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P.H. ON LICENSING OF CASINO  
EMPLOYEES

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P U B L I C   H E A R I N G  
before  
ASSEMBLY LEGISLATIVE OVERSIGHT COMMITTEE  
on  
The Licensing of Casino Employees ,

Held:  
October 29, 1979  
Casino Control Commission Office  
Tennessee Ave. and Boardwalk  
Atlantic City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Kenneth A. Gewertz, Chairman

ALSO:

Steven B. Frakt, Research Associate  
Legislative Services Agency  
Aide, Assembly Legislative Oversight Committee

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Good morning. The function of this committee, which is the Assembly Oversight Committee, that oversees the operation of various aspects of state government, is to help come up with some realistic revisions that will make everybody's life a little more responsive to one another's needs. Now, most of you, I understand, are here because you have a specific problem that will, undoubtedly, dovetail other people's problem in a similar situation. I have some recommendations that I've been working on that I think will ease some of the problem. There are others that, on the completion of the hearings, that the Committee will be in a position to recommend to the Legislature. But, the whole purpose of the situation is to keep the gaming industry in New Jersey a viable industry, not subject people to undue hardship, various aggravations in dealing with the bureaucracies of government..

Now, I would ask you to do this. We have lists of people that have notified us that they wish to testify. Everybody will be given an opportunity, irrespective of how long I have to be here. I'm going to ask those of you that wish, and I'm going to place it up on the witness table, in the event that we are going to have to pursue the actual process of your application, not wishing to jeopardize anybody's right of privacy, I have some release forms authorizing the Oversight Committee to review the processing and status of your application and it is addressed to the Casino Control Commission, as well as the Division of Gaming Enforcement, so that we're able, then, to adequately follow the process of your licensing. So, those of you that wish to take the applications on an individual basis, as you come up to testify, I would appreciate if you would fill in your name and sign it. I'll leave it, they will be up here.

So that you can get an idea of what the process is, and I have to tell you quite candidly, I sat down and tried to do a couple of these forms myself and some of them were almost impossible, unless you're an attorney, and I think one of the things that has to be implemented immediately, upon an individual applying for a license, the State furnish you with a booklet giving you instructions as to how to fill out the form so we don't get into this problem that you submit it and then it comes back two months later because it has a mistake or some other problem. I, likewise, am going to recommend that immediately upon receipt of your application by the Casino Control Commission, that you be notified by either a self-addressed envelope, postcard or something that the Commission will provide, that your application has been received, the date it has been received, and the log number, which eventually becomes your license number. The same thing holds true when the application goes from the Commission to the Division of Gaming Enforcement, that you likewise get a notice that they have the application, not that it's been lost and you wait two or three months, figuring that it is being processed, and then find out that you have to resubmit the whole form again. Or, there could be a checklist that if the application is in a problem, what is wrong with the application, he failed to fill in this, you're missing page 5, so that you can go and correct that immediately and not that the whole thing stays in Limbo and is sent back to you at some later point. But, those are only some of the minor problems.

With that, I'll introduce Mr. Robert Martinez, who is the Director of the Division of Gaming Enforcement, who will give you an outline as to the process and the reason I'm doing that is so that everybody fully understands what the application goes through. Mr. Martinez?

R O B E R T   M A R T I N E Z: Thank you, Mr. Gewertz. I'm going to try to lay out, this morning, some facts that relate to the processing, the time that's involved, the reasons for various steps in the process, and try to answer the Committee's questions

with respect to that process. As you know, we're not in a position to comment on any specific application, certainly not at this time, and even if we wanted to, probably couldn't just because of not knowing who might be showing up. But, I think I'll be able to cover, generically at least, the problems we've been able to identify from our end in processing the applications, and perhaps, point to some of the suggestions that you have made in the past and will make in the future to ease the process a bit.

I would like to start with a very simple set of facts and present them as facts to the Committee and comment a little bit about their ramifications for Atlantic City. There is little doubt in my mind, Mr. Chairman, that we are in a situation that could not have been reasonably anticipated by anyone in the State in terms of the number of people who are applying for various jobs in the casino industry. The chart that these gentlemen are holding up right now carries three lines on it, and I think the stenographer can hear me if I get up to point to it. The chart is composed of approximately a three year time span running along the bottom of the chart, and on the left hand side is the number of applications in thousands. This, incidentally, represents all categories of applications, not simply one specific employee group. The green line represents the number of people who have been licensed over this period of time with a projection of how many will be licensed as we proceed into the future and this goes to the end of 1980.

ASSEMBLYMAN GEWERTZ: Could you read those numbers?

MR. MARTINEZ: Sure. At the end of 1980, just reading across the chart in this direction, it appears to be about 25 to 26,000 licensees in all categories. The purple line down here represents the number of jobs in the industry.

ASSEMBLYMAN GEWERTZ: What are presently licensed, if you can cover that, so it will go in sequence.

