



**COMMONWEALTH CASINO COMMISSION**  
Commonwealth of the Northern Mariana Islands  
Unit 13 & 14, Springs Plaza, Chalan Pale Arnold, Gualo Rai  
P.O. Box 500237, Saipan, MP 96950  
Telephone: +1 (670) 233-1857/58  
Facsimile: +1 (670) 233-1856  
E-mail: info@cnmicasinocommission.com



**MINUTES**  
July 20, 2017

**I. PRELIMINARIES:**

- A. CALL TO ORDER.** Chairman Juan M. Sablan called the meeting to order at 10:15 a.m. on Thursday, July 20, 2017 at the Joeten-Kiyu Public Library (Technology Room) in Susupe, Saipan. He welcomed everyone present in the gallery.
- B. ROLL CALL.** Commissioners present at the meeting were: Juan M. Sablan (Chairman), Joseph C. Reyes (Vice Chairman), Justin S. Manglona (Secretary), Alvaro A. Santos (Treasurer) and Martin DLG. San Nicolas (PA & MR Officer).
- C. ADOPTION OF AGENDA.** Vice Chairman Reyes made a motion to adopt the agenda as presented. The motion was seconded by Commissioner Santos and was put to a vote and unanimously approved.
- D. ADOPTION OF MINUTES. May 31, 2017 & June 29, 2017**

Vice Chairman Reyes moved to adopt the minutes of meeting of May 31, 2017 and June 29, 2017, seconded by Commissioner Santos.

Discussion: Commissioner Santos requested that the Director update the Commission, under his report, all pending matters mentioned on the minutes of meeting presented for adoption. He noted that there have been a lot of developments since May and June and the Commission would like to hear them.

The motion to adopt the minutes of meeting of May 31, 2017 and June 29, 2017 was put to a vote and unanimously approved.

**II. REPORTS:**

**A. REPORT BY THE CHAIRMAN:**

Chairman Sablan reported that he and the Director granted approval for Imperial Pacific Resort Hotel casino (IPRH) to go live. Prior to issuing the approval, he shared that he visited the IPRH casino and found everything was in order for opening and in accordance with all the conditions set forth in the Commission's May 26, 2017 letter. He announced that the only pending matter at the

time of his visit was the installation of seismic bracings for the sprinkler system, which he expects to hear an update on later in the meeting.

The Chairman announced that a new Senate Committee on Gaming was created with Senator Justo S. Quitugua as the Chairman. He said that the Commission received an invitation to appear at the Senate Chamber on August 1, 2017 at 10:00 am. He advised the Commission to prepare for the meeting, and recommended that a set up similar to what was done for the House Committee on Gaming would be good. Commissioner Santos agreed with the Chairman's recommendation.

Chairman Sablan informed the Commission that he spoke with Chairman Joseph P. Deleon Guerrero two days before the meeting and received information that the house is presently busy with budget matters and that it may take two more weeks before the Commission's bill can be revisited. Chairman Sablan noted that he asked Chairman Deleon Guerrero for his assistance in promptly entertaining the bill because the days are fast approaching for campaigning season.

Vice Chair Reyes asked if the scheduled meeting will be considered an official CCC meeting. The Director replied no but that it will still be publicly noticed as an invitation by the Senate Committee on Gaming. Chairman Sablan requested that all Commissioners be present for the Senate meeting. Vice Chair Reyes suggested the Commission asked the Senate Committee for the questions in advance so to better prepare. The Director said that the Commission will prepare an overall view on what has been done since the passing of PL 18-56, as well as share a little on how the industry is doing so far. He noted that it may also be a good opportunity for the Commission to comment on future plans and how the Commission cannot survive on only \$1,000 of annual local appropriation. The upcoming meeting may also be the appropriate forum to discuss the Commission's budget and staffing needs, among other matters, he said. He informed the Commission that he asked the Division Managers to prepare brief remarks on the functions of their respective division.

Commissioner Manglona recommended the Commission provide a copy of HB 20-82 to Chairman Quitugua.

