

Unidentified Male: 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. Five 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. Ms. Secretary will you please call the roll.

Ms. Secretary: John Crotty?

John Crotty: Here.

Ms. Secretary: Peter Moschetti?

Peter Moschetti: Here.

Ms. Secretary: John Poklemba?

John Poklemba: Here.

Ms. Secretary: Barry Sample?

Barry Sample: Here

Ms. Secretary: Todd Snyder?

Todd Snyder: Here.

Unidentified Male: Ms. Secretary, please have the record reflect that a quorum of qualified members is present thus enabling the transaction of business. Given the absence of a designed chair, would the members like to select someone for the purpose of presiding over today's meeting.

Unidentified Male: I nominate John Crotty.

Unidentified Male: Second.

Unidentified Male: All in favor?

Group: Aye.

John Crotty: Well, gentlemen, thanks once again for your confidence. Minutes of the Commission meeting conducted on September 26th have been provided to the members in advance of this meeting. At this time are there any edits, corrections or amendments by the members?

Unidentified Male: I had two minor corrections on page three. Adjudications. A on the last line talks about a \$250 fine imposed for failure to honor a declaration to race by. It seems like there are some words missing.

Unidentified Male: I was going to point that out as well.

Unidentified Male: Thank you.

Unidentified Male: Be upheld not by upheld.

Unidentified Male: Okay. And in the matter of Hoffmann. The recommendation that the license be suspended for a lifetime, suggests that there might be more than one lifetime.

Unidentified Male: Are you sure that you want us to rule on that subject?

Unidentified Male: Do we have jurisdiction? [laughter]

Unidentified Male: I would suggest that he be suspended for life.

Unidentified Male: The bigger _____ [00:02:20] to life cannot be solved by the Gaming Commission.

Unidentified Male: Or a lifetime and ...

Unidentified Male: Who's lifetime are we talking about?

Unidentified Male: Fair enough.

John Crotty: Duly noted. Please amend the minutes there. Good catch.

Unidentified Male: Thank you, chair.

John Crotty: Alright. We will now move on to report from the Executive Director. Rob.

Rob: Thank you at your request I usually provide an overview regarding the development status of the three commercial casino projects but given the length of today's agenda, I have chosen to distribute a written version of that overview instead. There are two items that I would like to address. The first of which is the Racing Fan Advisory Council. As you are all aware, the Racing Fan Advisory Council or RFAC recently submitted its final report and recommendations. The report includes recommendations to enhance the fan experience at New York racetracks. While the majority of the specific recommendations in the report are not actionable by the Commission, they do include items geared to racetrack management at various facilities across the state including measures concerning the bundling of stakes races, access to morning public workouts and improved procedures for fan access to tickets. The Racing Fan Advisory Council was created in 2011 by directive of the former Racing and Wagering Board and it had its five-year term of establishment expire this past September. As the group has been instrumental in bringing about some positive change for New York racing fans especially in the area of enhanced steward transparency, we believe that its refined extension to be appropriate. Going forward a new Racing Fan Advisory Council has been established by an updated resolution and as of today, New York Farm Bureau's Kelly Young and founder Michael Amo have both agreed to continue to the new council and a new member Albany attorney Craig Alfred has also been appointed. We expect additional appointments in the near future.

Finally, I want to close by mentioning the passing on Saturday of Cornell University College of Veterinary Medicine Dean Emeritus Donald Smith. During his service as Dean, he oversaw

completion of construction projects to support clinical instruction, reorganization of academic departments, major growth in the college hospital program and key research faculty recruitment. Most importantly from the Commission's perspective, Dean Smith served as a chair of the Harry M. Zweig Memorial Fund for Equine Research between the years 1997 and 2006.

John Crotty: Alright. So move on to rule making. New York State Pari-Mutuel Wagering and Breeding Law under 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 amendments pursuant to the State Administrative _____ [00:05:34] Act. Today we have eight items. Rob, will you please outline the first one.