MR. MARTINEZ: In all categories, it looks to be about 11,000. The purple line represents the number of jobs in the industry in all categories and that number looks to be about 9500. As you see, it proceeds into the future based upon one assumption that this chart makes, namely that four additional casinos will open between now and the end of 1980. That's just a pure hypothetical assumption for purposes of showing where we might be at that time. If it is a higher number then obviously the purple line goes up higher and if it is a lower number then the purple line won't be as high as indicated on this chart. In any event, it clearly demonstrates that we're able to stay ahead of the industry, by and large, based upon our projected licensing capabilities, far beyond the number of jobs. However, this red line over here represents the number of applications for those same jobs. Right now, it looks to me to stand at about 24,000. These various dotted lines up here represent different ways of statistically projecting where this line will be in the future. No one can say for sure. You can say this for sure because you know what your productivity levels are and you can say this one for sure because you know exactly a casino will normally hire of the size that we're anticipating. This line gets a little more speculative simply because you don't have any way of knowing. The Commission staff originally did a projection which is represented by this yellow line here. These are three different other statistical ways of projecting. The orange line assumes that there is a constant ratio between the number of jobs and the number of applicants, just for the purpose of showing where that would be. The red line here represents a projection of the average rate of applications since last year, projected into the future. And, this line over here, which, as you can see, goes way off the chart at over 65,000 applicants, is a projection of the last four months' rate of application coming into the system. So, whichever of these you might choose to take as a proper statistical method, it is fairly clear that the number



of applications that we're going to have at the lowest will probably be somewhere around 30,000 or 31,000 and at the highest, in excess of 65,000. The truth probably lies somewhere in the middle. My own guess is this average rate, which is very close, statistically, to the assumed ratio of jobs to applications, which falls into the neighborhood of 45 to 50,000 by the end of 1980. That number of people, again, is in all categories of licensure. That number of people will be applying for about 19 to 20,000 jobs. Of that number, at our current levels of productivity, we're going to be able to license about 26,000, thus creating a pool of licensed but unemployed people of some 5000 or 6000 people, but still not servicing everyone who falls into this category up here. Now, that chart shows the combination of all types of employee licenses.

I want to go to the next one now, which will break this down in a little bit more detail so everybody has a clear understanding of where we are. Now, this chart has essentially the same color coding as the first one you saw, except this one only deals with people in the hotel employee license category, non-casino, non-key, simply the hotel employee category. You can see that the number of people who have applied for jobs in proportion to the number of jobs is not as great, the distance between these two lines is not as great and that's, perhaps, a normal occurrence. You can also see that our productivity is in a slightly catch-up situation. As each new hotel opens, we catch up a little bit in here. In other words, our number of licensees line goes above the number of jobs line and then it drops again as another hotel opens and then we catch up again. That is a normal occurrence because you have to remember that the license is not a prerequisite to the people working. So, we've staffed this function, which is a very small portion of our activity, in a manner that will enable to keep up with what's happening, but never really get substantially ahead of it. As I say, there is really very little time and effort being spent in this category of license applications. Again, the projections do vary though, depending on how you want to see it. This top line, again, is a projection of the number of applicants over the last three months projected into the future and you can see, even there, for about 12,000 casino-hotel jobs - these are hotel employees only now - you might have as many 32,000 applicants.

Now, the next one is the one that I suspect most of the people are interested in and that is the chart that deals with just casino employees. Now, this tells a slightly different story. Again, by comparison with the other charts, one of the first things that jumps right at you is, obviously, that proportionately there have been and will be a lot more people applying for each casino job - now I'm talking about those that are legally within the meaning of casino employee and casino key employee - a lot more applying here than in the hotel area. So, this becomes a heavier area to handle. It's also obvious that in terms of past history, statistically at least, we've managed to keep ahead of the number of jobs in terms of the number of people licensed. Right now in Atlantic City or wherever they are, there are about 2000 people in the category of dealer and other casino jobs, walking around licensed but without having a job, unemployed, at least by the industry. There are 2000 more licensees, right now, than there are jobs to fill and you can see that that's a trend that is going to continue based upon anticipated productivity, and again, this chart assumes four new casinos by the end of calendar 1980. It doesn't say which casinos, but it really doesn't matter. But, you can see that there is a constant growth there, but the growth in the pool of licensed people is greater. That also suggests that by the end of 1980, perhaps, if this assumption holds true, you might have anywhere between 6000 and 7000, maybe a little more than 7000 actual casino dealer type jobs, but you'll have between 12,000 and 13,000

licensees. Now, in my estimation, this is an appropriate distance, at a minimum, because it creates a pool of necessary skills to backfill in here when you have attrition and other problems developing in the people who are licensed. I'm not very comfortable with this type of a distance in here because, frankly, I don't think the pool exists until we hit about 6000 difference between here and here. Now, what am I talking about when I talk about a pool. This chart represents about 50 different categories of specific licensed jobs. Now, the statute treats them all as casino employees or casino key employees, but you probably are all aware that the Commission actually licenses people to specific jobs. You're licensed as a blackjack dealer, as a baccarat dealer, as a baccarat floor person, depending on your prior experience and qualifications. So, it is necessary to have quite a spread in here so that you are assured that among that 6000 people you've got a distribution of skills, so that in especially some of those rare categories where, say, a slot machanic, which happens to be somewhat of a non-common skill, you have enough slot mechanics licensed, but not employed in the industry to backfill when a vacancy occurs for whatever reason. But, again, here, in terms of projection, the forward look is not a very happy one from the point of view of keeping the public satisfied. If you define the first mission of the Commission and the Division to service the industry, it is obvious that that is being done and will be done better than it has been done in the past. If your obligation, however, is to satisfy everyone that applies for a job, it is very clear that there is simply no way that that can be done with current resources. Again, you have the same statistical methods of projecting into the future. These are pretty hard figures, these are hard figures, and these are speculative, but you see that the range is a sample one. The lowest estimate anybody did by December of 1982, about 18 or 19,000 applications for about 7000 jobs. The highest shows about 40,000 applications for those same 7000 or 8000 jobs. So, it is very clear that what we're all contending with here is a very difficult problem. I have been of the view that it is not up to the State to decide who gets the licenses, in the sense that it is not up to the State to use that license as a mealticket. It is up to the industry to decide who should have entry into that profession. Now, that's a heavy thing to say because everyone, I suspect, is suspicious of the methods by which the industry goes about deciding who is going to get in and who is not going to get in. On the other hand, I submit that the industry has already has that power because they have the power of hiring. They ultimately decide who is going to get a job and who is not going to get a job, regardless of licensure. In order to cope with those kinds of numbers, what we attempted to do earlier this year was to install a system prioritization of applications which said that you as an applicant have to go to the industry first, or simultaneously with filing for an application, and attempt to get from a job committment which would result in our making sure, to the extent humanly possible, that you would be licensed before a host of other people would be that don't have that same job committment.

