Okay, New York State Racing, Pari-Mutuel Wagering and Breeding Law 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 a quorum and undertake action. This present meeting of the Commission is now called to order. Miss Secretary, will you please call the roll? John Crotty? Here. Mark Gearan? Here. Peter Moschetti? Here. John Poklemba? Here. Barry Sample? Here. Todd Snyder? Here. John Poklemba? Here. Miss Secretary, will you please have the record reflect that a quorum of qualified members are present, thus enabling the transaction of business. Commissioner Moschetti is participating by telephone. Please note that his appearance is not for the purposes of quorum establishment or voting. The record should also reflect that there is two-way audio and visual communication established between the three sites. Chairman Gearan? Thank you, Rob. And thank you to all my commissioners at various locations here. Minutes of the Commission meeting--from our meeting conducted on August 21, 2014, have been provided to members in advance. And so at this time, I'd like to ask the members if there are any edits or corrections or any amendments? Mr. Chairman, I think, if I'm not mistaken, at that meeting, I was in attendance by telephone in the way that Commissioner Moschetti is today and maybe that could be reflected. Other than that, no comment. Thank you. Any other edits or amendments? Great, well, hearing that and with that amendment, Madam Secretary, please let the record reflect that the minutes were adopted, as amended. Next on our agenda is the report of the executive director.
I'd like to discuss two items of some potential interest. The first regards the casino commercial development process, or the casino process. The Gaming Facility Location Board has been very busy since our last meeting. First, in early September, they conducted two full days of applicant presentations in Albany and then, second, they conducted three consecutive 12-hour days of regional public comment events, one in Albany, followed by one in Poughkeepsie, followed by one in Ithaca. The attendance was very significant at all three events. Each day was also web-streamed and drew substantial interest. DVDs of the applicant presentations, plus each of the applicant's PowerPoints or keynote presentations were already sent to each one of you. DVDs of the public comment events will also be forwarded to your attention when they become available. The Board has now completed their public events and members remain confident that they can reach a decision in late October but have already indicated that if the volume of materials requires, they will take the time necessary to appropriately deliberate.

Next, at the risk of being presumptuous, I'd like to briefly discuss a new lottery game that—assuming the Commission adopts the operational rules later this meeting—will commence on October 19. The new game is called the "Monopoly Millionaires Club." This game affords a player three chances to win with each ticket in the primary draw, in the secondary draw, and then by collecting tickets, combinations of which earn chances to appear in a national game show where you can win further prizes. The top tier amount available will begin at an annuitized amount of $15 million. If the top prize ticket is not sold, the subsequent drawing would be increased to $18 million, then to $21 million, and then to a final level of $25 million. The top tier prize would remain at $25 million for each subsequent drawing until a winning ticket is sold, after which, it will reset to $15 million. Lower level prizes will be a one-time payment ranging from $5 to $100,000. Lump-sum prizes of $1 million will be awarded in the secondary drawings. An interesting element of the game regards the collection of Monopoly properties. Players collect the properties identified on their game tickets and attempt to make sets on the Monopoly Millionaire Club micro site.
Completed property sets generate entries for players to be on a televised game show where a contestant may win up to $1 million. Overall, on each game show, there will be $2.5 million in each prizes. Hasbro Studios is producing the show. Tapings are beginning in January with the first airing in February. Billy Gardell of the TV Show, "Mike and Molly" will be the host, back to you. Great, we'll get to that a little bit later in the agenda as well, thank you. Anything else for Rob and his report? Okay, next on our agenda is rule-making. New York State Racing, Pari-Mutuel Wagering and Breeding Law 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 so today we have three rule-making items for consideration. We'll ask Rob to outline the various proposals. Yeah, item 4 is consideration of a rule for permanent adoption, specifically this is the rule that I was referencing in my report. On July 28, the Commission proposed a draft regulation governing the new multi-state draw game called "Monopoly Millionaires Club." The public comment period expired on September 27 and no public comment was received. Recall, as I mentioned, that the game affords a player three opportunities to win. We anticipate that the launch will occur on October 19 and the estimated aid to education in this game generated through the end of the current fiscal year will be $10 million. This proposed rule-making was published in the August 13, 2014, State Register. The only change to the text is trademark designation of the Monopoly trademark and of this game. Staff recommends the adoption of these rules as amended to reflect the trademark. So to the commissioners, are there any questions on the adoption of the rules for the Monopoly Millionaires Club multi-state lottery draw game? Any questions for Rob or discussion? Okay, so we're hearing none. May I have a motion to adopt the rules for the Monopoly Millionaires Club multi-state lottery draw game? So moved. Do I have a second? Second. Great, the motion has been made and seconded. Any discussion on the motion?
Great, well, let's bring it to a vote.

All in favor, say "Aye."

Aye.

Any opposed?

Great, the motion carries.

Rob?

