But that's a different
15 story, though. I mean, that person -- you
16 might not -- you might put that person on the
17 excluded person's list because they were
18 convicted of something or charged with
19 something. You know, we only are authorized
20 to cover the gaming establishment. And we try
21 to draw those lines in a way that work, right.
22 But if you're talking about Springfield, the
23 sidewalk belongs to City of Springfield.

24 COMMISSIONER CAMERON: So it's your

1 legal opinion, that if there's an assault with
2 a deadly weapon right there on the sidewalk
3 right in front of the casino, we have no
4 ability to take any action, as far as
5 excluding that person?

6 MS. BLUE: You would probably be
7 able to exclude them, but not because they're
8 in the gaming establishment. Maybe, if they
9 were convicted of some kind of crime, or the
10 robbery occurred in the gaming establishment
11 but then they were arrested by Springfield
12 police outside. But not, necessarily, maybe
13 under egregious to the interest of the
14 Commonwealth and a gaming establishment.
15 That's what this particular section is
16 defining.

17 So you might have other ways to
18 exclude them for other reasons. But you have
19 to just be mindful of where, sort of, our
20 authority starts and stops and -- under this
21 definition. I'm not saying, you know, the
22 person's not an ordinarily criminal person and
23 you could exclude them for that reason. But
24 you might not be able to exclude them under

1 this definition.

2 COMMISSIONER STEBBINS: I think it's
3 important to -- for us to understand, that
4 putting somebody on the exclusion list kind of
5 is I think -- I described it to Catherine
6 earlier, is it's one of a compendium of
7 official enforcement actions that can take
8 place on an individual arrested for criminal
9 activity. I mean, nobody is going to make a
10 decision in the parking garage that you're
11 going on the exclusion list. There are other
12 things that will happen.

13 But I like the change. I like the
14 fact that it, kind of, expands your authority
15 to deal with critical cases. And to
16 Catherine's point, it gets appealed back to
17 us, if for any reason, you know, it hasn't
18 been enforced correctly.

19 COMMISSIONER ZUNIGA: So is the near
20 relevant, even in the context of Springfield
21 and Wynn?

22 MS. BLUE: I think it's cleaner, if
23 we just say -- one of the things we
24 consider -- and, again, these are just things

1 we consider. We consider their conduct in the
2 gaming establishment. Gaming establishments
3 are big. It's bigger than the gaming floor.
4 And then, if other things happen, you know,
5 there are other factors. It doesn't mean the
6 IEB can't consider them. You know, they can.
7 This is not a limitation.

8 COMMISSIONER ZUNIGA: It's without
9 limitation.

10 MS. BLUE: Yeah.

11 COMMISSIONER MACDONALD: I like the
12 phrase "near the premises." I would think
13 that, if we had a situation where somebody was
14 gaming in the MGM casino and parked his or her
15 car on the street in a meter right outside the
16 gaming establishment and left a nine-month-old
17 in there and it's 90-degrees, if -- I have no
18 difficulty in thinking that there's a
19 sufficient nexus between the gaming
20 establishment and the conduct to rest an
21 enforcement action, in the nature of having
22 that person added to the exclusion list.

23 MS. LILLIOS: In terms of the
24 legality of it, although I think you could go

1 either way on it, but in terms of the legality
2 of it, I think you can justify the near by
3 explaining that it's still the Commission's
4 interest in the gaming establishment, even
5 though the conduct happened near -- you know,
6 adjacent to the gaming establishment. Still
7 your reputational interest in the gaming
8 establishment. So that would be one way to
9 justify it, if that's the direction you want
10 to going in.

11 COMMISSIONER MACDONALD: I think
12 that's persuasive.

13 COMMISSIONER ZUNIGA: All right.
14 Well, let's move on from this. It sounds like
15 we have a bit of a consensus unanimously.

16 COMMISSIONER CAMERON: To leave the
17 document as is, other than the change you
18 offered with --

19 COMMISSIONER ZUNIGA: Or repeated.

20 COMMISSIONER CAMERON: -- and/or
21 repeated? Or?

22 COMMISSIONER ZUNIGA: Yes.

23 COMMISSIONER CAMERON: Or.

24 COMMISSIONER ZUNIGA: Yes. And/or

1 repeated but leave the near.

2 COMMISSIONER CAMERON: Okay.

3 COMMISSIONER ZUNIGA: I had another
4 question, further. Are there others? I
5 wanted to talk the petition to remove the name
6 from the exclusion list.

7 COMMISSIONER CAMERON: Time frame?

8 COMMISSIONER ZUNIGA: Yep. We did
9 discuss different time frame.

10 COMMISSIONER MACDONALD: What number
11 is that?

12 COMMISSIONER ZUNIGA: That's page
13 56, 152.07. And, you know, it's highlighted
14 here for us to call attention, which I think
15 is very good. I think the five-year threshold
16 is quite. In my mind, I've always thought
17 that by itself spoke to how limited some of
18 this. But given the direction that we seem to
19 be going, I would like to rethink this
20 five-year to a smaller, or a group of smaller
21 periods.

22 I was wondering, first, if we could
23 have two options. Either a one-year and a
24 five-year, sort of like the self-exclusion.

1 And if that's too clunky, whether we could
2 just reduce to something lower than five
3 years.

4 MS. BLUE: So I think having two
5 options, because unlike voluntary exclusion,
6 where you pick your term to begin with, this
7 is -- you know, you didn't pick to be on this
8 list. So I think having -- I don't know how
9 we would distinguish -- you know, how you get
10 one or the other, unless what we're suggesting
11 is, you know, you could come after one, but
12 then you could come again after five, or
13 something like that. I think, you know, it's
14 sort of a philosophy of who goes on the list.