Rob: The first item was the thoroughbred continuing trainer education but we received a very late comment from the New York Thoroughbred Horsemen's Association which raised a couple of specific questions that require some staff evaluation. So if you don't mind, I would like to table that while the staff considers that and we will bring it to your attention in a future meeting.

Unidentified Male: You were looking for more robust set of offerings of education?

Rob: A couple of questions that they're asking about whether there are enough and where they can be accessed.

Unidentified Male: Great. Well, I look forward to talking about that next time. Will you please go on to the next one?

Rob: For Commission considerations adoption of rules for gaming facility counts and controls, the proposed part addresses the following topics: calculation of gross gaming revenue, use of promotional gaming credits, gross gaming revenue tax, maintenance _____ [00:06:33] bank roll, unclaimed funds, internal audit requirements, financial audit statements, retention, submission and _____ [00:06:44] financial records and implementation of the anti-money laundering program. The text of the proposed rule was published in the state register on September 14th meaning that the public comment area expired yesterday. One public comment was received. The commentator on behalf of a licensee requested that the Commission allow the provision of documents filed with the United States Security and Exchange Commission be lagged for five days raising concern that the SEC filings do not necessarily become immediately published upon filing. Additionally, the commentator requested subsidiary accounting records related to device and table drop and win be accumulated on a gaming day basis, not a shift basis. As to the former concern, given the filings are already prepared, staff believes that there is no reason why a copy cannot be made public or available to the Commission rather than waiting five business days. As to the latter concern, staff suggests that there is enough flexibility in the rule as proposed to accommodate consideration of a request by a gaming facility for a different period of time. Finally, please note that in comparison with the proposed rule, the rule that is before you for adoption the word must has been changed to shall in several places consistent with style used elsewhere in Commission rules. And one typographical error had been corrected. Additional non-substantive and technical or stylistic amendments have also been made. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Alright, commissioners, any question on the adoption of the rule regarding casino accounting controls?

Unidentified Male: Just to be clear so if somebody wants to come to you and say that the accounting records for their facility should be compiled on a daily basis not a shift basis and you can take that up and decide at the time whether it makes sense for that facility?

Rob: Yes, we can.

Unidentified Male: And you may decline it?

Rob: Correct.

Unidentified Male: Okay. Thanks.

John Crotty: Alright, anyone else? Can I get a motion?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: Any discussions? All in favor?

Group: Aye.

John Crotty: Any opposed? Rob, would you be kind enough to call the next item?

Rob: Yes, for Commission consideration as adoption of rules for electronic gaming devices. The proposed part addresses the use and operation of electronic gaming devices and equipment. The text of the proposed rule was published in the state register on September 14th meaning that the public comment period expired yesterday. One public comment was received. The comment received from an electronic gaming device manufacturer suggested a reference change within one provision. Commission staff considered the comment and does not recommend any amendment to the proposed rule making. Please note that you are voting on amended version of the proposed rules that was previously circulated that reflects technical, non-substantive language and stylistic amendments. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Alright. Do we have a motion on these rules?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: Any other discussion? All in favor?

Group: Aye.

John Crotty: Any opposed? Motion carries. Rob.

Rob: For Commission consideration as adoption of rules for slot tournaments and progressive gaming devices. The proposed part prescribes both the technical standards for the certification of slot tournaments and progressive gaming devices and the technical standards for the certification of gaming devices. The text for the proposed rule was published in the state register on September 14th meaning that the public comment period expired yesterday. One public comment was received. The comment received from an electronic gaming device manufacturer suggested several changes including breaking the section into different components and suggested a definitional refinement. Commission staff considered this comment and does not recommend any amendment to the proposed rule making. Please note that you are voting on an amended version of the proposed rules that was previously circulated that reflects technical, non-substantive language and stylistic amendments. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Okay. Commissioners, any questions on the adoption of the rule regarding casino slot tournaments, progressive gaming devices? Alright. May I have a motion to adopt these rules?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: All in favor?