Chairman Sablan shared that the Commission has met several times with a few of the heads of IPI to discuss financial matters particularly in reference to gaming receivables. He noted that some matters can easily be discussed in the office and not necessarily in a public meeting. The public meeting should be to share progress and should not be a forum to debate on issues, he elaborated. He believes this approach will be healthier for both IPI and the Commission. He pointed out that critical financial matters should be taken up under executive session.

**B. REPORT BY THE EXECUTIVE DIRECTOR:**

The Director announced that for future meetings, the Commission requests the presence of Mr. Kwong, IPI CEO.

The Director reported the following:

**1. CCC Financial Updates: Balance as of June 30, 2017**

a	7170A	Casino Regulatory Funds	\$ 326,769
b	7170	Non-Refundable Application Fee	593,250
c	1545	Local Appropriations (must be spent by Sept 30, 2017)	1,000

d 7171 Saipan Casino License Fee (Leg Appropriation Required) 803,050

2. **Lottery Commission:** The Lottery Commission amended the Casino License Agreement (CLA) under Amendment 4. The amendment allowed for the live gaming training facility to move to the IPR which was one of the Commission's requirement to go live. There have been discussions with Counsel Ernest on how to approach future changes in the CLA. One of the recommendations is to include language in the standalone bill that will clarify the Commission's authority in reference to the CLA and any future amendments. Chairman Sablan agreed that the Commission, along with the Governor's Office, should have authority on the CLA. He noted that the existing statute is not very clear on this matter, and the best body to handle it is Commission because of all the training received, unlike the Lottery Commission.

Vice Chair Reyes expressed that this could create a conflict as the Commission is the regulatory body. Chairman Sablan pointed out that the Commission regulates the conditions on the license agreement, so it makes sense for the Commission to be involved in its contents. Vice Chair Reyes asked for this matter to be further researched. The Director commented that since the Commission's standalone bill is still pending, it is the best opportunity to incorporate changes into HB 20-82.

3. **IPR Go Live Approval** - The Commission approved for IPR to go live on July 6, 2017. The Commission's staff were tasked to review the first week performance. However, the data compiled may be misleading because of such a short period of time. Record showed that there was a significant loss on the closing day of Best Sunshine Live (BSL). Though, the day to day activities have since increased. The Commission will wait to do a comparative analysis to allow a longer period of time.

4. **Summary of IPI Gaming Performance: June 2017**

a	Gross Gaming Revenue – June 2017	\$90,162,735
b	Gross Gaming Revenue Taxes Reported	4,508,137
c	Vendor Spending Categories –Goods & Services	35,951,767

5. **CCC Office Expansion:** The Commission is working with the landlord on the upstairs project which will accommodate the Commission's office expansion needs. The projected completion date for the project is two more months. Interior stairs will be constructed from the first to the second floor. Exterior stairs will also be constructed. There will be no elevator.
6. **CCC Software:** The Commission is in the process of purchasing the iView/iTrack software which will assist the Commission in tracking the voluminous data being received. Presently, there's an overload of paper demand prompting the Commission's IT Division to examine the situation. In addition, the software will be compatible with IPI, making the integration and linkage a little smoother for Commission's staff. To purchase the software, the Commission will have to go through Procurement & Supply. The Commission's IPR office presently has access to the IGT system to electronically monitor all the activities on the floor. CCC staff are trained and will continue to receive training on the IGT system.

7. **CCC Training:** Chief Cabrera and JB Cepeda are presently in Singapore attending a specialized training in gaming investigations from the Singapore Police Department. The training opportunity was by invitation only and the Commission was allowed three seats only. The Commission invited the Mr. Vicente Babauta, Chief Investigator from the CNMI Attorney General's Office, to attend the training as well. The training was free of charge and all the Commission had to shoulder was airfare, per diem and ground transportation for all three participants. A report from Chief Cabrera should be available to the Commission by the next meeting.

