



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Memorandum

Date: September 23, 2011

To: All House Members

From: Curt Schroder, Member
155th Legislative District

Karen Boback, Member
117th Legislative District

Paul Clymer, Member
145th Legislative District

Gary Day, Member
187th Legislative District

George Dunbar, Member
56th Legislative District

John Lawrence, Member
13th Legislative District

RoseMarie Swanger, Member
102nd Legislative District

Mike Vereb, Member
150th Legislative District

Randy Vulakovich, Member
30th Legislative District

RE: Co-sponsorship of "Gaming Board Rehabilitation Package"

In the near future, we plan to introduce legislation that will improve the integrity of the licensing and regulation process within our gaming industry and enhance the Pennsylvania Gaming Control Board's operations.

As many of you are aware, last May a grand jury released a report and recommendations concerning the operations and practices of the Pennsylvania Gaming Control Board.

The grand jury report was released after an extensive grand jury investigation involving the PGCB members, staff, former staff and many others involved with the process. The report focused on deficiencies within the Board and addressed the issuance of gaming licenses in the Commonwealth.

At the conclusion of the report, there were 21 recommendations to improve the operation of the Gaming Control Board, along with proposed changes involving the oversight of the gaming industry and enforcement of the Gaming Act. Some of these recommendations have been implemented by the Board through regulation, while others we must fix legislatively.

In response, we have created a "Gaming Board Rehabilitation Package" which includes legislation based on these recommendations.

Below is a list of these bills, including who is sponsoring each piece.

1. *To ensure diversity and competency among the membership of the PA Gaming Control Board, require that at least one Gubernatorial appointee to the Board to possess at least 10 years of state or federal law enforcement employment experience; and at least one Gubernatorial appointee to the Board to possess at least 10 years of private business or finance employment experience. Rep. Paul Clymer*
2. *Create specific statutory authority vesting an independent state agency, such as the Department of the Auditor General, with the responsibility for annual auditing and inspecting of the P.G.C.B. to help insure adherence to the obligations of the Gaming Act. Rep. Gary Day*
3. *The Grand Jury found that the Pennsylvania Crimes Code and related criminal statutes are inadequate to the job of combating public corruption. A new chapter of the Crimes Code, specifically focused on the need to eliminate fraud and corruption, perpetrated against the taxpayers of Pennsylvania by public officials and employees, should be established. Additionally, provisions should be added to the Gaming Act to criminalize material and intentional violations of the Act. Rep. Curt Schroder*
4. *Amend Section 1201 of the Act to explicitly prohibit any person from serving as a member of the Board who was an applicant for or holder of a Pennsylvania slot machine license. Rep. Randy Vulakovich*
5. *Require that the Board post on their website all contracts, including contracts for legal work. This would include all aspects of the process including initial RFP, the contract applicants, and the final awardee of the contract. Rep. Paul Clymer*
6. *Create regulatory clarity about the role and function of BIE. Special attention should be placed on making clear that all information uncovered by BIE about a vendor or applicant must be contained in their report to the Board. Rep. Mike Vereb*
7. *Require the Board to submit an annual report listing the number of executive sessions conducted by the Board, including an agenda for each executive session. Rep. Karen Boback*
8. *Prohibit members of the Board from meeting in executive session for the purpose of conducting quasi-judicial deliberations involving slot machine license applications, except for the limited circumstance to consider actual confidential information, with amendments to the statute clarifying what qualifies as "confidential information" as narrowly as possible. Rep. RoseMarie Swanger*
9. *Require the Board to list on its website a description of all Right-to-Know requests, the number approved, the number rejected, the number of appeals filed as a result of the Board's rejection, and the outcome of each appeal. Rep. John Lawrence*

September 23, 2011

Page Three

10. *Prohibit any PGCB employee from obtaining employment with a gaming entity or any firm that represents or conducts business with any gaming entity for 2 years from the termination of employment. Rep. Paul Clymer*

11. *1. Prohibit the following from becoming a PGCB board member: the Governor, Auditor General, Attorney General, and state legislator for a period of 2 years following the end of their term.*

2. Prohibit the following from becoming a PGCB board member: senior management of any licensee (current and any that have held a license within the past 4 years) for a period of 2 years following termination of employment. (to include presidents, vice presidents, CEOs, COOs, CFOs, department heads, etc.) Rep. Gary Day

12. *1. Prohibit the following from holding slot license(s): any PGCB Board member, PGCB employee, Governor, Auditor General, Attorney General, and state legislator for a period of 2 years following end of term or employment.*

2. Prohibit the following from obtaining employment with a gaming entity or firm which represents a gaming entity: any PGCB Board member, PGCB employee, Governor, Auditor General, Attorney General, and/ state legislator for a period of 2 years from termination of employment. Rep. Gary Day

13. *Prohibit any vendor or licensee from obtaining a contract or commencing work at a casino without the completion of a background investigation. Rep. Mike Vereb*

14. *Establish and make public the budgetary guidelines for the Gaming Control Board, including the establishment of a salary matrix for all employees to include Board members and require publication on PGCB website. Rep. George Dunbar*

Please join us with improving the oversight and enforcement of the gaming industry by co-sponsoring this legislation.

If you wish to co-sponsor one, many or all of these pieces of legislation, please contact Carolyn May in Rep. Schroder's office at 783-2520 or by email at cmay@pahousegop.com and indicate the aforementioned number(s) of the proposal(s) you would like to cosponsor.

CS/cjm

