



Gaming Commission

February 23, 2015

Mr. Rob Williams: We're ready to go?

Unidentified male: Yes.

Mr. Rob Williams: New York State racing and pari-mutuel wagering and breeding laws section 102 provides that the New York State Gaming Commission shall consist of seven members appointed by the Governor by and with the advice and consent of the senate. Six members having been confirmed by the New York State Senate affords the commission an ability to establish quorum and undertake action. This present of the meeting of the Commission is now called to order. Miss. Secretary, will you please call the roll.

Miss Secretary: John Crotty?

John Crotty: Here

Miss Secretary: Mark Gearan?

Mark Gearan: Present.

Miss Secretary: Peter Moschetti?

Peter Moschetti: Here.

Miss Secretary: John Poklemba?

John Poklemba: Here.

Miss Secretary: Barry Sample?

Barry Sample: Here.

Miss Secretary: Todd Snyder?

Mr. Rob Williams: Miss Secretary, will you please have the record reflect that a quorum of qualified members are present. Thus enabling a transaction of business. Will you also please let the record reflect that Chairman Gearan is in Geneva. Members Crotty and Poklemba are in Manhattan. And members

Mocschetti and Sample are here in Albany. Commissioner Snyder is traveling today and is unable to participate in the meeting.

Please also let the record reflect that there are three way audio and visual communications between the locations. Chairman Gearan.

Chairman Gearan: Thank you Mr. Williams and good afternoon everyone. We have first on our agenda consideration of the minutes from our meeting January 26th, 2015. Minutes of the commission meets have been provided to members in advanced. And at this time, I'd like to ask of members if there are any edits, corrections, or amendments to the minutes? Hearing none, Madam Secretary, let the record reflect the minutes were adopted as circulated.

Next on our agenda is a report from the Executive Director Rob Williams. Rob.

Mr. Rob Williams: Well, I don't have much new today to report. But just a couple of updates regarding the Gaming Facility Location Board reviewed our report and a few racing related loose ends.

First, the Gaming Facility Location Board has scheduled a meeting for this Friday, February 27th. And that which their proposed agenda indicates consideration of a final report and recommendation on the three previously announced licensed recommendations, and contemplation of a new request for applications limited to zone two, region five. Recall that the board had previously requested staff to prepare a draft to request for applications for their consideration. Procedurally, should the board vote to adopt a new RFA, the document would then come before this body for contemplation.

At the last meeting the State Equine and Medical Director Scott Palmer, had mentioned that the staff report detailing the investigation into alleged rule violations and animal abuse by the stable and thoroughbred trainer Steve Asmussen was nearing its final stages. The report remains in the process of the editing and organizational revision. And we hope that it will soon be available for your review and action.

And finally, Dr. Palmer and I spoke extensively at the last meeting regarding the state of the breakdowns experienced this winter at Aqueduct Race Course. Staff continues to closely monitor the situation at Aqueduct, with regards to this recent spike. And our investigative review into the circumstances surrounding each fatality continues.

The Steward Transparency Initiative discussed last year is also progressing. Later this week, staff anticipates having a few weekly track report prototypes available for commissioner review. If you recall, the concept was to publicly issue a weekly report of steward and racetrack activity. I'll circulate copies to each one of the members and we would appreciate any constructive input that you might have. Chairman.

Chairman Gearan: Great, any questions or, for Mr. Williams from commissioners? Great. Okay, well thank you Rob. Why don't we next turn to rule making. The New York State racing Pari-Mutuel Wagering and Breeding Laws section 104.19 authorizes the commission to promulgate rules and regulations that it deems necessary to carry out its responsibilities. To that regard, the commission will from time to time promulgate rules and rule amendments, pursuant to the state administrative procedure act. And today, we have one rule making item for consideration. I've asked Rob to outline the proposal. Rob.