Item 4(b) regards rules pertaining to Gaming Facility requests for application and Gaming Facility license application. Specifically, on March 31, 2014, the Commission promulgated emergency rules prescribing both forms for the request for applications to develop and operate a gaming facility and several forms necessary to consider applications for Gaming Facility licenses. By publication in the State Register on July 16, 2014, and again September 10, 2014, the Commission extended this emergency rule--or emergency adoption. The present emergency rule will expire on October 23. Accordingly, for Commission consideration is the re-adoption of part 5300 as an emergency rule, with such re-adoption to be filed with the Department of State prior to the expiration of the current emergency rule.

The text of the rules has not changed since the initial emergency adoption on March 31. While the public comment period has expired and no public comment has been received, permanent adoption of this rule should be considered when the Commission has before it the broad set of proposed commercial casino regulations that are still being drafted. Commission staff recommends the approval of this emergency rule-making.

Thank you, Rob.

Commissioners, do we have any questions on the re-adoption of the rules pertaining to the Gaming Facility request for application and Gaming Facility license applications, with such re-adoption to be filed with the Department of State prior to the expiration of the current emergency rule?

Any questions or discussion?

Esquires, when do we anticipate having the permanent rule?

We are drafting a very, very extensive set of regulations that would govern the entire commercial casino regulatory regime. And we would fold this in as a permanent with that larger set. It's possible those might be ready for your consideration by the end of the calendar year. These forms have to do with the competition to gain the license, right?

Correct.

And those regulations would be regulations that would govern the operation of licensees who had won that competition. Is that correct?

As well as all of them.

We'll fold everything together into one comprehensive set.
Thank you, Mr. Chairman.

Any other questions or discussion?

Well, may I have a motion then to re-adopt rules pertaining to Gaming Facility requests for application and Gaming Facility license application?

So moved, Mr. Chairman.

Great, do I have a second?

Second.

Any discussion on the motion?

Okay, all in favor, say "Aye."

Aye.

Aye.

Any opposed?

The motion carries.

The last rule-making item is a new proposal.

For Commission consideration is a staff recommendation--amendments to the rule on types of harness races offered in order to conform to legislation recently enacted. Specifically, chapter 258 of the laws of 2014 allows harness tracks to run races solely for New York bred horses and further provides conditions may be written for such races, quote, "Notwithstanding any preference state requirements," end quote. Commission regulations already establish preference requirements for entry to harness races. The horses declared for a race are posted with preference stakes, which allow a horse a fair opportunity to enter a race based upon when the horses had last raced. The new rule would amend the existing rule 4108.8 to add a new subdivision (c) to lift the preference stake requirements to be consistent with the new statute. Staff recommends the proposal of this rule.

Great, and that would require an affirmative vote here as well, Rob, correct?

Yes, it does.

Okay, why don't we put a motion on the table for the proposed rule-making for preferences in harness races?

Could I have a motion?

Can I just ask a question?

Was this--this was--I don't remember, this was subjected to public comment?

This was going out for public comment at this point.

I got it.

Very good, thank you.

This is the initial step in that process.

Thank you, sorry.

But it still requires--yeah.

In which case, I'll make a motion to send it out for public comment.

Great.

Do I have a second?

Second.

Great, any discussion on the motion?
00:13:39:20 All those in favor, say "Aye."
00:13:42:13 Aye.
00:13:43:29 Any opposed?
00:13:46:04 The motion is adopted for proposed rule-making
00:13:49:10 for preferences here, as Rob stated.
00:13:52:29 Okay, moving on our agenda here to new business
00:13:59:01 and old business.
00:14:01:24 I'd like to acknowledge Lisa Lee
00:14:04:27 as the Gaming Commission's Inspector General.
00:14:08:11 This is the first meeting that she has attended,
00:14:12:01 and so I'd like to invite Miss Lee to take
00:14:15:02 a moment here to welcome you formally
00:14:18:15 to your important responsibilities and to offer you
00:14:22:24 the chance to introduce yourself and the work of your office.
00:14:26:26 And we look very much forward to working with you.
00:14:30:14 Thank you, and good afternoon, everyone.
00:14:32:20 I'm Lisa Lee and I just recently commenced serving
00:14:35:03 as the Gaming Inspector General
00:14:37:28 pursuant to the Upstate New York
00:14:40:08 Gaming Economic Development Act.
00:14:42:26 The position reports directly to the Governor,
00:14:45:16 but it was created to promote transparency
00:14:47:24 and accountability as well as to ensure the honesty
00:14:51:13 and integrity of not just gaming activities
00:14:53:08 but Commission employees and those
00:14:55:03 that do this Commission.
00:14:57:16 I am also tasked with furthering the overall mission
00:15:00:09 of the organization, which is to ensure
00:15:02:04 that all gaming activities conducted
00:15:03:28 within the state of New York is of the highest integrity,
00:15:07:14 credibility--
00:15:09:27 To that end, my primary function will be
00:15:12:13 to investigate allegations of corruption,
00:15:15:19 criminal activity, fraud, conflicts of interest,
00:15:19:03 as well as abuse within the Commission.
00:15:22:17 All Commission employees have an affirmative obligation
00:15:26:03 to report any misconduct or any such activity
00:15:28:07 directly to my office.
00:15:30:06 To that end, my contact information is available
00:15:32:20 on the home page of the Gaming Commission's website.
00:15:40:22 Sorry, I was distracted.
00:15:44:01 Just a little bit about my background, very brief.
00:15:46:13 Prior to coming here today, I served as the Deputy Inspector
00:15:49:25 General for the New York City Health & Hospitals Corporation,
00:15:53:08 a multi-billion-dollar public benefit corporation
00:15:55:28 that provides healthcare to New Yorkers.
00:15:58:18 I was there for 9 years.
00:16:00:22 I was in charge of supervising as well as conducting
00:16:04:11 investigations of highly confidential and sensitive matters.
00:16:08:06 Prior to that, I served as an examining attorney
00:16:10:23 to the New York City Department of Investigations
00:16:13:04 for 6 years doing similar work,
00:16:15:06 supervising and conducting investigations into allegations
00:16:18:09 of criminal activity and violations of other law.
And I'm just gonna go a little bit further 'cause I don't want to give away my age, but I did commence my career in the Brooklyn District Attorney's Office before moving on. So I'm very excited to be here, and I look forward to working with everybody, thank you.

