

Gambling Control Board Meeting
September 21, 2005
12:30 p.m.
Gambling Control Conference Room

Chairman George McHale opened the meeting at 12:35 p.m.
Introductions of Board and Staff were made.

Board members present: Chairman George McHale, Mike Peters, Peter Danton and Larry Hall.

Staff members present: Exec. Dir. Bob Welch, Sgt. Robin Parker

Legal counsel present: A.A.G. Melissa R. O’Dea

- **Review of Minutes from 8/18/05 Gambling Control Board Meeting**

Motion made by Peter Danton to accept the minutes as presented.

Seconded by Larry Hall.

Unanimous vote 4-0.

- **Executive Director Report – Bob Welch**

Personnel – Mr. Welch advised that a new clerk typist III and two Inspectors will be starting with Gambling Control on the 26th. The Auditor will be starting October 3rd.

Wiring the Hearing Room: Mr. Welch checked into the cost of having it done so the meetings could be accessed through the Internet. The estimated cost was \$9,000. The Board tabled this until the next meeting. Logbooks for each slot machine need to be printed and preliminary estimates indicate \$1200 to have the job done.

Motion made by Peter Danton to have Mr. Welch go ahead and get the process done for the printing of the logbooks for the individual slot machines.

Seconded by Larry Hall

Unanimous vote 4-0.

- **Gambling Consolidation Sub-Committee**

The Committee met in August and voted to send a letter to Legislative and Veterans Affairs to see what their wishes are for the Gambling Board to take under their jurisdiction. The Sub-Committee will sign the letter today.

- **Adoption of Penn National’s Responsible Gaming Program**

Motion made by Peter Danton to adopt Penn’s Program submitted as the program for Responsible Gaming (manual for problem gambling).

Seconded by Larry Hall

Unanimous vote 4-0.

- **Update on Licensee Activities – Sgt. Parker**

Sgt. Parker advised that to date, a total of 116 applications have been received by the Gambling Control Unit. Background investigations have recently been done by the Detectives in Nevada and New York. There is one more Key Executive Application to be done from Bally’s.

- **Suitability Hearings on Distributor License Applications – Aristocrat and Bally (Alliance Gaming)**

Aristocrat – no representative from Bally’s present

The license criteria/Checklist of information and items that Aristocrat had to submit in order to make proper application to the Board was read by Exec. Dir. Welch.

Andy Grover, Independent Consultant from Macdonald, Page & Co. LLC reported his evaluation of Aristocrat financial information i.e. financial history, projections, etc. He gave them a clean report and advised there were no red flags for which he is concerned.

No public comment heard on the above.

Motion made by Larry Hall to recommend licensing Aristocrat as a distributor and vendor for one year in the State of Maine. (They had applied to be both.)

Seconded by Peter Danton

Unanimous vote 4-0.

****Amended vote later on in the meeting****

Motion made by Peter Danton the Aristocrat NOT be licensed as a vendor as this is against the rules of the laws governing the Gambling Control Unit.

Seconded by Larry Hall

Unanimous vote 4-0.

Bally – Alliance Gaming - no representative from Bally’s present

Licensing Criteria/Checklist of information submitted by Bally Gaming read by Bob Welch. Andy Grover from MacDonald, Page & Co. advised the board that Bally Gaming has not yet filed their year end financial report, they are showing a nine month net loss currently and they are on their 3rd extension for taxes. Bally is currently doing an internal review. Right now, Mr. Grover is not comfortable giving them a clean report until he can view the remaining paperwork that Bally needs to submit.

Public Comment by Mr. Jon Johnson of Hollywood Slots of Bangor, who inquired if perhaps a conditional license was granted to Bally’s which would be required in order to turn their machines/games on at Hollywood Slots and then if they didn’t meet the deadline to submit their financial paperwork, the Penn would return their games to them and be reimbursed by Bally’s?

Motion made by Larry Hall to go into Executive Session for Legal Advice from Counsel to discuss the Suitability license for Bally’s

Seconded by Peter Danton.

Unanimous vote 4-0

****1:50 p.m. Executive Session****

****2:27 p.m. The Board returned from Executive Session****

Motion made by Larry Hall to resume the regular board session

Seconded by Peter Danton

Unanimous vote 4-0.

Motion made by Mike Peters to grant Bally a Conditional License to transport machines into Maine, provided the Board receive a satisfactory report on the remaining Key Executive to be interviewed from Bally’s and that Bally’s can’t go live/online until they

receive a full, permanent license (by meeting statutory procedure and submitting their financial papers).

Seconded by Larry Hall

Vote of 3-1 in favor of granting Bally a conditional license.

- **Suitability Hearings on Vendor Application**

NRT Technology of Ontario, Canada

NRT want to sell a kiosk to the Slot Operator, Penn National that will redeem tickets. Andy Grover gave a clean financial report on NRT.

Motion made by Mike Peters to accept NRT's application as a licensed slot machine vendor.

Seconded by Larry Hall

Unanimous vote of 3-1.

- **Suitability Hearings on License Employee Applications**

Melissa O'Dea made a suggestion that the Board delegate the authority to Mr. Welch to approve the Licensed and Waived (Non-Licensed) Employee applications to save time at the Board meetings seeing as about 80 more applications are due in shortly.

Motion made by Larry Hall to delegate that authority to Bob Welch

Seconded by Mike Peters

Unanimous vote 4-0.

- **Rules**

June Rules final adoption for submission, which involves the ATM placement off the gaming floor and several others. No public comments were received during the open period.

Motion made by Mike Peters to adopt the rules as presented to the Board.

Seconded by Larry Hall

Unanimous vote 4-0.

September Rules approval which changes in Chapter Five, the complimentary gift to a minimum of \$250.00 as well as retention of video tapes at the Casino for 60 days instead of a year. . Discussion from Jon Johnson who spoke to the Board about the 60 day retention of video tapes rule. The cost will be \$500,000 in order to do it. It is routine in many other state's jurisdiction to keep tapes 7 days for routine placement and 14 days for all cash transactions, which Mr. Johnson suggest we do here in Maine.

Motion made by Larry Hall to approve the above as well as changing the video tape retention to 7 days and 14 days as suggested above.

Seconded by Mike Peters

Unanimous vote of 4-0.

2006 Laws – approval but no vote needed to go ahead with the submission of these. Agreed.

- **Other Business**

Jon Johnson of Hollywood Slots presented the Board with a surveillance training program manual generated by them as required by Chapter 8, Subs 2D, for the Board's approval. Was given to Mr. Welch to make copies to disseminate to the Board. Mr. Johnson also read words to the Gambling Addiction Warning Signs that will be posted in prominent areas in the Racino, to the Board for their approval of the wording. Approved, no vote required. Mr. Johnson also requested in reference to Sec 3 in the MICS re: ticket in/ticket out, if the Board would consider changing this to allow patrons to give tickets to cocktail servers so it would not negatively affect their earnings?

Motion made by Larry Hall to change the rule, which will have to be done through the Rule-making process

Seconded by Peter Danton

Unanimous vote 4-0.

Next meeting will be held on October 11, 2005 at 12:30 p.m.

Motion made by Larry Hall to adjourn

Seconded by Larry Hall

Unanimous vote 4-0.

Meeting adjourned at 4:00 p.m.

