



Rick Goodling– Pace-O-Matic:

Thank you, Tom. Good Morning Chairman and members of the Committee. As Tom said, my name is Rick Goodling and I serve as the Compliance Supervisor for Pace-O-Matic in Pennsylvania. Prior to joining Pace-O-Matic, I served as a Pennsylvania State Trooper for nearly 28 years rising to the rank of Corporal, where I worked in patrol, as a supervisor in patrol, in criminal investigations, as a trooper attached to the bureau of Liquor Control Enforcement's C.A.G.E. Unit (Compliance, Auditing and Gambling Enforcement) and as the Supervisor of the C.A.G.E Unit. There I was tasked with investigating large scale illegal gambling investigations, which included investigating gambling devices.

As part of my efforts with Pace-O-Matic, Miele Manufacturing and "Pennsylvania Skill", that is still one of our missions. We have a compliance team in Pennsylvania comprised of former Troopers and Liquor Enforcement Officers that is tasked with visiting our customers and we help to weed out illegal gaming machines that should not be in the marketplace. We have contacted the Pennsylvania State Police about illegal machines and often have been successful in getting small businesses, VFWs, American Legions, firehalls and other clubs to switch out their illegal games to Pennsylvania Skill amusement devices. Over last nine months alone, we can estimate that nearly 100 illegal machines have been taken off the streets by our compliance team and replaced with our legal amusement devices.

We currently have about 12,000 amusement devices in small businesses, VFWs, Legions, firehalls and other clubs across the Commonwealth. Only adults, 18 and over, may play our Pennsylvania Skill amusement devices. During my service with the State Police and as the Director of Compliance, I have never witnessed a minor playing a Pennsylvania Skill amusement device.

Many of our games are in locations where those customers must be 21 or over to enter the premises. We work with our Manufacturer, Operators and Locations to ensure they are compliant, and our amusement devices are being utilized properly as outlined in our service agreement and Code of Conduct.

We met with many of you individually, and nearly every one of you asked about the difference between a game of skill and a VGT or a game of chance. The main difference is that our devices require interaction and predominate skill to play. With a Pennsylvania Skill device, you must think and take action to win. On a VGT or slot machine, a player simply pushes the button and hopes that the machine will eventually pay out. A person with Patience and Skill can win at our game EVERYTIME.



With our Pennsylvania Skill amusement devices, our basic game is tic-tac-toe, where the player must select a wild or open spot in order to complete a line. You win points depending on the type of images you are able to line-up. If you are not successful, you get to play a "Follow Me" game. This is a memory game where the user must follow a series of colored balls in a specific order. Again, if you are good enough, you can win every time and win 105% of your game play every time.

Our amusement devices operate on fill license system and are not connected to the internet. When a device is empty and has no additional credits left, an operator must call up Miele Manufacturing and purchase a new fill license. Once purchased, an operator will enter a code and add more credit. This is a system we have set-up deliberately and allows us to track how each device is performing and ensure that we pay taxes on every dollar spent and collected.

As a former State Trooper, I have seen the bad actors and how they utilize illegal machines to take advantage of the system, avoid taxes and hurt the entire industry. That is one of the many reasons I believe in the Pennsylvania Skill product. We have a model that is transparent and really benefits the entire Commonwealth.

I would now like to turn this over to Dr. Pete Zaleski to discuss the economic study he is currently conducting for Pennsylvania Skill.