Mr. Rob Williams: For commission consideration, as a proposed amendment to an existing rule that will allow licensed charitable organizations to submit fees for electronic transfer. In general, the commission rule 4624.9 requires any disbursement from a charitable gaming account to be by check only. The purpose of this historical requirement, was to increase accountability of charitable

expenditures. Each quarter, licensed charitable organizations are required to submit to the commission a report of bell jar ticket sales. This report must also be accompanied by an additional license fee equaling 5% of the organizations net bell jar proceeds. The Division of Charitable Gaming processes approximately 1,500 of these reports every calendar quarter. Receipt of these funds by electronic transfer would aid agency and regulated party efficiency substantially, by reducing the paperwork involved in the submissions. Ensuring immediate crediting of an organizations accounts. And automating the agency's deposit function. All without sacrificing safety, security, or accountability. This proposal would also be an incremental step towards further automation for bell jar ticket accountability that would aid agency, and regulated party officials. And staff recommends proposal of this amendment.

Chairman Gearan: Great. Thank you Rob. To the commissioners, any questions on the proposed rule making for electronic transfer of funds to the commission for special bell jar accounts? Any questions for Rob?

Rob, my question is for a smaller, charitable organizations that may or may not have this capacity. You mentioned that this is sort of an incremental step. Could you kind of expand upon that? I think there's a range of capacity within the sector. And so I'd be intrigued how this could burden them or advantage them.

Mr. Rob Williams: Well, first, the utilization of electronic transfer would not be mandatory at this time. It would be something that they would choose to accept. But ultimately, what we're looking for is more of an automated process to follow the bell jar tickets as they move from a manufacturer to a supplier, from a supplier to a club. And then from a club to reporting to the Gaming Commission. The ability to automate this task and track where the tickets are in line, and also to help identify how long it takes tickets to move through each organization and get off their books will allow the division to better focus their attentions on entities where there may be some lost tickets or issues relative to supply of tickets that don't end up being removed from the books. And thus increasing the accountability of those. This is just one step towards that automation. We had heard from many different organizations that they don't have a lot of automation in the facilities themselves. But we're endeavoring to make sure that this is broad enough so it could be, the forms and the materials that are utilized could be accessed through a community library or through home computers etcetera. And enable that type of an activity to go and be utilized by organizations that may not have their own internal computer systems.

Chairman Gearan: I see, that would make sense. That's helpful. Thank you. Any other questions for Rob on this matter? Okay, well may I have a motion then, to propose a rule making for electronic transfer of funds to the commission from special bell jar accounts? Do I have a motion?

John Crotty: Motion.

Chairman Gearan: Motions moved by Mr. Crotty. A second?

Unidentified male: Second.

Chairman Gearan: Second. Any discussion on the motion? All in favor, say I.

All: I.

Chairman Gearan: Any opposed? The motion carries. Our next item on our agenda is the judications. And the commission has just one hearing officer report for consideration today. Similarly, Mr. Williams will outline the case.

Mr. Rob Williams: On November 7th 2014, the Bureau of Licensing declined to license Edward J. Williams as a harness groom. The denial was based on the grounds of Mr. Williams experience, character, and general fitness are such that his participation in racing, or related activities would be inconsistent with the public interest, convenience or necessity. Or with the best interest of racing generally. After Mr. Williams appealed, a hearing was conducted. The hearings also report and recommendation were delivered to the commission Secretary on January 20th, 2015. The hearing officer recommended that the license denial be reversed. At a meeting conducted pursuant to the judicial or quasi-judicial proceedings exemption of New York Public Officers law section 108.1, the commission considered this matter.

Chairman Gearan: Okay, thank you Rob. The commission duly deliberated and considered this matter. And determined upon a four to one vote, to reject the hearing officers report and recommendations with

Commissioner Mocschetti voting to sustain. And, therefore, we sustained the license denial with our action.

Okay, next on our agenda is new and old business. And before I call on new business, I'd like to just speak to the commission about a personal interest of mine. As you recall at my first meeting as Chair, last year, I spoke about my perspective. It was heightened during my confirmation process in and around the issue of problem gambling. To that end, I asked the commission staff to be proactive and to put together a learning form, which we did, thanks to the excellence of our commission staff last year. We conducted our first forum in April, where we brought colleagues from New York's Office of Alcohol and Substance Abuse together with experts, national and international experts coming to Albany for a full day. Addressing in and around the issues of problem gaming. And a discussion of best practices to approach prevention and treatment.