ASSEMBLYMAN GEWERTZ: Could you stop there for just a moment? One of the problems, and it raises a very serious legal point that I don't think, at this point, has been addressed, and that is if someone pays a fee to the State of \$125 or \$50 or whatever it is, under the equal protection, it would appear that the State has no choice but to process that application. The problem that we have now is sort of a "catch 22" situation. If you went to a casino and you asked for an audition, if that's the right terminology, they would first ask if you have a license and your response would be, no. So, now you can't have the audition because you don't have a license. On the other hand, the State is saying to people, "Well, if you don't have a committment of a job,



then we're not going to process your license." So, they're in a box, which they can't get out of. So, under the assumption that you need so many people to operate the industry and obviously an employer has the right to screen employees, there are large numbers of people who may be very qualified, who are not getting the opportunity to be screened because they will not talk to them, which, in my opinion, creates a situation contrary to the intent of the Legislature and will have to be addressed immediately. On the other hand, if the processing time and the amount of personnel that you have available to do a specific function is one of the problems, then, obviously, that can be bolstered by additional personnel and an improved method of doing things. But, I would like you, at this point, if you would be so kind, to address yourself specifically to what happens to a license when it comes in because that causes large numbers of people, including myself, the gravest of concerns in the time that it takes to process an application. Now, if there are presently 22 or 23 or 24,000 applications, considering again that each year you get the renewal that has to be processed, as well as the processing of the new applications, which I think causes a considerable amount of problems, how are we going to be able to cope with this situation realistically? Are the types of forms correct? For example, I previously discussed with you, a cocktail waitress should not be on a disclosure form II, the same as a dealer, a boxman or someone that is actively engaged in the gaming industry. I mean, if you're carrying drinks back and forth, you're not handling any money, the thrust of that form and the time that it normally takes, in my opinion, for that particular position is not warranted. It doesn't appear that the security is necessary in that kind of a situation. But, track me an application from the date that it is received by the Commission, the process. I think that's what these people are interested in.

MR. MARTINEZ: Assemblyman, in order to do that, what I have to do is finish what I started to say about that prioritization system because you can't understand the process unless you understand the system. I agree with you that it appears, particularly in recent weeks, that there is a Catch 22 developed between the industry and the State with respect to the licensing issue and I submit to you, and I have said this privately to the operators, that I think it is a copout on their part to blame the licensing process when they're the ones that have the obligation to make the hiring judgements in the first place. Now, there is an awful lot of back and forth on this and that's fairly obvious. The casino operators who tell an applicant, "We can't talk to you until you get a license", are probably not telling you the real reason they don't want to talk to you and I think it is a copout. In many cases, it is simply because they are not hiring, they have a full staff. In many cases, it is because their affirmative action goals have not been met, so they're only talking to certain protected classes of people. Anything you hear to the contrary is simply a copout as far as the industry is concerned and blaming the State for something that it ought to be coping with. Now, I have to expand that to this extent. Unlike every other profession in New Jersey, this is the only one where the State has opened the doors to anybody to apply without any threshold whatsoever. You want to go to law school, you have to take a state administered bar examination first. You want to apply for any of the professions, any of the professional licensing boards, anything else, there's got to be some threshold that naturally limits the pool. In New Jersey, there is not adequate guidance counselling provided to people coming into the system. I would venture to say, on the basis of my experience handling applicants and applications, that half of the people who are currently clogging the system are people who are not employable for reason unassociated with the licensing process. They'll get licenses. They're honest people, their integrity can't be faulted, their financial stability can't be faulted. But the industry will not

hire them for a host of subjective reasons that have nothing to do with licensure. Now, the system that we're offerring here is one that says, "go be screened by the industry first, for your own protection." Don't put down your \$125 for a license, don't put down your \$750 to go to dealers' school before someone in the industry who is in a responsible position has said to you, "Yeah kid, I think you can make it." Because, there are an awful lot of people who can't. Now, I can prove that statistically.

ASSEMBLYMAN GEWERTZ: The problem that we have is that if I wanted to go and get a drivers' license and pay a fee, I'm entitled to do that. I may never drive, but I have a right to obtain the license and therein lies the problem. Honestly, I don't know what the industry is doing and I can't make comment on something that I have no knowledge of, but realistically, from what I have seen personally, the whole procedure, the whole practice - for example, let's assume that any other employer in any other business, if the supervisor quits and leaves you because he went to work for another company, in this particular industry, if he is a key employee, you have to wait six months or a year to get someone else to get the license. You can't even promote people who are presently licensed by the State as a casino employee to give them the opportunity to get a better job because the process takes so long, just in the upgrading of a license and it is not your fault personally, but nobody has, this thing has gone so quickly that nobody has stopped and said, "Wait a minute, we're having all these inherent problems, we better stop and correct these things now and not go another two or three years", because if by your chart you have 24,000 people in the system, with the amount of people that you have and the time that it takes to process each license, these people will be lucky if they get licensed by the year 2000, not 1980, at the rate we're going.