15 So I've always thought about it
16 personally, as if it's really, really bad
17 people that go on the list, then, five years
18 is perfectly appropriate, or you could pick
19 some other time. If the list encompasses a
20 lot of people for a lot of different kinds of
21 offenses, you may want a one-year, two-year,
22 some smaller length of time so they can come
23 back and show you what they've done in the
24 interim and whether they should be let off or

1 not.

2 The other thing, too, is if they
3 petition to come off it doesn't mean they have
4 to come off. I mean, the IEB would have to
5 make a recommendation, the hearing officer
6 would have to agree with that. There'd have
7 to be hearing on it. So it's not an
8 automatic, that you just petition and you come
9 off.

10 COMMISSIONER MACDONALD: I think
11 that there appeared to be a consensus the last
12 time we discussed this, that the list be a
13 small one. That we reserve placement on the
14 list for, say it again, egregious conduct.
15 And if that's the case, then, a five-year
16 period in my mind is appropriate.

17 Furthermore, it's condition on
18 except in extraordinary circumstances. So if
19 justice, in retrospect, wasn't in fact done,
20 the person could petition under that
21 extraordinary circumstances clause.

22 COMMISSIONER ZUNIGA: Well, the idea
23 of having more than one period is to be able
24 to deal with this thing that we're

1 struggling -- we're all struggling with, in
2 terms of the degree of severity. The first
3 time offenders, however egregious we determine
4 them to be, or repeated offenses. But -- so
5 are there other thoughts on this,
6 Commissioners, on the five years?

7 COMMISSIONER CAMERON: You know, I
8 think that if we -- I don't imagine this list
9 is going to be really long, and so I'm really
10 comfortable with the fiver years. I'm not --
11 and there is a catchall, if there was
12 something that happens later that we find out
13 that the information was incorrect. I can't
14 imagine anything else, Commissioner, other
15 than incorrect information, right, that would
16 fit in that category?

17 So, yeah, I'm -- you know, I'm fine
18 with -- I mean, certainly, one year is not
19 enough. Certainly, one year does not really
20 make the point after egregious behavior, that
21 they get to petition after on year. I don't
22 think that's --

23 COMMISSIONER ZUNIGA: Remember, that
24 we don't have to take action. The petition --

1 the idea would be to -- you know, to come
2 before somebody and then be reviewed. But I
3 get the point. Commissioner?

4 COMMISSIONER STEBBINS: Yeah. I
5 don't, necessarily, have an issue with the
6 five years. Again, you know, nobody goes on
7 this list -- everybody has the right to appeal
8 being placed on this list first. They can
9 petition us short of that five years for what
10 they deem as extraordinary circumstances.

11 You know, is the five years -- you
12 know, I'm comfortable with the five years. I
13 also worry that if we gave everybody a bunch
14 of one-year suspensions that we will have a
15 hearing process and staff time tied up going
16 through all these appeals and hearings, and
17 subsequent hearings that --

18 COMMISSIONER ZUNIGA: I don't worry
19 too much about that, because there's a
20 presumption that this will be a short list.
21 The review of the appeals can be rather small.
22 You know, they don't have to be lengthy,
23 especially if there's already a record of
24 having gone through the first -- through the

1 first process that we could take a look at.

2 Another piece that I wanted us to
3 think about is what goes on here, that after
4 those five years, or however many, that it
5 comes back to the Bureau. Why couldn't it
6 come back to the Commission?

7 MS. BLUE: Well, in this case, what
8 you want is someone to review what the
9 circumstances are that would entitle this
10 person to come off the list. So just like the
11 Bureau makes a recommendation to put on the
12 list, we would want their input as to whether
13 this person should come off.

14 So they would look at what's gone on
15 with this person in the last four or five
16 years, maybe, you know, they do their
17 background check things. So you would want a
18 recommendation. And if they came back and
19 said, you know, we don't recommend that this
20 person comes off, because the concept is
21 you're on here forever, unless, after five
22 years you come back.

23 I mean, that would be important for
24 the hearing officer, and ultimately the

1 Commission to review and to understand,
2 because, you know, I think that's important.
3 So I think you wouldn't want a situation where
4 the person just came, kind of, cold to a
5 hearing officer without the opportunity for
6 the IEB to review why they thought they should
7 come off. I think that part's a very
8 important piece.

9 COMMISSIONER ZUNIGA: Even if it's
10 just the notion, I think I understand now. I
11 did my punishment. I served my time?

12 MS. BLUE: So think about the racing
13 side. We have a lot of experience on this
14 issue on the racing side. And sometimes, when
15 people want to come off the exclusion list on
16 the racing side, they come back and that's
17 what they say, I learned my lesson. I want to
18 come off. But they don't tell us anything
19 more than that so we have to, kind of, look
20 into it. And maybe it's true, they've been
21 really good for five or 10 years, and they
22 should. But maybe we also find out that
23 they've been, you know, picking up tickets off
24 the floor and trying to claim them and, you

1 know, they've been in and out of the facility
2 when they shouldn't have been.

3 COMMISSIONER CAMERON: Right. Have
4 an egregious situation at another racetrack,
5 in the interim.

6 MS. BLUE: Yeah. So, you know, just
7 because they say they've learned their lesson,
8 there has to be some sort of check on what
9 they've actually done during that period. So
10 I think it would better serve the hearing
11 officer, as well as the Commission, to have a
12 recommendation from the IEB.