The 2017 International Association of Gaming Regulators (IAGR) Annual Conference will be held in Johannesburg, South Africa from October 16<sup>th</sup>-18<sup>th</sup>, 2017. The Commission is a member of IAGR and one of its biggest activities is the annual conference. It was held in Sydney, Australia in 2016. Should the Commission decide to attend, the processing of travel documents and registration should begin within a week's time to avail of early bird specials and cheaper flights. The Director asked the Commissioners to contact Ruth Ann to let her know if they wish to attend.

8. **Senate Committee on Gaming:** The Senate Committee on Gaming is a brand new committee similar to the House Committee on Gaming. The Commission should embrace both committees in a positive way. It will be in the Commission's best interest to work with the Chairman and the members in every way possible, whether through meetings, legislations affecting the Commission or bringing in trainers who could provide training with the main focus on policy making. The creation of standing committees recognizes the importance of the industry in the CNMI.
9. **Junket Applications:** To date, the Commission has issued only 1 junket license. There are 5 more pending applications. The initial discussions with IPI is that the Commission will entertain applications for a provisional junket license if the applicant possesses an existing junket license in any of the approved jurisdictions. None of the 5 hold a junket license, however, 1 claims to do so but to the Commission, it is merely a promoter license from Las Vegas. There's an agreement between the Commission and IPI that in order for expeditious action on provisional junket applications, IPI will assist in the vetting process. As a result, communications with Amerine Enterprise have been initiated for them to potentially do the background investigations and suitability check. However, the contract for the job has reached a road block because IPI was hesitant to sign the indemnification agreement to indemnify Amerine Enterprise from any future problems based on their suitability findings. To IPI, the individual applicants should be the ones signing the indemnification agreement. Mr. Dennis Amerine will not move forward without IPI's signature on the indemnification agreement.

Counsel McDonald explained that the indemnification agreement Mr. Amerine is requesting is somewhat broad which IPI does not see the need for. He stated that to his understanding, IPI's part is only to pay for the investigation and suitability check. All communications, thereafter, will be between Amerine, CCC and the applicant. The Director advised Counsel McDonald that the Commission may choose to order IPI to sign the indemnification agreement in which case, Counsel McDonald said IPI will have no choice but to comply. Chairman Sablan announced that if IPI refuses to sign the indemnification agreement for Amerine Enterprise to move forward, the Commission will go through the way of an Emergency Request for Proposal (RFP) to acquire the services for background investigations and suitability check on junket applicants. He is concerned that this arrangement with IPI and Amerine is taking way too long,

well over three months already, he noted. Counsel McDonald offered to discuss this matter further with Management in light of the Commission's new direction to ultimately order IPI to sign the indemnification agreement.

Vice Chairman Reyes suggested the Commission impose a timeline on the processing of junket license applications. He said all incomplete applications should be denied or returned in a timely manner. The Director explained that the Commission is doing a lot in the background including trying to figure out how the junket operations will work. In the case of Bula Mula, he explained that it was evident that the applicant did not present sufficient assets to operate as a guarantor. He said the applicant, however, may be eligible to be a promoter. There was a question posed by IPI whether or not it would be allowable for someone to guarantee the guarantor. The Director stated that this is a new way of approaching the matter which would require further explanation and research. Another question in linger is the issue on revenue sharing and how it would relate to junket operators, which the Attorney General has yet to issue an opinion on. The main concern with this proposal is that it does not conflict or violate PL 18-56. The Director shared that the audit division is presently looking into a tier method of junket operations. He stated that the Commission is anxious to award junket licenses as it understands that over ninety percent of the gaming revenues is derived from VIP players who rely heavily on junket operators.

10. Dealer Training Graduation Announcement: The Commission is invited to attend the 4<sup>th</sup> IPI Dealer Training Graduation Ceremony scheduled for July 21, 2017 at 5:00 pm at the 4<sup>th</sup> floor of Bank of Guam Building in Garapan.