Group: Aye.

John Crotty: Any opposed? Rob, we have item E.

Rob: For Commission consideration as adoption of rules for table games. The proposed part addresses the rules and payout tables for wheel games, blackjack games, baccarat games, casino war, table poker games, poker room poker and tile and dice games. The proposed part also sets forth rules applicable to all table games including the shuffling of cards, the opening of the table for gaming and specific rules for different dealing methods. The text for the proposed rule was published in the state register on September 14th meaning that the public comment period expired yesterday. Four public comments were received. Three from a single individual who is a concerned citizen and not a representative of any licensee or vendor and one from an electronic gaming device manufacturer. The former comments regard verbal wagers and suggestions for additional language in the proposed rules for craps and piego poker. Staff reviewed the comments and believe the rules as proposed are appropriate. The latter comment from the manufacturer suggests several changes including approvals required, definitional refinement and technical language adjustments. The Commission staff considered this comment and does not recommend any amendment to the proposed rule making.

Please note that you are voting on an amended version of the proposed rules that was previously circulated that reflects technical, non-substantive language and stylistic amendments. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

Unidentified Male: I have one question. What is casino war?

Rob: That is a game that is very similar to the war game that you used to play with your friends when you were growing up but you play it for money.

Unidentified Male: There you go.

John Crotty: Well. Commissioners, any questions on the adoption of the rule regarding casino table gaming rules? Okay. May I have a motion to adopt these rules?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: All in favor?

Group: Aye.

John Crotty: Any opposed? Motion carries. Rob.

Rob: For Commission consideration as adoption of rules for gaming facility monitoring and control systems and validation. The proposed rule establishes technical specifications for the testing and certification of online monitoring and control systems and validation systems including requiring interface elements, metering, battery backup, information buffering, offline ticketing support, front-end controller and data collector, data base access, tax reporting thresholds, fill slips, interrogation programs, defined communication protocols, notices of significant events, flash downloads, remote access, environmental and player safety safeguards. The text for the proposed rule was published in the state register on September 14, 2016 meaning that the public comment period expired yesterday. No public comments were received. Staff recommends the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Alright. Commissioners, any questions?

Unidentified Male: What is meant ... Mr. Chairman, what is meant by interrogation programs?

John Crotty: I'll defer to Rob on that. The expert.

Rob: We're going to play around the horn here as we go. Has anyone in the staff _____ [00:14:59] specifically?

Unidentified Male: Me. I'll again go around the horn to the next person, Schenectady, but you've got technological systems where the payer if he is playing a slot machine or table games has to communicate with central data control standards that have to be met in terms of how they monitor and maintain to make sure that all the data flow is accurate.

Unidentified Male: So what's the difference between the communication protocols and the interrogation programs?

Unidentified Male: I'll defer to the Schenectady experts.

Unidentified Male: I think it's water boarding.

Unidentified Male: It's the water board.

Unidentified Female: Maybe I screwed up?

Unidentified Male: Hmm?

Unidentified Male: They deferred to you in Schenectady.

Unidentified Male: They did?

Unidentified Male: Mr. Jim?

[background chatter from 00:15:51 through 00:16:46]

Unidentified Male: Why don't we table that until they come back with the answer.

Unidentified Male: Just ask a question about something you didn't know and apparently 50 of us who don't know.

[background chatter from 00:16:53 through 00:17:46]

Unidentified Male: _____ [00:17:15] program enables an online comprehensive searching of the significant event log for the present and the previous 14 days through archive data or restoration from backup for maintaining such data on a live database is deemed inappropriate.

Unidentified Male: Where are you reading that?

Unidentified Male: What?

Unidentified Male: One of the standards.

Unidentified Male: Right. So you're ... actually your _____ [00:17:39] the administrator what has taken place?

Unidentified Male: Yeah.

Unidentified Male: What have you registered to take place.

Unidentified Male: Okay guys, we have the answer. We're moving on.