13 COMMISSIONER MACDONALD: I think
14 it's appropriate to have the Bureau do the
15 first -- do the first review here. And
16 Catherine, on that reference to the hearing
17 officer, and I had a question on Subsection 3
18 here, "Individual has 30 days from the date of
19 the service to request a hearing in
20 accordance," and then it says "the Commission
21 shall schedule a hearing." This would be
22 before the hearing officer, right?

23 MS. BLUE: Before the hearing
24 officer, yes. That's why it says, you know,

1 pursuant to 101.

2 COMMISSIONER MACDONALD: Right.

3 MS. BLUE: And 101 would require it
4 to come to the hearing officer first.

5 COMMISSIONER MACDONALD: Maybe,
6 it'll just be clear if you wrote, schedule a
7 hearing before the hearing officer.

8 MS. BLUE: We can. We can fix that.

9 COMMISSIONER ZUNIGA: All right.

10 Any other comments?

11 COMMISSIONER STEBBINS: I had one.
12 I want to have a comfort level around 152.04,
13 Subsection 6, which appears to be a lot of new
14 language at the bottom of page three. Again,
15 given an individual an opportunity to appeal
16 being added to the exclusion list. I want to
17 be comfortable that there are -- we can expect
18 that, for this person who have risen to this
19 level of activity, that there are other,
20 again, enforcement actions being taken that,
21 whether it's a no trespassing order, whether
22 it's actually criminal charges being filed, if
23 the case warrants it, that we have an
24 opportunity to make sure that person does not

1 go back to the casino in the intervening time
2 period.

3 MS. LILLIOS: And that does link
4 with Subsection 6. Okay. So we do work with,
5 right now, PPC on their eviction notices. And
6 there is definitely -- if we were to put
7 somebody on the list for egregious and/or
8 repeated conduct, there is a time period from
9 the time we identify them to the time they go
10 on the list that they wouldn't be on there,
11 right, because we give them -- first we send
12 them notice, we wait the 30 days for them to
13 ask for hearing. And then, if we do ask for
14 hearing, we wait until the hearing before the
15 hearing officer's scheduled, and then the
16 determination of the hearing officer. So we
17 do work with the casino for that period of
18 time and would continue to do that.

19 The language in six, there's some
20 alternative language here to address a
21 situation where the case goes to the hearing
22 officer, hearing officer agrees with IEB, says
23 the person should go on the list, then the
24 person has the right to appeal to the

1 Commission. They get 30 days whether to
2 appeal to the Commission. Then, if they
3 appeal to the Commission, it gets scheduled,
4 it gets briefed, it gets heard.

5 Do you want, in that instance,
6 for -- between the hearing officer's decision
7 and your decision for the person to go on the
8 list, or do you want the hearing officer's
9 decision to be stayed?

10 COMMISSIONER MACDONALD: I have an
11 answer to that. My answer is --

12 COMMISSIONER ZUNIGA: Let's let the
13 lawyer...

14 COMMISSIONER MACDONALD: It's not
15 being a lawyer's position so much. I think
16 that -- I'm for the alternative. I think, if
17 IEB has found that the conduct is egregious,
18 repeated, you know, or egregious, there's a
19 hearing before the hearing officer, there's
20 a -- you know, a five-year exclusion that
21 hangs in the balance here, I think two bites
22 at the apple is enough to provide, you know,
23 due process.

24 COMMISSIONER CAMERON: Put them on

1 the list.

2 COMMISSIONER MACDONALD: Put them on
3 the list. And if he or she prevails before
4 the Commission, then, they're off the list and
5 they're free. You know, again, going back to
6 a high standard here for qualification for
7 the -- you know, being on the list, I wouldn't
8 want, you know, anybody who's been through the
9 first two stages of process and failed at both
10 to be welcomed at any of our facilities.

11 COMMISSIONER ZUNIGA: Almost like a
12 loophole of sorts. Sounds to be -- does --
13 that sounds to be a consensus.

14 COMMISSIONER CAMERON: Yes.

15 COMMISSIONER ZUNIGA: So let's skip
16 that.

17 COMMISSIONER CAMERON: Very
18 well-put, Commissioner.

19 COMMISSIONER ZUNIGA: I had another
20 question. I don't know if it's here or
21 elsewhere, where we place the name of a person
22 on the website.

23 MS. BLUE: So right now, we do put
24 the list on the website. We put the name of

1 the person, I think, and their date of birth.
2 Last time, a question came up, you know,
3 should we put them on the website at all.
4 That's something that we determined as a
5 Commission to do.

6 The question is, you know, the value
7 of having the name. When we did that, we
8 anticipated putting more information on the
9 website than we ultimately did. And I think
10 we made the right decision not to put all that
11 information because some of it was CORI
12 information, some of it was personal. But I
13 think, you know, it's a good discussion to
14 have as to the benefit of having what's there
15 on the list. We know our licensees have a
16 much more detailed list. So, obviously, they
17 have the information they need to enforce it.

18 COMMISSIONER ZUNIGA: Well, I for
19 one would like to rethink the putting it on
20 the website. One of the things in this last
21 cease that I found was a bit of a dilemma, was
22 this person felt that there would be serious
23 reputational damage to her, by being
24 searchable on some -- on some website, which

1 to me, sounded like an additional element,
2 perhaps, not intended, of punitive aspect.

3 So I wanted to discuss that because,
4 if the purpose is to punish or to prevent
5 behavior, or effectively to keep people out of
6 gaming establishment, which I think is the big
7 purpose here, any thoughts on the element of
8 publishing on a website the names of people?

9 COMMISSIONER CAMERON: After
10 egregious behavior and a clear threat, I have
11 no problem with their name being on the
12 website.