**III. PUBLIC COMMENTS: None**

**IV. MISCELLANEOUS MATTERS:**

**A. Construction Progress - Imperial Pacific Resort & Hotel**

Counsel McDonald provided the Commission with the latest Progress Report ending July 17, 2017. He reported the following information:

There are currently 500 construction workers at the IPR project site. Most of the work is focused on the second floor and the villas which is the building by the beach. This is being prioritized in anticipation of expanding operations by providing hotel rooms for VIP. However, manpower is still an issue and one big potential contractor (Black Construction), out of the 8 interviewed, informed IPI that they are no longer interested in pursuing a contract with IPI. However, IPI signed contracts with two other smaller construction companies who are now providing additional 60 workers to assist with the construction of the second floor and the villas, but it's still not enough. At present, construction is stable compared to what was reported at the last meeting, and is progressing slowly, he stated.

Chairman Sablan shared that he read in the paper that IPI is trying to recruit over 100 construction workers, and inquired on the outcome of this endeavor. Counsel McDonald explained that IPI was looking into direct hiring of construction workers in line with H2B visa category which permits the hiring on temporary project basis. IPI chose to take this route to alleviate the labor shortage, he said. However, he said that no one has been hired by IPI under this category.

Counsel McDonald announced that IPI received their water supply well permit but it is not currently being operated. He said that the RO system permit has yet to be received. He noted that in the meantime, IPR is still using CUC water because it's enough for the current operations. He said that when the hotel resort is fully completed, there will definitely be a need to operate the RO system to meet the water demand for the entire facility. He disclosed that IPI signed a contract with JWS to perform the well operator services until IPI staff are trained and certified. He explained that IPI and JWS are holding weekly meetings to discuss the transition but he cannot provide an exact timeline on when the water well system will go online. Chairman Sablan expressed concerns on the impact IPR will have on the supply of water to the Garapan residents and other businesses. He encouraged IPI to aggressively pursue being self-sufficient with their water needs.

Vice Chairman Reyes requested for IPI to provide the Commission an implementation schedule which should include completion timelines of all phases. This can be easily compiled by the contractor, he said.

Mr. Eric Poon, IPI Design Director and Project Assistant, reported that the current construction workers on site are concentrating on completing the villas portion of the project. There will be a total of 15 rooms in that area. The target date of completion is the end of January 2018. The target completion date for the restaurant, labeled as Chairman M Kitchen on the progress report, is end of August 2017. The exhaust drawing design for the Chairman M Kitchen was already submitted to the fire department for review and approval.

Vice Chair Reyes asked Mr. Poon for the projected completion date of the tower hotel monorail station. Mr. Poon replied that he would need to get back to the Commission with the information as he does not have it readily available.

In response to the Director's inquiry, Mr. Eugenio Sousa explained that the equipment to replace the current lighting system arrived but there is a lack of manpower to do the installation. He also responded to the Director's inquiry on the installation of the hanging dragon which he explained was also on hold due to lack of manpower. Mr. Sousa shared that he can provide the Commission the preliminary plan. However, the detailed plan would have to come from whomever contractor they select.

In response to Chairman's inquiry, Mr. Sousa informed the Commission that the seismic bracings and equipment have arrived, and that Falcon Fire Protection started rectifying the areas of concern. IPI provided the labor to assist Falcon Fire Protection and the project will be completed soon. The Chairman reminded IPI that July 31, 2017 is the deadline imposed for the completion of the seismic bracing installation. The Director asked Mr. Sousa to let the Commission know if the job cannot be achieved by the set deadline.

Commissioner Santos asked Counsel McDonald if the timelines and plans reported to the Commission are dependent on the availability of workers. Counsel McDonald clarified that the completion dates for the manor, restaurant and 2<sup>nd</sup> floor are accurate as they were projected based on the current workforce. The only deadline that remains uncertain is August 2018, which is a little sketchy due to insufficient manpower.

In response to the Director's inquiry on sewage and drainage concern, Counsel McDonald informed the Commission that IPR's sewer line is connected to CUC. Most of the drainage in front of IPR is

covered. The only areas incomplete is pending filtration system installation but will eventually be fully covered.