Could you tell us a little bit about your staff? At this juncture, I do not have staff. I'm gonna be on the ground floor to set up the bones of the office. And I envision as things roll out, I'll be able to accumulate staff.

And what types of positions will you be looking for? Attorneys, accountants? I think at the outset, having an assistant would be helpful in sort of setting up the structure of the office and thereafter, someone that is technologically savvy, an auditor perhaps, investigators, and eventually counsel would be very helpful to the Commission Board. Do those amenities exist in structure in local polity? There are other similarly situated Inspector General's office that I can look at, but you know, because gaming's so unique, it's really going to be an evolutionary process.

How about in the Gaming Commission offices itself? I don't think there's anybody performing the function that's envisioned for this office at this juncture. And how do you see yourself interacting with-- I think the work that we're gonna look at are gonna be just, like, in terms of the scope or the issues. My office would be more focused primarily on issues touching on criminal activity, and I envision the internal auditor's office looking more on policy and procedure issues.

How long were you at Health & Hospitals? Nine years. Oh, wow. Says a lot. What? You've seen it all? Okay, any other discussion for Ms. Lee? Thank you. Thank you for coming. Thank you very much.

I thought we might take a minute as we have some time here in terms of new business as well for Ed Burns to provide us, the Commission here, with an overview on the status of the adjudicatory system reform project that Legal has undertaken.
Ed, if you could give us an update, I think that would be very helpful.
Sure.
One of my associates, Rick O'Dell, who handles a lot of the racing hearing matters, and I had a very productive meeting with Commissioner Moschetti in the capital region over the summer and shared some of his ideas and perspectives on how we could improve the timeliness of the process through tightening up our regulations a little bit. Heretofore, I think a lot has been left to the discretion of the hearing officer, and I think we agree, as staff, we'd be well advised to constrain the hearing officers a little more to make sure that all the adjudications are heading toward the goal of resolution on a more expedited basis. So to that end, we have internally developed a very detailed outline of the issues and types of steps and we're in the process of turning that into processed rule language that we'll put before the commissioners as a proposed rule, if not the next meeting, the meeting after.
Great, that's helpful.
Any questions from the commissioners to Ed in that regard?
That was good.
Great, and thank you, Peter, for your ongoing engagement with Ed and his colleagues in that regard. Any other new business from the Commission to consider here?
Okay, for old business, any old business that we want to put before the Commission?
Great, we are working on the date for our next scheduled meeting in and around October 27. If commissioners could advise Ms. Buckley on your availability, that would be very helpful to all of us. That concludes today's published agenda. Let me just open and invite any commissioners who have any items they'd like to present for any other consideration here before we adjourn.
No, well, hearing none.
On the scheduling of the next meeting, the earlier we can set a date, and I don't want to be selfish here, but the better it is for me. The last-minute changing of the time makes it extremely difficult for me with the nature of the practice here, and I hate not to be there with you guys, you know, when we're having a meeting 'cause obviously it's so important. So if we could get a fixed date as early as possible that would really be helpful, and you know, selfishly, even if we could get one for the next date and the date after, at least then we could work our schedules around that.
I agree with that, Peter.
It's certainly the intent and the goal to get as far out
as we possibly can even if we have to amend it.
But for planning purposes, I think for everyone
that would be most useful.
Point well taken and we will come back promptly.
I just find also the staff is, you know, we're putting more
work to them to try and get squared away the six of us,
and it seems like less wasted time.
Right, yeah, point well taken.
Any other items before we adjourn here?
Well, hearing none, this meeting
of the New York State Gaming Commission is adjourned,
and I thank you all very much for your time and focus.
Have a good day.