13 COMMISSIONER MACDONALD: I don't
14 either.

15 COMMISSIONER STEBBINS: I don't
16 either.

17 COMMISSIONER ZUNIGA: Okay. Sounds
18 like a consensus. Well, again, I'm not
19 unanimous consensus.

20 COMMISSIONER MACDONALD: A partial
21 consensus.

22 COMMISSIONER ZUNIGA: A partial
23 consensus. Okay. Any other comment on this?

24 MS. BLUE: So if you're comfortable

1 and you would like us to move this through the
2 process, I've provided a motion. You can make
3 a motion that says with the changes that we
4 discussed. You can authorize us to start the
5 promulgation process. And we'd be happy to do
6 that. So this is 152, 205 CMR 152.

7 COMMISSIONER MACDONALD: I move that
8 the Commission approve the amendments to 205
9 CMR 152, as included in the packet, and as
10 revised in the preceding discussion, and
11 authorize the staff to take the steps
12 necessary to begin the regulation promulgation
13 process.

14 COMMISSIONER STEBBINS: Second.

15 COMMISSIONER ZUNIGA: Motions made
16 on second. Any more discussion? All those
17 favor?

18 MR. MACDONALD: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Against? Aye.

22 The ayes have it 3-to-1. Thank you.

23 MS. BLUE: Item 8C is an amendment
24 to 205 CMR 134.03. And to put this in a

1 little bit of context, we had our discussion
2 this morning, the first part of our
3 discussion, on what job positions the
4 Commission would want to exempt, now that it
5 has authority to exempt certain job positions
6 from registration. When we got that ability
7 under the law, we needed to update our
8 regulation to provide the discretion. Now, it
9 does rest with the Commission.

10 So what you'll see in 134.03(1),
11 what we've done is we've added the tracts, the
12 statutory language, and essentially says that
13 the Commission has the ability, at its
14 discretion, to exempt certain gaming service
15 employees from registration by job
16 description.

17 We've put in language that says the
18 Commission can require any information it
19 wants from the licensees in order to make that
20 determination. And I think, more importantly,
21 that the Commission can, at anytime, review
22 exemptions or nonexemptions and change its
23 mind. So this is just very, very basic. And
24 this is just -- really brings the regulation

1 into compliance with the law.

2 COMMISSIONER MACDONALD: The only
3 observation I would make here, or comment I
4 would make, Catherine, is the last sentence,
5 "The Commission may, at anytime in its
6 discretion, reclassify any job position," when
7 I read that, I didn't understand what
8 reclassify meant.

9 MS. BLUE: So we can change that
10 to -- we can tie it to exemption, rather than
11 reclassify.

12 COMMISSIONER CAMERON: So exempt any
13 job position?

14 MS. BLUE: Yes. It could revisit
15 its decision regarding the exemption of any
16 job description. We can fix that in that
17 section.

18 COMMISSIONER CAMERON: Okay.

19 MS. BLUE: But we just think it's
20 important that you can, kind of, go back and
21 forth on that.

22 COMMISSIONER STEBBINS: Right.

23 MS. BLUE: Now, one of the driving
24 forces behind this, just so that we can share

1 this with the Commission, is that we want --
2 we want to make sure -- and we raised this a
3 little bit this morning, that positions at one
4 casino are treated the same as positions at
5 other casinos' similarly-situated positions.

6 And the reason behind that is, we've
7 done some research into the case law. We've
8 been -- there was an excellent decision
9 written by Judge Gorton last year in the
10 taxicab case last year in Boston, that talked
11 about the concept of equal protection.

12 So just so, you know, we are all on
13 the same page, when the Commission makes a
14 determination to exempt a certain position,
15 that it will be assumed that that same
16 position will be exempt at other facilities,
17 unless that other licensee can show you some
18 circumstances that would justify on a rational
19 basis that it should not.

20 So, you know, we -- what we're doing
21 now will have impact on our other licensees.
22 But our other licensees will also have the
23 ability to come back to the IEB and say, okay,
24 the example we've been kicking around, okay,

1 you know, you exempted valets at one facility,
2 we don't want to you exempt our valets here,
3 because not only do they park cars, they do
4 the guy's banking at the same time. So we'd
5 say, okay, it's a different position, no
6 problem so...but we do have an equal
7 protection kind of threshold we want to meet.
8 And a similar-situated position should be
9 treated the same.

10 MS. WELLS: The only thing I would
11 add to that, is that it's not just the
12 licensee who could potentially object. It
13 could also be the Commission or the IEB, or
14 the Commissioner -- individual Commissioner.
15 It's not just up to the licensee, whether
16 there would be a different category.

17 MS. BLUE: Oh, yes. Yeah. No,
18 that's definitely true. Definitely true.

19 COMMISSIONER STEBBINS: Mr. Chair, I
20 move the Commission approve the amendments to
21 205 CMR 134.03 as included in the packet, and
22 with subsequent changes as discussed here, and
23 authorize the staff to file the regulation on
24 an emergency basis, pursuant to Chapter 23K,

1 Section 5B, and further to take the steps
2 necessary to file the regulation with the
3 Secretary of Commonwealth, and to proceed with
4 the formal regulation promulgation process.

5 COMMISSIONER CAMERON: With the
6 appropriate language changes as discussed?

7 COMMISSIONER STEBBINS: Yes.

8 MS. BLUE: Yes.

9 COMMISSIONER ZUNIGA: That was in
10 the motion.

11 COMMISSIONER CAMERON: Second.

12 COMMISSIONER ZUNIGA: Motion's made
13 on second. I just have one question. ST2017,
14 that refers to the acts of 2017, where this
15 particular --

16 MS. BLUE: That's right. That's
17 right. It is codified in Chapter 172, I
18 believe. But we went back to the original
19 source, which is the acts of 2017. And we
20 cited it here so it's clear to any of our
21 licensees looking at it. They can go and find
22 it and they know what it is.