MR. MARTINEZ: I think that's a fair estimate.

ASSEMBLYMAN GEWERTZ: Now, that's what we have to address and that's what we have to correct because the economy is getting worse and worse and the best shot that New Jersey, at least the southern portion of the State, is this industry and its ability to employ people in a vast multiplicity of areas and each time someone that works in another job gets their license and is employed in the gaming industry, that opens up their job to someone that might not necessarily be employable in the gaming industry but who could drive a truck, who could work in some type of a plant and that's where the hurt is coming from at this point in time. Those people are stuck between the two.

MR. MARTINEZ: Let's not mistake it though, Ken, because we're not creating more jobs by improving the licensing system. You are not creating more jobs and you make it sound like you are when you're not.

ASSEMBLYMAN GEWERTZ: Well, let me say it backwards. Let me say, if you put up your money for school, that comes out of your pocket, it comes from your family if you're on a relatively limited income, and you invest all the time to come back and forth, which costs you time and money, and you apply to the State and pay them their fee, which again costs you money, and the end result is that you have no license and after nine months, you're told that it may be another year before you can be licensed because you're not on a priority list.

MR. MARTINEZ: Right, and the reason that you don't have a license is because you don't have a job.

ASSEMBLYMAN GEWERTZ: Alright, Bob, if you would track through the licensing process please, I would appreciate that.

MR. MARTINEZ: Okay, I'm going to leave the other point alone, but I do point out that that's a social issue that's far beyond my power to do anything about. Again, I'll say it one more time. You have plenty of situations where applicants are not being told the truth by casinos or by schools. They're not being properly prescreened and I'm really seriously worried, not about the people who have gone through all that and think that they're qualified, but those who have gone through it and think that they're qualified, but are, in fact, not qualified by virtue of the industry's standards for hiring. So, we'll just leave it at that. Statistically, it is obvious, even if we licensed everyone that applied, there would be a gigantic pool of licensed but unemployed people.

To go through the licensing process itself, probably one of the best things we can do is take it step by step. There's nothing secret about this. It's been in print previously. I think Atlantic City Magazine had an article on it fairly recently and I'll walk through it briefly because I don't think there is anything mysterious about it. I can only speak about the process and the time frames involved from the point at which we receive it. You have to recognize that the Commission handles it on either end of that process and I simply can't speak, statistically, about their situation.

ASSEMBLYMAN GEWERTZ: You do contend that there are some applications that are misplaced from time to time, in the system, lost, unaccounted for?

MR. MARTINEZ: Well, there are applications that are lost and later found, yes, or resubmitted. I'm not here to point fingers at which agency may be responsible, but I will acknowledge that, sure.

ASSEMBLYMAN GEWERTZ: But, you understand that like every business, until you get to the root of the problem, you can't take the corrective measure?

MR. MARTINEZ: Absolutely.

ASSEMBLYMAN GEWERTZ: Okay, thank you. We appreciate your frankness.

MR. MARTINEZ: Okay, when we get an application, it is logged in, in an intake unit. The turnaround time there varies from 24 hours to a week, depending upon the number of applications that are received. We've had, and I don't know how much detail you're interested in Mr. Chairman, but I've got another chart that shows the ups and downs of that system. It is not a smooth flow of applications. For a few weeks in July and August, for example, there were, we were taking in 950 applications a week, which is, obviously, more than our capability to process in a 24 hour turnaround time. In any event, from there they move--I might also add, since we're at the intake point, that we find that 3% of the applications that come into our office are incomplete. I can't tell you where the incompleteness occurs, but the type of incompleteness I'm talking about are missing pages, failure to notarize, wrong date of birth, using an alias rather than the regular name, whatever it might be.

ASSEMBLYMAN GEWERTZ: What do you do at that point, when something is missing?

MR. MARTINEZ: Up until about three weeks ago, we were holding the application and contacting either the applicant or the Commission to ask them for the missing data. It varied depending upon what was missing. If it was just a missing page or two, it's possible it missed getting copied at the Commission, so we would call them and ask them to look for it. That has added statistically to the time that we're holding an application, which is not due to anything that we have done. I have instructed my staff, within the last three weeks, to change that system around and to send the application back to the Commission and tell them that the application is incomplete. Now, the reason we're doing that is that it takes a lot of time to discern whether it is the Commission that misplaced



something or whether it is the applicant that failed to fill something out, and we think the Commission, which has the public contact with the applicant, is in a better position to straighten out the problem. So, in any event we will not accept any longer those 3% of applications that come in fouled up. We simply can't act on them and rather than hold them ourselves and try to track down the problem ourselves, we're going to send them back.

When they leave intake, they go to three-way. That's a unit that is responsible for sending out all the agency checks that may be appropriate in a given case dealing with police criminal history information, intelligence information, other agency action that may bear upon the application and credit information. The turnaround time in the three-way unit is approximately eight weeks, most of which is the result of waiting for fingerprints or other record check information to come back. Again, that's a process that's largely out of our hands in terms of what has to be done there.

ASSEMBLYMAN GEWERTZ: Could you stop here for just one second? Now, previously, the Commission takes the application. Now, that application is not checked at the Commission office, it is merely logged in and sent to Gaming Enforcement. Is there any reason why the Commission doesn't go over the applications so that if there is a mistake it is caught at the time it is submitted and the people are immediately notified instead of being sent over to you, gone through by someone on your staff, and then sent back to the Commission to go back to the people for correction?