Counsel McDonald disclosed that IPI is still not allowed to clean the beach areas. They have, however, resubmitted their application to the Department of Public Lands (DPL) with a request to be allowed to clean the beach area. He shared that IPI's application was accepted and he is confident and awaiting a favorable outcome.

The Director advised IPI to ensure that a safety officer is present at all times at the construction site, especially when cranes are being operated. The Chairman reiterated what he earlier mentioned that it's important for IPI to allow only fully trained individuals to operate and guide the cranes. He then asked Mr. Sousa if security was increased considering the copper wire theft incident at one of IPI's property. Mr. Sousa informed the Commission that he has increased his security team who are all spread out throughout the different properties belonging to IPI.

Commissioner Manglona asked for an update on the parking and traffic issues. Counsel McDonald explained that the garage parking is exclusively for valet. Mr. Poon added that IPI staff are constantly present to direct traffic. Chairman Sablan asked IPI if they addressed Vice Chair Reyes' concern on the issue of right of way, as it pertains to IPI shuttle buses pulling over in the middle of the road to off load employees, causing traffic backflow. Vice Chair Reyes added that this practice is dangerous and someone can get hurt or possibly killed if it's not controlled. He noted that he also noticed issues of illegal parking in the area. He asked IPI to look into this concern and identify an area where the shuttle buses can park and transfer passengers in a safe manner. Counsel McDonald assured the Commission that they will issue memos to staff to address pick up and drop off traffic routes.

#### B. Updated Status of Transition on the Live Gaming Operations from BSL to IPR

The Director asked Mr. Poon if there are any issues in reference to the facility since it was opened on July 6, 2017. Mr. Poon informed the Commission that operations have been running smoothly, and there haven't been any issues.

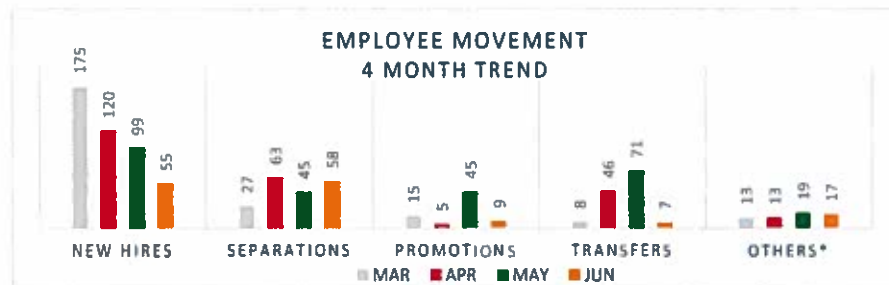
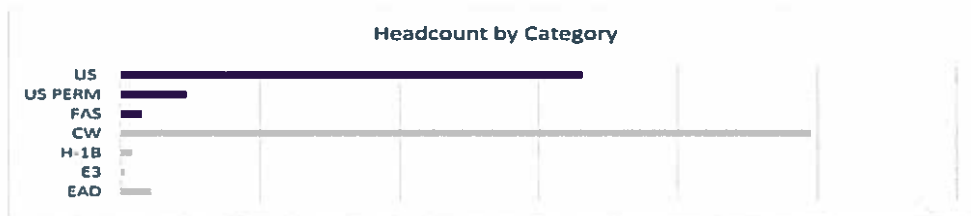
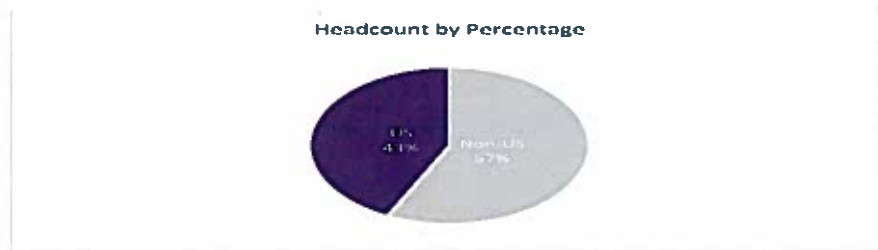
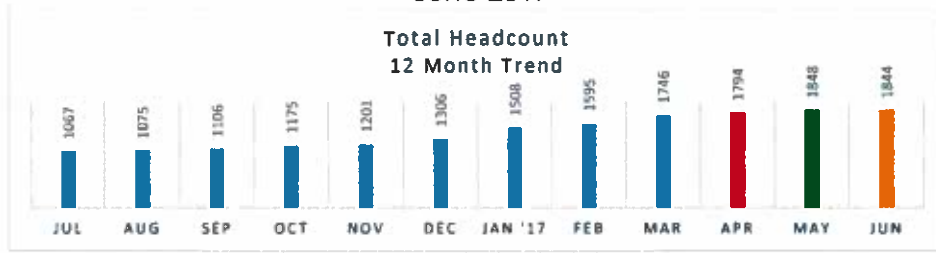
Mr. Sousa informed the Commission that the T-Galleria is now empty of gaming and sensitive equipment. The equipment not being used at IPR have been stored at IPI's San Antonio warehouse. The only work being done at the former Best Sunshine Live (BSL) is the dismantling of walls, light fixtures and others structures, he said. There are ongoing negotiations with DFS as to what they want to remain at BSL such as electrical wiring, network cables, the noodle bar area and others, said Counsel McDonald. The Director asked IPI to provide the Commission with a formal notification in reference to the final closeout date of the BSL.