Unidentified Male: Okay, thanks.

Unidentified Male: Yup.

Unidentified Male: Do you want to know?

Unidentified Male: I'll have them watch the tape for ...

Unidentified Male: Okay, well. John.

John Crotty: Thank you Rob.

Unidentified Male: He's satisfied.

Unidentified Male: Okay.

John Crotty: May I have a motion to adopt these rules?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: Anyone opposed? All in favor?

Group: Aye.

John Crotty: Any opposed? Motion carries. Rob, item G please.

Rob: For Commission consideration as adoption of rules for gaming facility gaming devices. The proposed part addresses the technical standards for the certification of gaming devices. The text for the proposed rule was published in the state register on September 14th meaning that the public comment period expired yesterday. One public comment was received. That comment received from an electronic gaming device manufacturer generally suggested the correction of several minor language concerns. Commission staff considered this comment and does not recommend any amendment to the proposed rule making beyond other technical and non-substantive language and stylistic amendments which they did address and was circulated to you and it is an amended version of the proposed rules. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Alright. Commissioners, any questions on the adoption of the rule regarding standards for casino gaming devices? Hearing none, can we get a motion to adopt?

Unidentified Male: So moved.

John Crotty: Second?

Unidentified Male: Second.

John Crotty: All in favor?

Group: Aye.

John Crotty: Any opposed? The motion carries. Rob, will you please call the next item.

Rob: The last of the rule making items today. For Commission consideration as adoption of rules for cage and count standards and kiosk cage. The proposed rule addresses requirements for cashier's cage, satellite cage, count room, lock boxes and secured delivery structures. The rules also prescribe technical requirements for kiosks. The text for the proposed rule was published in the state register on September 14th meaning that the public comment period expired yesterday. One public comment was received. The commentator on behalf of a licensee suggested that bulletproof glass and a mantrap were unnecessary and would add to the construction costs without improving security. Additionally, the commentator suggested that a color camera requirement was likewise unnecessary. As to the former comment, staff believes the requirements for bulletproof glass and mantrap in the secured delivery station are appropriate to ensure casino security. As to the latter comment, staff disagreed with the suggestion and believes that the industry standard is to use color cameras at secured delivery stations. Please note that you are voting on an amended version of the proposed rules that was previously circulated that reflects technical, non-substantive language and stylistic amendments. Staff recommends that the Commission adopt this proposed rule making as a permanent rule.

John Crotty: Alright. Commissioners, any questions on the adoption of the rule regarding casino cage and count standards?

Unidentified Male: I assume that the bulletproof glass and the mantrap are also in accordance with industry standards?

Rob: Yes.

Unidentified Male: These are taken from somewhere else ...?

Rob: Yes, we consider them to be industry standards. The comment came from a representative of Montrey.

Unidentified Male: That's what makes it kind of odd. If they're industry standard, you'd think ... It seems like an odd comment to get from one of our licensees.

Rob: Could be the reason you didn't get it from all four.

Unidentified Male: These are requirements or security methods that are in place at existing facilities throughout the country?

Rob: That is correct.

Unidentified Male: Is it law enforcement that has sort of encouraged the color camera? Is that ... Do we know why that is?

Rob: Honestly I don't ... I would image the color ...

Unidentified Male: We've seen Oceans Eleven. [laughter]

Unidentified Male: It would seem ... for identification purposes it would really help ...

Unidentified Male: You'd think.

Unidentified Male: Color camera.

Unidentified Male: It makes sense. It is a way better camera, better clarity.

Unidentified Male: Yeah.

John Crotty: Any other comments, thoughts? May I have a motion to adopt these rules?

Unidentified Male: So moved.

John Crotty: And the second?

Unidentified Male: Second.

John Crotty: All in favor?

Group: Aye.

John Crotty: Any opposed? The motion carries. Rob, will you call the next item.