23 COMMISSIONER ZUNIGA: And even
24 though it's codified elsewhere later, we won't

1 have any kind of --

2 MS. BLUE: No. No. It should be
3 fine --

4 COMMISSIONER ZUNIGA: -- bad
5 reference?

6 MS. BLUE: Yes.

7 COMMISSIONER ZUNIGA: All right.
8 All those in favor.

9 MR. MACDONALD: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye. Opposed?
13 The ayes have it unanimously.

14 MS. BLUE: Thank you.

15 COMMISSIONER ZUNIGA: Thank you.

16 Next item -- are we done with Item 6?

17 MS. BLUE: Yep. And we're done
18 with --

19 COMMISSIONER ZUNIGA: I'm sorry, we
20 were done with Item 8. Sorry about that.
21 Okay. Item No. 9, I believe Commissioner
22 Stebbins has the first up.

23 COMMISSIONER STEBBINS: Great. I'm
24 happy to stand between us and adjournment

1 wonderful. Again, this is -- focusing on the
2 White Paper the Commission has pulled together
3 about reinvesting the Gaming Economic
4 Development Fund. The goal of this White
5 Paper is to offer some strategic thinking and
6 create a conversation about how to use Class 1
7 licensee gaming tax revenue allocated to the
8 Gaming Economic Development Fund to broaden
9 the impact of gaming in Massachusetts.

10 This process from the beginning has
11 been a great opportunity to engage many of the
12 stakeholders that that Commission has
13 interacted with over the past few years and
14 the beginning of our work. I want to thank
15 those organizations who submitted strategy for
16 their time and effort in what I believe is a
17 unique opportunity.

18 We also want to acknowledge the
19 efforts in the paper and support we received
20 from various state agencies when we reached
21 out for additional information and background.
22 Including in that is Mass Growth Capital
23 Corporation, MassDevelopment, Mass Office of
24 Travel and Tourism, the cabinet agencies that

1 make up the governor's skills cabinet, some
2 great contacts provided to us by
3 Commissioner Macdonald with the City of New
4 Bedford and Commonwealth Corporation.

5 I also want to thank -- express my
6 thanks for the time and talent provided by MGC
7 staff, including Jill Griffin, John Ziemba,
8 Janice Reilly, Mark Vander Linden,
9 Elaine Driscoll and Justin Stempeck.

10 The White Paper sections, here again
11 are the components of White Paper. We've
12 talked about this before. We will also have
13 two attachments that will go out with the
14 White Paper, including information on how
15 other gaming jurisdictions allocate their tax
16 money, and a complete portfolio of all the
17 other strategies we received.

18 In the next sections, the bottom
19 three, we'll talk about our shared
20 recommendations. They made a strong effort to
21 connect -- how we made those recommended
22 strategies connect back to the priorities of
23 the Gaming Economic Development Fund. And
24 finally, the last section, we brainstormed

1 around next steps, follow up, monitoring the
2 success of these strategies, if we can move
3 ahead with implementation.

4 The White Paper background sections,
5 again, it's -- I think it's critical to
6 refresh some information about the Gaming
7 Economic Development Fund and the other new
8 funds being created as a result of the opening
9 of our Class 1 casinos. We also shared the
10 key language from the statute highlighting the
11 fund and the priorities for spending
12 associated with the fund.

13 Just as a refresher, these
14 priorities include a workforce training,
15 tourism promotion, summer jobs, the
16 Massachusetts Market Partnership, which is a
17 partnership between the Mass Office of Travel
18 and Tourism, and the Mass Office International
19 Trade and Investment to do a lot of trade and
20 investment to do a lot of overseas tourism
21 promotion. Regional economic development
22 initiatives, a very broad category, support
23 for small business, green jobs, STEM programs
24 and agricultural development programs. As you

1 can see, many of these priorities directly
2 align with the anticipated outcomes that we
3 expect from the introduction to gaming.

4 To stress what we believe is an
5 innovative effort that we're undertaking, we
6 shared information about what other commercial
7 gaming jurisdictions, again, do with their tax
8 revenues. We also reviewed what we believe
9 was an extensive and participatory process
10 that engaged regional stakeholders, informed
11 local municipal officials and elected state
12 lawmakers, who represent host and surrounding
13 communities.

14 We discussed critical realities of
15 the process, of fiscal climate on Beacon Hill,
16 the fund's anticipated use, and that it was
17 not strictly for areas around a gaming
18 facility, but for initiatives across the
19 state. And, you know, we wanted to focus on
20 strategies where we felt the Commission can
21 make some credible recommendations, based on
22 our experience and knowledge.

23 So we come to the critical strategy
24 recommendations. All of us had a chance to

1 hear the presentations on these strategies
2 during two open public meetings. We sent
3 around a number of follow-up questions, we
4 gathered additional information from the key
5 agencies I mentioned already.

6 So we move to the slide about
7 recommendations. Our strategy recommendations
8 align with the priorities established for the
9 fund, and focus on workforce development,
10 tourism, business assistance, a connection
11 with the Massachusetts cultural Council, as
12 well as regional economic initiatives. Again,
13 we grouped our recommendations, as you'll see
14 in the full paper into these categories.

15 Workforce development, we
16 consistently hear about, one, employer's being
17 worried about that some of their employees
18 will be recruited away by our gaming
19 licensees, or simply decide to apply for
20 positions. We think there's an incredible
21 opportunity to support gaming industry
22 training programs, as well as workforce
23 development issues aimed at getting more
24 individuals into the workforce and supporting

1 them through training programs that don't
2 qualify for traditional financial aid, or
3 have, in many respects, not have had a
4 suitable or a -- a suitable funding source.