MR. MARTINEZ: It is my understanding that they are doing that. All I am speaking about is the 3% error rate we have logged in to date over the last year.

ASSEMBLYMAN GEWERTZ: Now, on this turnaround time for the processing under the three-way, I think I had a discussion with you concerning, in fact, I'm sure that you had testified previously that one of the major problems was with the FBI in returning applications.

MR. MARTINEZ: I cited that as a statistical example, yes.

ASSEMBLYMAN GEWERTZ: Well, statistically, I have a letter from the Federal Bureau of Investigation that states that the maximum time is 15.6 working days to process a fingerprint card submission and some of the requests are merely namechecks, not fingerprints and the time for that is substantially less. Now, as I understand the process, and you can correct me if I'm wrong, initially before submission to the FBI, you must go through the State Police identification record system to check the applicant, prior to sending it to the FBI.

MR. MARTINEZ: By separate law, the State Bureau of Identification and the Division of State Police is the central processing point for all federal agency checks, yes.

ASSEMBLYMAN GEWERTZ: Okay. Now, how long does it take to process an applicant by the State Police records, which should be computerized, I assume?

MR. MARTINEZ: Well, I have to ask which type of check you're talking about now. The turnaround time, as I said, from the time we send it to State Police and other agencies back again runs about seven weeks. Processing on either end is another week, so about eight weeks it is in intake, on the average.

ASSEMBLYMAN GEWERTZ: But, as soon as it comes in from the three-way check and it goes to the State Police for a check, how long does that take, from the date that you send it to the State Police?

MR. MARTINEZ: You mean from the time we get the returns back?

ASSEMBLYMAN GEWERTZ: Yes, State Police.

MR. MARTINEZ: You see, everything is channeled through them and all we do is send it to them and get it back and I would say, six to seven weeks.

ASSEMBLYMAN GEWERTZ: Just tell me on one application or what I'm going to ask you to do is, I want to know the exact time, if you don't have the information, then just say you don't know and you'll get it for me, from the time that application leaves your unit, to the State Police and is back from the State Police, and from the time it leaves, after coming back from the State Police, to go into the Federal Bureau of Investigation, in both instances, namechecks only, which seems to be the most prevalent types of a check for the license, as opposed to a fingerprint check, which is for, basically, the higher types of license as I understand the communication from the FBI. The bulk of your requests to the FBI are namechecks only, not fingerprint processing.

MR. MARTINEZ: I think you missed the point of the system because they all occur simultaneously. When we send a check to the State Police, it is for the purpose of checking their files and forwarding it to the FBI. In other words, we don't wait for the State Police check to come back on State records and then send it to the FBI. It is done simultaneously.

ASSEMBLYMAN GEWERTZ: Alright, then I'll rephrase that. Then, I want you find out from the State Police, from the time that they get it from you, how long it takes them to send it to the FBI.

MR. MARTINEZ: I don't know the answer to that question.

ASSEMBLYMAN GEWERTZ: I would appreciate it if you would make a note and get that for me.

MR. MARTINEZ: I can tell you that the overall turnaround time is six to seven weeks, for all checks to come back. Now, it varies considerably. Occasionally, as I understand the system, occasionally, the Federal Bureau will be down in its principle obligation, which is to provide checks to criminal investigative purposes, so they will catch up on their backlog of some 200,000 civil applications and we'll get those faster and then, what we're sometimes waiting for is a credit check. On the other hand, sometimes the credit checks come back faster and what we're waiting for is the FBI check. I think, statistically, the longest is the FBI check.

ASSEMBLYMAN GEWERTZ: Most of the applications do not require more or less of an in depth credit check?

MR. MARTINEZ: Well, it is the same kind of a credit check anybody could make to a commercial credit agency. It is not an in depth credit check.

ASSEMBLYMAN GEWERTZ: I want you bear in mind the figure of 15.6 working days from the Federal Bureau of Investigation.

MR. MARTINEZ: Well, that's close to four weeks right there and I would imagine that you're talking about, when they're processing their turnaround time on mail both ways, it sounds it is pretty much right where I said it was.

ASSEMBLYMAN GEWERTZ: That's fingerprints, not namechecks. The response for namechecks are less.

MR. MARTINEZ: Well, I'm surprised at that. Our statistics show the response time for namechecks is longer. But, be that as it may, we're going to fingerprint checks completely because that sounds like the shortest turnaround time, at least according to our figures from them.

ASSEMBLYMAN GEWERTZ: Now, it is at the State Police for checks and now it comes back from the checks.

MR. MARTINEZ: Okay, at that point, when everything is assembled in the file, it is forwarded to a review team of senior investigators. That team screens out 70% of the applications at that point and no further work is done. Now, that 70% - you will have to follow two different roads here because, obviously, they split - the 70%, when they go through that review team and they fall in the 70% that doesn't require any



further work, they are sent to the legal department to be put on a list and transmitted to the Commission. Now, there is no backlog in lists. Lists are done as they are done. They come through, probably within 48 hours of somebody going on a list, as far as the review team is concerned, it is turned around in legal and processed to the Commission.

MEMBER OF AUDIENCE: That's a lie.

ASSEMBLYMAN GEWERTZ: Please, will you do me one small favor? I know that many of you have been waiting for a long period of time, but it will not accomplish anything to do this. You will all have your opportunity.

MEMBER OF AUDIENCE: Can he repeat that last statement?