#### C. Personnel Training and Recruitment of U.S. Workers

Mr. Bertha Leon Guerrero, IPI VP of Human Resources provided the Commission the June 2017 HR Dashboard. Attached is the report.

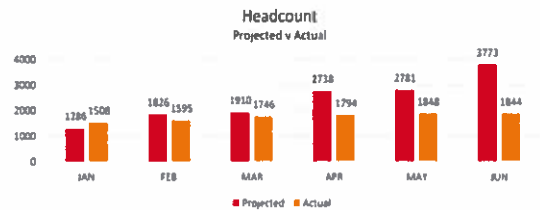
# HR Dashboard

## June 2017



### MASS RECRUITMENT EFFORTS

We continue our focus on our recruitment efforts to attract, recruit and retain qualified individuals. We illustrate our headcount projections compared to our actual numbers below.





## LEARNING & DEVELOPMENT

A summary of the trainings, workshops and courses completed by IPI employees are provided below:

Training / Workshop / Course	Participants			
	APR	MAY	JUN	JUL
Alcohol Beverage Tobacco Control	29	8	30	0
ARC First Aid, CPR & AED	12	14	0	0
Aspiring Leadership Program - Module 1	13	17	0	0
Aspiring Leadership Program - Module 2	12	15	0	0
Aspiring Leadership Program - Module 3	0	10	15	0
Aspiring Leadership Program - Module 4	0	0	9	10
Aspiring Leadership Program - Module 5	0	0	0	5
Basic Courtesy Mandarin for Beginners	9	27	14	12
Confidentiality & Non-Disclosure Training	0	0	340	38
Culture of Safety	0	19	0	0
Customer Service Training	0	10	30	0
FFDC	10	103	51	40
FFDC for Supervisors & Above	15	5	23	0
Employee Handbook Orientation	0	0	65	114
Image Building & Personal Branding	16	12	0	0
Opening Training	0	0	17	0
Orientation	0	3	0	0
Orientation & Guest Services	105	99	55	39
Red Back - Intensive	0	32	0	0
Red Back - Inventory	0	18	0	0
Red Back - Normal End User	0	44	0	0
Serve Safe Training & Examination	23	0	0	4
<b>Title 31 / AAR</b>	<b>140</b>	<b>200</b>	<b>142</b>	<b>0</b>
Together We Care - Module 1	0	6	10	0
Together We Care - Module 2	0	0	13	0
Together We Care - Module 3	13	0	0	9
Together We Care - Module 4	0	10	0	0
Train the Trainer	0	13	0	0

\*as of  
7/18/17

Chairman Sablan asked Ms. Leon Guerrero what happened to the employees who were working in the noodle bar since the noodle bar was not transferred to the IPR. Ms. Leon Guerrero replied that many of the employees are on vacation, some are taking paid time off, several are stationed at the IPR casino bar and a few are receiving training at the Sichuan Restaurant through an agreement. The Director asked that the Commission be provided a copy of the Sichuan Training Agreement.