Rob: Certainly. The next item scheduled item regards adjudication from today we have only one. It is in the matter of Luis Saez. Thoroughbred jockey Luis Saez was given a five-day suspension for careless riding following alleged interference with another horse during the running of the fourth race at Saratoga Racecourse on August 8, 2016. Saez appealed the penalty and a hearing was conducted on August 25th. The hearing officers final report and recommendations were delivered to the Commission secretary on September 27th. The hearing officer recommended that the charge of careless riding be dismissed without prejudice due to a defect in the charging notice. The Commission considered this matter at a meeting conducted pursuant to the judicial or quasi judicial proceedings exemption of New York Public Officers Law section 108.1.

John Crotty: The Commission did duly deliberate and consider this matter and I am lucky enough to serve with four really excellent lawyers of which brought up a great point to send the matter back to the hearing officer to make a determination based on the law not the technical aspect that they cited in the finding.

Unidentified Male: Based on the record that had been developed in the case.

John Crotty: That's the thing. The record developed in the case. Okay.

Unidentified Male: Unanimous? 5-0?

John Crotty: 5-0.

Unidentified Male: Thank you.

John Crotty: Is there any old business to be considered? Hearing none, is there any new business? Okay, well. Can I ask, do you think we'll have some sense of the regulation on fantasy football? When is the due date for sort of getting those ... is there one legislative ...?

Unidentified Male: There isn't a legislative due date for that. It is being worked on by staff right now and they are diligently preparing a package and documents that will ultimately come before the Commission.

John Crotty: And will that go out to the industry at the same time or how does that?

Unidentified Male: The plan is to solicit some pre-proposal comment from the industry before bringing it to you.

John Crotty: Okay.

Unidentified Male: And then we will go through the same two-step process where we'll ... you will provisionally approve it. It will go out for public comment and come back to us.

Unidentified Male: You will authorize its proposal and then it will go out for formal public comment after being published in the State Register.

Unidentified Male: We will get basically comment periods.

Unidentified Male: Correct.

Unidentified Male: One is going to be truncated and one is going to be public comments.

Unidentified Male: One will be an informal period for the industry comment. The other will be the 45-day window required by the State administrative contingency.

John Crotty: And not binding you to any timeline. Is it a 2016 thing?

Unidentified Male: Yes.

Unidentified Male: Oh yeah.

Unidentified Male: It is certainly our intention to have something to you before the end of the year.

John Crotty: Oh wow.

Unidentified Male: Okay. That would be great.

Unidentified Male: _____ [00:25:27].

John Crotty: I'm sorry.

Unidentified Male: Questions on it?

John Crotty: Yes, well we like it there.

Unidentified Male: _____ [00:25:33].

John Crotty: Yes. So we will talk about the scheduling in the next meeting. We have traditionally met on the fourth Monday of the month. This would require the meeting to be conducted on the 28th. Ms. Buckley will contact you each to determine your availability.

Unidentified Female: When is Thanksgiving?

Rob: Thanksgiving is the week before that.

Unidentified Male: The 24th.

Rob: We have some rules that are coming off of public comment on December 5th so we may want to consider scheduling the next meeting so that ...

Unidentified Male: In December?

Rob: Correct.

Unidentified Male: Okay.

John Crotty: Great. That's the published agenda. Anything else? Alright.

Unidentified Male: So wait a minute. We're talking about the end of November?

John Crotty: Well that was when it should have been but perhaps Rob was extending it out a week or two.

Rob: Into December, the early part of December.

Unidentified Male: Makes no ... I was just trying to get a sense.

John Crotty: My main element is to make sure that we have enough ...

Unidentified Male: We will have red and green hot sauce if we do it in December, Barry.

Unidentified Male: My whole thing is knowing way ahead of time.

Unidentified Male: Earlier to know, the better off ...

Unidentified Male: Yeah, well, right.

Unidentified Male: We can get the presentation materials a little sooner?

Unidentified Male: I second that. [background chatter]

John Crotty: Yes, we are adjourned.