5 Tourism, the gaming statute intended
6 for the two largest private construction
7 projects in the state's history to be visitor
8 destinations, or else they would not have set
9 a high minimum investment and required a hotel
10 and other amenities. Each gaming region is
11 proposed strategies that were particular to
12 their region.

13 The statute also created a tourism
14 fund and the Gaming Economic Development Fund
15 offered a priority to tourism and the Mass
16 marketing partnership. So I mention that just
17 in terms of this was a focus. We're not just
18 looking to recapture money that Massachusetts
19 residents spend on gaming out of state, but we
20 want to draw new visitors to Massachusetts,
21 encourage them to play and to stay.

22 Business assistance. Here again we
23 find alignment with the fund's priorities and
24 the statute's goals of assisting small

1 business through vendor opportunities, among
2 others. Through many of the conversations
3 that we had with a number of stakeholders, we
4 came to an understanding that lending programs
5 may not be the challenge or obstacle, but
6 technical assistance to help businesses grow
7 and add capacity is. It was suggested to us
8 that providing funding for to the whole state
9 for technical assistance could assist
10 businesses beyond those just doing business
11 with our casinos.

12 Mass Cultural Council, again,
13 there's a tie. There's a tie in the statute,
14 when it comes to talking about ILEVs
15 (phonetically), there's a tie in the statute
16 talking about making sure that our casinos are
17 connected with the cultural history and assets
18 of the Commonwealth of Massachusetts. We've
19 already seen work that the Mass Cultural
20 Council is doing in the city of Springfield.
21 We think there's some opportunities to extend
22 that impact around the Everett area and
23 around, perhaps, the Plainridge area. I think
24 what was lacking was some specific details.

1 So I think, providing some assistance to do
2 some planning and do some outreach, and
3 connecting the Mass Cultural Council with our
4 licensees is a good next step.

5 Moving on to, again, the next
6 recommendation slide, again, focusing on
7 workforce development, some realization that
8 the state -- this is a statewide use of the
9 fund, we make recommendations in using the
10 existing infrastructure of Commonwealth
11 Corporation as a conduit to get money out the
12 door.

13 We want to fund tourism strategies
14 that seek to leverage the casinos' presence.
15 Each region, again, offer a different take on
16 this. But we stressed that, as excited as we
17 are about their individual strategies, there
18 still needs to be alignment and collaboration
19 with the state travel and tourism office, and
20 also with our licensees. The concept of
21 partnerships and coordination is critical.

22 Again, business technical
23 assistance, we didn't see a great need for
24 lending sources. But as some folks that Lloyd

1 and I talked to down in New Bedford, pointed
2 out that technical assistance can still help
3 a -- put a small business in a better position
4 to access finance.

5 We talked about the Mass Cultural
6 Council. Some of the individual strategies
7 that came up that I think were particularly
8 intriguing, and that we wanted to make a
9 recommendation of some support, were the
10 Chicopee proposal to study the potential
11 expansion of commercial air service to
12 Chicopee.

13 We've talked about existing --
14 expanding existing economic development
15 programs, and this can kind of run a gamut.
16 But this is where I think we took an
17 opportunity to look at lessons learned through
18 our licensing process. We were introduced,
19 during that licensing process, to a lot of
20 communities that had needs for economic
21 development.

22 We were shown properties that were
23 probably undervalued and not being fully
24 utilized. And I think MassDevelopment offers

1 some programs. And this goes -- kind of
2 brought to our attention by MGM mentioning
3 Springfield's work with MassDevelopment on
4 the -- the transformative district initiative
5 in downtown Springfield. Hoping to kind of
6 expand that and have the opportunity for those
7 programs to be expanded around the state.

8 The other proposal that came was
9 expanded service of the PVRTA to help MGM
10 employees get to and from work. I think
11 that's still a strategy that we want to do
12 some work on as we move forward. And
13 John Ziemba and I have already talked about,
14 again, continuing to work with the MGM and the
15 PVRTA on that -- on that question about
16 availability of service for their employees
17 and patrons to get to MGM.

18 The next steps and follow up.
19 Again, upon completion of the final version of
20 this White Paper, we wanted to use it as a
21 tool to engage some key leaders and begin a
22 conversation around our recommendations and,
23 kind of, the unique opportunity that we
24 believe we have. This is still a competitive

1 gaming market, and we should be thinking about
2 expanding impact of our casinos while helping
3 to maintain the revenues they generate and the
4 jobs they provide.

5 My hope is, that we can provide
6 follow up on these strategies. Not just
7 beyond FY '19, but some of the subsequent
8 years, as our Class 1 licensees open and begin
9 to grow their business. We have a number of
10 targets of folks we want to talk to as part of
11 that outreach and that conversation effort.

12 Finally, I think we should commit
13 ourselves to some of the next steps. Looking
14 at appropriate follow up and monitoring of
15 these strategies, if, in fact, they are
16 implemented. We have developed a very strong
17 track record of monitoring our progress,
18 monitoring our licensees' commitments, doing
19 research to study impacts. We know that we
20 have a lot of good baseline information that
21 UMass has collected for us already. I think
22 we'd love to be in a position to go back to
23 the legislature and say, you know, you gave us
24 some latitude to support these strategies,

1 let's show that they're working or they're not
2 working and make some adjustments.