ASSEMBLYMAN GEWERTZ: The last statement was, within 48 hours of the receipt of the various information to a review team, it is then completed, within 48 hours to the Commission from the completion of their processing.

MR. MARTINEZ: Now, what we did in preparation for this hearing was to take all 615 applications processed for this last Commission meeting - that's the result of two weeks work - and take each one and break it down by whether they were on lists, whether they had the so-called "yes, but" letter, which I'll explain in a minute, objection letters and renewals and dealt out the time for each of those categories. On lists, the average time from this particular group of people, and that was at random, whoever went over to the Commission this time was the sample that we looked at, the average time was 5.1 months to go on a list. Now, there is a range there that runs from three months to twelve months. The bulk of them, statistically, fell, well, obviously the average was 5.1 and it is an honest distribution. I can break it down even further. Five people made a list in three months; 168 made a list in four months; 181 made a list in five months; forty took six months; fifty took seven months, fifteen took eight months; and then there are five spread out in addition to eight. Now, those are people who made it on lists. Anyhow, that's the process for the list. You've just seen it right through to the end.

ASSEMBLYMAN GEWERTZ: Now those 650 were basically prioritized, correct?

MR. MARTINEZ: Well, no, that's the normal number, including priorities, yes.

ASSEMBLYMAN GEWERTZ: How many of the 650 were on a priority list?

MR. MARTINEZ: I think about 200.

ASSEMBLYMAN GEWERTZ: And the other 450 were the normal process?

MR. MARTINEZ: Yes, sir. Now, if, after it hits the review team, there is an indication that further work on it is needed, it is assigned, depending on the level of the application and the type of work that is needed, either to a specialized group that handles particular problems or to a general investigative group that handles an overall background. That's the balance of the 30% that is handled in that fashion and they result in a completed investigation which is then forwarded to the legal section, it is reviewed by them for sufficiency and a determination made as to what position the Division will take on the application. From a statistical point of view, a couple of things happen at that point. Let's take round numbers. We're talking about a group equal to 30%. So, let's say out of every 1000 applications, 300 are in that group. Of the 300, approximately 160 end up going on lists, which is a judgement made by the legal section. In other words, the investigative section looked at it, cleared up whatever problem it was that they had found and there was simply no reason to do anything but put the party on a list. That leaves us with approximately 14% or 140 out of 1000. Of that 14% or 140, about 111 go within a category called the "yes, but" letter. Now, what that is is a document that we submit to the Commission which contains a summary report of the investigation, which in our judgement does not rise to the level of requiring an objection, but it is information the Commission does not have and needs to have in

order to make up its mind about the licensing of that individual. Typically, the kind of information that I'm talking about here is something that was omitted from the disclosure form, but we think it was a non-material omission. The Commission most often agrees with us on handling people in that fashion. In other words, they will say thank you for the information, we agree with you, we're going to license them. Sometimes, they will flag it, however, and send it back and say, no, we don't agree with you, we want you to prosecute an objection. Now, that's about 11% of that total or 110 of the people. The balance, around 2½ to 3%, are people that receive hard objection letters from the Division. In other words, a letter goes to the Commission with a copy to the applicant, explaining again in summary form, the results of the investigation and the reason we are objecting to the license. Now, statistically, again, this is just from that sample that we did for the last Commission meeting, the average length of time for a "yes, but" letter was 7.9 months. The shortest was 4 months and the longest was 13 months. The bulk of the distribution is, again, an even curve. I can give you some figures on that. One was 4 months; 6 were 6 months; 41, 7 months; 36, 8 months; 15, 9 months; and the balance spread out over the remainder of time. Now, you have to remember that that results, in most cases, in the commission accepting our recommendation not to object to licensure, it obviously has been the result of some field work and some legal review. Objection letters run a little bit longer from the last group, again, the 615 total processed for the last Commission meeting, 20 were objections, which I might add was very high, and I'll explain that in a moment, 20 were objections and the average length of time there was nine months for an objection. Now, that's a random sample in the sense that it was just one Commission meeting taken at random and trying to be broken down. It has to be understood in terms of the priority versus the non-priority that you hit peaks and valleys because of the manner in which our intake occurs. This particular meeting, we were attempting or holding up processing some Bally people on a priority list in order to try to clean out some of the earlier backlog in the system. So, some of the people that went over there, indeed, had been on for a long time and there was a high rate of objections because the simple fact of the matter is that, statistically, you can tell, the longer you're in the system, the higher the chance that you've got a big problem.

ASSEMBLYMAN GEWERTZ: Suppose, for example, you get these priority lists. Now, let's assume that there are large numbers of people who really have not an objectionable reason for being denied a license. As these priority lists keep coming out, it would appear that the people who are awaiting in the system that are not prioritized continue to wait and the more casinos there are that are going to open and the more priority lists that come out, the more and more people who should be considered for licensing are pushed back.

MR. MARTINEZ: All we're going to be able to do with that, with current resource levels, is create an aging file and do like we did this last time. We feel confident that we can - Bally has about 2000 people identified on a priority list and currently out of investigations and sitting waiting for processing, about 90% of the staff they will need to open on a phase I basis, one shift, half tables, half slots, which is simply the way the Commission defines phase I. Now those people could have been processed for this last meeting, but were held up so that we could clean out some of the earlier files. Like I say, the older a file is, the more likely that there is a problem and that is why we had a disproportionately high percentage of objection letters at this past meeting. I agree with you, though, that the phenomenon exists and as those charts indicate, the situation will get worse because you can't cope with both problems at the same time.