Chairman Sablan asked for an update on the annual workforce plan. Ms. Leon Guerrero announced that she is in the process of scheduling a meeting with Mr. Gil San Nicolas of the Department of Labor. The intent of the meeting is for DOL to review and update the draft plan and to advise on any needed changes as they see necessary. Ms. Leon Guerrero offered to update the Commission after the DOL meeting.

### D. Responsible Gaming Program

Mr. Dave Guerrero, AVP of Compliance, reported on behalf of Ms. Esther Milne and the Office of the Governor's Substance Abuse Program, both whom were unable to attend the meeting. He informed the Commission that a total of 512 surveys were completed at the 4<sup>th</sup> of July carnival grounds. He noted that the goal was to reach the target sample number of 1,100. He announced that the survey is still being conducted on Facebook, Office of the Governor's website, and the Press Secretary's website. The numbers are steadily increasing as a result of the online survey, he mentioned. Mr. Guerrero could not provide a date in which the data will be aggregated and asked to be allowed to get back to the Commission with the information as he would need to consult with the survey team. The Director asked IPI to provide the Commission a preliminary report by the next Commission meeting, based on the number of surveys received thus far.

### E. Other Miscellaneous Matters

The Director inquired if the ATM machines are in operations at the casino floor. Mr. Sousa replied yes but the volume of usage is very low. In response to Director's inquiries, Ms. Sousa noted that

there are responsible gaming pamphlets at every ATM machine. The Director suggested putting up responsible gaming stickers on all ATM machines.

**V. OLD BUSINESS: None**

**VI. NEW BUSINESS:**

The Director explained that this item was placed on the agenda for notification purposes only.

**A. Notification of Provisional Casino Key Employee (“CKE”) License:**

- Mr. Kin Ming Wong (“Timon”)- Director, Projects and Facility Management: *Issued on 07/12/17*

Commissioner Manglona moved to recess until 2:00 pm, seconded by Commissioner Santos. The motion was put to a vote and unanimously approved. Recess at 11:53 am.

Chairman Sablan called the meeting back to order at 2:08 pm on July 20, 2017.

**VII. EXECUTIVE SESSION**

Commissioner Manglona moved to enter into executive session to hear the Legal Counsel’s report and to discuss IPI Financial matters. The motion was seconded by Commissioner San Nicolas. It was put to a roll call vote with 4 voting yes. As of voting time, Vice Chair Reyes was not present at the meeting. Executive session began at 2:10 pm.

Note: Vice Chair Reyes arrived during executive session at 2:15 pm.


Commissioner Santos made a motion to exit executive session at 4:04 pm, seconded by Commissioner Manglona. It was put to a vote and unanimously approved.

Chairman Sablan called the regular meeting back to order at 4:04 pm on July 20, 2017.

**VIII. ADJOURNMENT:**

Commissioner Santos moved to adjourn the meeting, seconded by Commissioner Manglona. The motion was put to a vote and unanimously approved. The meeting was adjourned at 4:06 pm on Thursday, July 20, 2017.

Prepared by  Date: 7/28/17  
Ruth Ann P. Sakisat  
Executive Assistant to the Commission

Concurred by:  Date: 7/28/17  
Justin S. Manglona  
Commission Secretary



APPROVED AND ADOPTED ON: 31<sup>st</sup> day of August, 2017.

 Date: 8/3/17  
Justin S. Manglona  
Commission Secretary