3 Another idea that has come out, and
4 I credit conversations that -- that I think
5 the folks at Wynn and Mayor DeMaria have
6 started, have begin to think about create
7 regional working groups to continue to look
8 for opportunities to extend the economic
9 impact of our casinos, talking with other
10 communities, talking with other stakeholders.
11 I think this is a great idea. I think it's,
12 you know, certainly, a table we want to be at.
13 But new opportunities will come up.

14 We've already been approached by
15 the -- you know, the folks at the JFK Library,
16 talking about how can there be some type of
17 water access from Wynn or downtown Boston out
18 to the library. So I think new opportunities
19 will continue to come up, that it'd be great
20 to have a regional working group to look at.

21 And then, finally, you know,
22 thinking about reviewing this strategy in --
23 in three years. I think we have enough
24 experience to understand that the maturity

1 period for a casino to open is about three
2 years before business begins to stabilize. We
3 can take an opportunity to kind of rethink
4 where we've gone and what we've done and look
5 ahead to the next three-year period after
6 that. Again, to help them continue do be
7 successful.

8 So my hope, in sharing that
9 White Paper with all of you and kind of just
10 running through this quick discussion, is that
11 I hope we could have a vote of support for the
12 broad essentials of White Paper, but as we so
13 do with our minutes, be open and flexible to
14 minor edits, comments, changes and grammatical
15 mistakes we might have made. But we're
16 anxious to get this out the door.

17 COMMISSIONER CAMERON: Commissioner,
18 thank you. I think it's really well done.
19 It's so important to organize ahead of time
20 and think -- as well as think about the
21 future. Question, your outreach efforts, I
22 believe in speaking with you, you've already
23 started many of these efforts, correct; you've
24 had, at least, preliminary meetings with

1 administration, lawmakers, certainly,
2 stakeholders?

3 COMMISSIONER STEBBINS: Sure. We've
4 had good number of conversations with a number
5 of elected officials. Again, some of the --
6 some of the other government agency
7 stakeholders. Director Griffin and
8 Director Ziemba and I met the other day with
9 House Ways and Means staff. Obviously,
10 there's been some leadership changes on
11 Beacon Hill since we started this process, so
12 we're circling back with a number of those
13 folks. I think, you know, once he have a
14 final document to show them, that, again, we
15 can go back and reenter some of those doors
16 and raise some of these topics.

17 COMMISSIONER CAMERON: Yeah. As
18 with our other White Papers, I'm sure this
19 will be very well-received. And those folks
20 always appreciate the research and the effort,
21 right; is that what you're finding with this?

22 COMMISSIONER STEBBINS: That's what
23 I'm finding.

24 COMMISSIONER CAMERON: Yeah.

1 COMMISSIONER STEBBINS: Yeah.
2 They're very open do it. And, again, we've --
3 a lot of repetitive messages we've shared is
4 that there's got to be collaboration, there's
5 got to be alignment with licensees, other
6 stakeholders. You know, we're looking to make
7 sure that our -- in a way, our gaming
8 licensees continue to be successful, continue
9 to generate the revenue that's beneficial to
10 the rest of the Commonwealth, as well as you
11 know, maintain the employment opportunities.

12 COMMISSIONER CAMERON: Thank you.
13 Again, very, very well done.

14 COMMISSIONER MACDONALD: I think
15 it's very, very impressive as well. But I
16 want to sound, again, a concern that I
17 articulated before. I view the economic
18 benefits that have flowed from the Expanded
19 Gaming Act to have had a -- an unequal impact
20 around the Commonwealth. That -- with nobody
21 being at fault, that the surrounding counties
22 of Springfield have had a very substantial
23 benefit. The Boston -- greater Boston region
24 has had a very substantial benefit. Norfolk

1 County with PPC has had a very substantial
2 benefit. But I don't think Berkshire County
3 has had a substantial benefit, and Worcester
4 County has not had a substantial benefit, and
5 the county that I come from, Bristol County,
6 has not had a significant benefit at all.

7 So I see the Economic Development
8 Fund to provide an opportunity to balance out
9 the economic benefit of the Expanded Gaming
10 Act. So what I would like to see, in some
11 form of words in your recommendation, an
12 expression, you know, of -- you know, of that.

13 And I just did a -- you know, a note
14 of, you know, six of the recommendations, and
15 there's nothing magic about this -- these
16 words and phrases. But six, to ensure that
17 the regions and communities that have not
18 directly benefited from the implementation of
19 the Expanded Gaming Act to date receive a fair
20 allocation of proceeds from the Gaming
21 Economic Development Fun.

22 COMMISSIONER STEBBINS: I think
23 that's a sound suggestion. And, you know, as
24 we've talked about and you recall, one of the

1 instructions we had, when we went out to
2 originally elicit strategies was to
3 understand, make funds understand, again the
4 Gaming Economic Fund was not just for gaming
5 regions, I think to your point. And we made
6 that pretty clear, to say, don't come up with
7 a laundry list that's going to consume the
8 funds allocated or directed to the gaming
9 fund. And that, there's certainly initiatives
10 in the other priorities that we didn't even
11 touch on that may resinate and have an impact
12 around other parts of the state, I think to
13 your point, that aren't necessarily realizing
14 the immediate benefit because of their
15 proximity to a gaming establishment. But I
16 think, to the words you just spoke, that ties
17 in and isn't necessarily a conflict with, kind
18 of, our overall findings.

19 COMMISSIONER MACDONALD: I don't see
20 it a conflict either.

21 COMMISSIONER STEBBINS: And, again,
22 we're encouraging some money be spent on
23 programs that will be accessed, hopefully, by
24 the rest of the state.