ASSEMBLYMAN GEWERTZ: Well, I would question whether there might be a very serious legal problem in holding back people's processing, but we can address that at a later point. The other thing that concerns me is over this business with the temporary licensing. If, in fact, it has been the position of Gaming Enforcement as well as the Commission in allowing a casino applicant to seek a temporary license for the purpose of starting their operation, then it would seem likewise advisable, to me, that employees be given a temporary license in all aspects with the exception of those that would not pass the criminal checks that would be of prime concern to the Division. I think that if that is not done very shortly, it is going to get totally out of hand and irrespective of how hard you work and how many people are added to the staff, you will not be able to keep up with the amount of applicants. Whether they get jobs or not, they are entitled by law to go to school, to submit for a license and to receive that license and that seems to be the prime concern.

MR. MARTINEZ: Was that a question? I'm sorry.

ASSEMBLYMAN GEWERTZ: That was only a statement.

MR. MARTINEZ: Okay, you asked me to comment, which I will do by number, on some particular applications. I assume these were pulled out at random.

ASSEMBLYMAN GEWERTZ: We don't have to go through that at this point. You can just hold those. I would like to get to as many people as possible.

MR. MARTINEZ: Okay, well, all I can say is that these are exemplars, really, of the typical. I don't know whether you picked them that way or not, but these are people whose cases explain why certain steps are done along the way. For example, you had one individual on your list who had applied for a license in June and was pending as of October 17. In fact, she went on a list that month because she hadn't graduated from school until September 28. You have to have the certificate before you can get a license. Again, this is where our statistics look bad. We could have sent her application to the Commission and said, you hold it, and wait until she gets her graduation. Our statistics look bad because we held it until we got a copy of her certificate and then processed her over on a list. That added three weeks onto any one of our average stats. She did pretty good, though, because she made it in under five months, four months and twenty days, in fact.

ASSEMBLYMAN GEWERTZ: Well, that would be a plus on the statistics, then.

MR. MARTINEZ: Sure it would, absolutely. It is a question of what's a more efficient way of doing it, whether we hold it or the Commission holds it until the certificate comes in. That's not an untypical case. If you don't want to go through the rest of these, I won't but just to summarize, then, I think it is important to note that I hadn't and won't comment publicly on a lot of the complaints that have been had because they're problems that are largely outside of any one agency's ability to solve. Obviously, you and I might have different views about what is the best thing to do in these circumstances. I think that the commitments that I've asked for in terms of resources and so forth ought to solve the problem, but perhaps in a different way that you would solve them. Be that as it may, it is a question of how you perceive the social ills that are involved and what, precisely, new problems you're going to create by solving the old problems. Reasonable men can disagree about that because it is a matter of opinion. Basically, the licensing process, right now, has created a deterrent effect, which is what it is principally designed to do. The objection rate is far below Nevada's and Nevada does far less investigative work than New Jersey does in terms of its commitment of resources. Financially, the whole individual licensing process is a loss eater. In other words, the fees that are generated is something that is picked



up by the industry, which is a reasonable thing to be done. You know, people above my head are going to have to decide what, precisely, solutions are going to be put in place to handle these problems. I had indentified to my superiors the additional resources at various levels that we need and what we could achieve with those resources, but the whole issue of temporary licensing and limitations of who could apply and thresholds for applications and so forth are questions that are out of my authority to solve. I have an opinion about them, but certainly, I'm not determinative on them.

ASSEMBLYMAN GEWERTZ: On the five recommendations that you had made back in July, I believe it was before Assembly Matthews, or was it Assemblyman Codey, the one that you had sent me a copy of--

MR. MARTINEZ: I think that was before Assemblyman Matthews' Subcommittee.

ASSEMBLYMAN GEWERTZ: July 26, 1979. Could you, for the record, tell me just briefly what has happened as a result of your requests, how that has improved the present situation?

MR. MARTINEZ: I'll tell you what has happened with them. I'm not sure that you will agree that it's improved it. One of the recommendations was the priority system itself. If we had taken people on a first come, first serve basis, back last April, the chances are that Caesars' still wouldn't be fully open and if we didn't have that priority system in place today, I wouldn't be able to sit here and tell you that we've got ready for processing 90% of what Bally needs to open on a phase I basis. That's one of those recommendations that was made and it is in place and it will stay in place until the Attorney General or somebody tells me not to have it in place any longer. Another recommendation, one of the things that was done was I think we're going to set a world's record for any State agency to ever get the use of computer services. You may note from your experience with other agencies that from the time of request to the time of getting it is at least three years. It looks like we might be able to get ours in two years and nine months. I can't tell how immeasurably easier the processing of applications will be if we had access to very elementary, rudimentary data processing services.

ASSEMBLYMAN GEWERTZ: Why is there such a great problem in doing that if there was more time consumed prior to the passage of various taxes, which don't seem to take very long to be enacted? Two years and nine months to get a computer system?

MR. MARTINEZ: That's a whole separate agency. We put the request in the first day I took office and here we are.

ASSEMBLYMAN GEWERTZ: I would appreciate it if you would get me some copies of the request and maybe I can tickle them along a little bit.

MR. MARTINEZ: Well, I think they are moving along pretty swiftly. As I said, from my understanding, as a result of the beefing up that was done in the Spring of this year, it looks like we're going to have it probably within the next nine months or so. Now, the other recommendations, as I recall them, they related to gaming schools.

ASSEMBLYMAN GEWERTZ: Concerning advertising by gaming schools, misleading advertisements, whatever that means.