March is national problem gambling awareness month. So I think it's time that we return to this important issue. I was struck at last year's forum, a speaker from the National Council on problem gamboling urged people to, in their words have the conversation with regard to problem gambling. And I think we should effectively start the conversation. And continue the good work from our hearing and the findings that we had last year. I think we could explore the collective resources and the combined expertise that exists, certainly within the commission. And colleagues with the responsible play partnership. New York's Office of Substance and Alcohol Abuse Services. And New York's Council on Problem Gambling, perhaps to host public forums around the state aimed at breaking down the stigma's surrounding problem gambling. And charting a path to treatment. And exploring better ways to provide education and awareness on this important issue.

But, before we proceed on this, and given my own personal interest I want to report to the commission and ask is this with your concurrent something that we'd want to undertake as a commission?

Unidentified male: Absolutely.

Unidentified male: Absolutely.

Chairman Gearan: Great, terrific.

Unidentified male: Commend your efforts Mr. Chairman.

Chairman Gearan: Thank you.

Unidentified male: And just speaking for myself, whatever support you need, anything that I can do to assist. I think it's a very important issue. I'm glad you've taken this on.

Chairman Gearan: Thank you. And thank you for attending last year in Albany as well Commissioner. Any other comments? And so, I think I would like to ask Lee Park, who is so able to work with us and coordinate such an endeavor that I think will really serve us well as we go into the next stage of our work. So thank you for that.

Secondly, under new business, we'll be establishing liaison roles for commissioners to the Office of Internal Audit. So I invite your engagement with this. For three commissioners serving in this important role as liaisons to the Office of Internal Audit. If you are interested in this, please let me know and we'll report at our next meeting. But this will be an important next step in our governance. And then finally, for my agenda here, we turn, open to any new businesses. I'd like to call for a discussion of the Gaming Facilities Location Boards consideration of issuing a new request for applications to zone two, region five. As everyone is aware, Governor Cuomo wrote to the Commission and to the Gaming Facility Location Board asking all to consider issuing a new RFA that has the practical effect of seeking applications from the authorized counties that comprise the southern tier. So, in general, I'd just like to gain a sense of whether members are willing to entertain the new process. I open up that conversation to my fellow commissioners.

Unidentified male: Well, as I said earlier, I'd like to see the report from the _____ [00:15:15] before making any determinations. And I understand it's coming out fairly soon.

Chairman Gearan: Understandably, absolutely. And I would agree with that. Any other perspectives as we respond and anticipate the work of the Facility Location Board? Okay, well from an operational perspective and aspect from our meeting in March 31st 2014, the commission will eventually have consideration of a proposal, to adopt the new requests for applications. To develop and operate the gaming facility in New York State. As Rob mentioned earlier, the location board will be considering a draft RFA at their meeting this week on Friday. And that will be circulated, as it's complete. And it's my understanding that all forms and rules that were previously adopted are applicable to the new RFA process that will then have to be reviewed for our consideration. So, any other discussion or questions to rob, or anyone on the process? Otherwise, I would entertain any new business for us to continue, to consider.

Any new business for the commissioners?

Unidentified male: No.

Chairman Gearan: Okay. Rob anything else that you wanted to add before we conclude with wrapping up here?

Mr. Rob Williams: Other than when the Gaming Facility Location Board does release their report this Friday I will make sure that everyone promptly gets a copy in their inbox.

Chairman Gearan: Okay. Any old business to consider for the commission? Well then, our next agenda

item is scheduling the next meeting. And consistent with our practice, the next meeting would be March 23rd, which is the fourth Monday of the month. And please advise Miss. Buckley of your availability for that date. So, with that, that includes our published agenda. Any other, commissioners have any other items for consideration? Looking at both locations here, I don't see anything happening. While hearing none, then this meeting of the New York State Gaming Commission is officially adjourned. And I thank you all very much for your participation in the multiple sites here. Thank you all.

Unidentified male: Thank you too Mr. Chairman.