1 COMMISSIONER ZUNIGA: Yeah. I think
2 that's a very good observation and
3 recommendation. I was actually thinking, in
4 terms of just looking at the paper and the
5 presentation together, that somehow the paper
6 doesn't do -- perhaps, because of modesty,
7 doesn't do a good job in relaying the level of
8 effort that you went through, and the process
9 that we went through. It's in there, but I
10 think it could be enhanced, when we when you
11 solicited at all those meetings, solicited all
12 that comments and had those presentations.

13 But that process, by its very
14 nature, sort of, surfaced mostly those
15 responses from the adjoining communities, or
16 the regional counties. And for whatever
17 reason, even though this wasn't limited to
18 anybody, we did not see a lot of interest and
19 response from Berkshire and Bristol Counties,
20 with the exception of Bristol Community
21 College, who's been very proactive on their
22 own.

23 So, perhaps, as we -- if we can
24 disclaim, if you will, and highlight that

1 piece of process and join it with the
2 cautionary comment that you bring up,
3 Commissioner, that the caveat to this to what
4 we've undertaken here, you know, needs to
5 recognize that there's other opportunities in
6 other counties that, given their proximity, is
7 really on their radar.

8 The only other comment that I had,
9 was there's -- there's one technical
10 correction that I can let you know after this.
11 It has to do with the figures that can be
12 expected. There's only one number that is not
13 related to the others.

14 And another stylistic -- you know,
15 from my consulting days, I think the titles
16 can do a good job at telling the story
17 throughout -- throughout the paper. You do
18 that in the presentation. So if he could we
19 rethink perhaps -- we could talk about some of
20 the story we tell through the titles so that
21 the White Paper, perhaps, stands alone for a
22 future reader, I think it might be enhanced.
23 But I think this is a great piece of work, and
24 you should be very proud for having undertaken

1 and led this efforts.

2 COMMISSIONER STEBBINS: Well, I
3 certainly appreciate everybody's support and
4 interest. And, again, you know, some of the
5 agencies and organizations that stepped up to
6 offer -- you know, to be thoughtful and think,
7 again, helping us realize the expectations of
8 what gaming is -- can be, and can be to
9 Massachusetts.

10 COMMISSIONER ZUNIGA: And you
11 mentioned ongoing, continuing some of these
12 one-on-one meetings with legislators or
13 administration officials to continue to carry
14 this message?

15 COMMISSIONER STEBBINS: Yes.

16 COMMISSIONER ZUNIGA: That would be
17 fantastic. Okay. Did you say you wanted a
18 vote of this?

19 COMMISSIONER STEBBINS: Yes. You
20 know, I think, if it's appropriate, some type
21 of motion similar to how we address minutes.
22 That, you know, the bulk of the report is
23 fine. Again, kind of subject to some
24 potential technical corrections. Additional

1 language is offered here. And if there's some
2 stylistic changes that we can make to better
3 emphasize a point in the report, we're happy
4 to do it.

5 COMMISSIONER ZUNIGA: They would be
6 nonmaterial. But, perhaps, a little better --
7 again, just to tell this story. So is there a
8 motion?

9 COMMISSIONER CAMERON: So moved.

10 COMMISSIONER ZUNIGA: Moved. Okay.

11 COMMISSIONER CAMERON: Aptly put.

12 COMMISSIONER MACDONALD: Second.

13 COMMISSIONER ZUNIGA: Second.

14 Motion's made on second. Any more discussion?

15 All those in favor?

16 MR. MACDONALD: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye. And

20 opposed? The ayes have it unanimously.

21 COMMISSIONER CAMERON: Thank you.

22 Very well done.

23 COMMISSIONER STEBBINS: Than you.

24 COMMISSIONER ZUNIGA: Thank you.

1 Well done. Any other updates from
2 Commissioners? Motion to adjourn.

3 COMMISSIONER MACDONALD: So moved.

4 COMMISSIONER CAMERON: Second.

5 COMMISSIONER ZUNIGA: All those in
6 favor.

7 MR. MACDONALD: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER ZUNIGA: Aye. We're
11 adjourned.

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13 (Proceeding concluded at 4:03 p.m.)

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GUEST SPEAKERS:

Mike Mathis, President, MGM Springfield
Seth Stratton, Vice President, General Counsel,
Jacqui Krum, Senior Vice President and General
Counsel, Wynn Resorts International
Bob DeSalvio, Senior Vice President Development,
Wynn Resorts International
Pat Madamba, Esq., MGM Springfield

MASSACHUSETTS GAMING COMMISSION:

Catherine Blue, General Counsel
Edward Bedrosian, Executive Director
Todd Grossman, Deputy General Counsel
Bruce Band, Deputy Director, IEB
Floyd Barroga, Gaming Technology Manager
Derek Lennon, CFAO
John Glennon, Chief Information Officer
Karen Wells, Director, IEB
Loretta Lillios, Deputy Director, IEB
Mark Vander Linden, Director of Research and
Responsible Gaming
Jill Griffin, Director of Workforce, Diversity
Supplier Development

1 John Ziemba, Ombudsman

2 MASSACHUSETTS GAMING COMMISSION:

3 Joan Matsumoto, Chief Project Manager

4 Sterl Carpenter, Regulatory Compliance Manager

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C E R T I F I C A T E

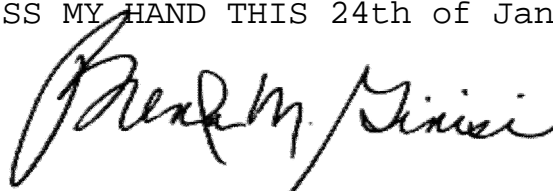
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

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

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

WITNESS MY HAND THIS 24th of January 2018.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021