MR. MARTINEZ: We have a number of investigations that are pending right now regarding gaming schools, which I'm not at liberty to comment on. I'm not sure if you know it or not, but the Commission is going to hold an investigative hearing with respect to gaming schools. My latest understanding from the Commission staff is that Commissioner Merck, who is chairing it will schedule it sometime later in November. I'm not sure if he has a particular date yet. What I can do with respect to those recommendations has been done, but a large part of it deals with Commission rule-making and I think the Commission wishes to handle that in the context of this hearing that they're about to hold.

ASSEMBLYMAN GEWERTZ: How about Item 5, "I directed our staff to initiate discussions with those outside agencies upon whom we must rely for information during the licensing process, with a new view toward reducing the time it takes to receive the information."

MR. MARTINEZ: Alright. We did that in the area of the credit bureau by retaining additional credit agencies that we could turn to. I think, at the time, at the time prior to that, we were only operating with one and the staff came back and recommended several different ones simultaneously so that not one name is sent to several different ones, but that we wouldn't backlog any particular agency. That's improved it a little bit.

ASSEMBLYMAN GEWERTZ: Have the State Police been spoken to or the FBI?

MR. MARTINEZ: Well, they have and hence the recommendation, what I mentioned earlier in my testimony about that we rely principally on fingerprint checks rather than namechecks because the turnaround time, on our end, with the namechecks, is much longer.

ASSEMBLYMAN GEWERTZ: One of the other problems that I think I'd spoken to you previously about, in the processing, how do you assign these things to investigators? You had told me geographically, that an investigator who was doing applications in a specific county, for example, would be given all of the applicants for that county. Is that correct?

MR. MARTINEZ: That's part of the judgement that's made on it, yes. As I said, there are different teams working in the background section. The first thing is what needs to be done on the application. If it is a simple, interview type of situation with the applicant or some outside party, they go to one group and that's pretty well broken down geographically, just to handle it on a more efficient basis. If it is something financial that has to be looked into, that may go to a different group that has different skills and specializes in the financial area. For example, a case where we have a rash cases frequently of people declaring bankruptcy and questions arise as to the bona fides of that declaration. Now, that's handled through bankruptcy judges and certain people on the staff have that connection and it is more efficient to group them in that fashion.

ASSEMBLYMAN GEWERTZ: Suppose you were going to check someone's bank account, for example, for whatever reason, do you send one investigator to check one single bank account, which is very time consuming and very costly, and something crops up into my mind that two investigators were sent to a bank account in New York to check someone's son's bank account, savings account, which only had \$7.00 in it. I don't say that sarcastically, but often times, in looking at a broad overview of what you're investigating, you can consume a lot of time, and I'm saying this in all respect, in absolute, utter absurdities that take time, cost money, and the fact that it is billed back to the applicant, which raises another problem. I understand there is a commotion over, you know--if you will recall, we had a previous discussion over the expenses, travel expenses of the Division of Gaming Enforcement, who was going where and how much did it cost, and personally, and I have to tell you this, not as any disrespect to you, but most of the people, in fact, all of the people that I've seen some vouchers for travel all first-class. Now, I don't know if you realize the cost entailed in travelling "first-class". Even the President, when he gets on a little commercial plane, he goes tourist class. You know, the fact that it is being billed back to somebody, as a cost of investigation, doesn't warrant those kinds of situations.

MR. MARTINEZ: You must be looking at somebody else's vouchers because nobody travels first-class.



ASSEMBLYMAN GEWERTZ: Well, I'm afraid that you're liable to get a little shocker.

MR. MARTINEZ: I honestly would like to see them. First of all, at this point, there aren't any vouchers that are submitted outside the agency.

ASSEMBLYMAN GEWERTZ: I think before there was all this upsetting little thing, we did get a couple of them.

MR. MARTINEZ: I don't have any problem with your having them. The only circumstance I can think of where anyone may have travelled first-class whatsoever would be in a situation, and I think I'm safe in saying, unequivocally that that might have involved a casino applicant on an emergent matter, where someone couldn't get reservations any other way. But, if it happened twice out of ten thousand trips, it was a lot.

ASSEMBLYMAN GEWERTZ: Well, maybe we don't need the ten thousand trips. Maybe some of this thing could be done without dispatching people all over the world.

MR. MARTINEZ: Well, I don't think people are dispatched all over the world. Travel has been fairly light and necessary. I think you confused a couple of issues here. Dealer applicants are not billed for travel.

ASSEMBLYMAN GEWERTZ: I realize that, but the time that it takes an investigator to go off and look at someone else could be spent processing the little dealers' applications so that they could go to work. That's the problem, the utilization of the manpower available.

MR. MARTINEZ: You can't open a casino with all dealers and no pit bosses and you can't open a casino unless you've looked at the casino management itself. That's where the travel is. Most of them come from Nevada.

ASSEMBLYMAN GEWERTZ: When you bill an applicant for some expense that was incurred in their application, do you give them an itemized breakdown of the expense?

MR. MARTINEZ: What type of applicant are you referring to?

ASSEMBLYMAN GEWERTZ: Let's assume you were going to bill a casino for an investigation of their personnel, key personnel or the corporate application, that's on a time and expense situation.

MR. MARTINEZ: That's right.

ASSEMBLYMAN GEWERTZ: Now, do you give them an itemized breakdown of who went where?

MR. MARTINEZ: No.

ASSEMBLYMAN GEWERTZ: Why?

MR. MARTINEZ: Well, first of all, I don't bill them. I provide that information to the Attorney General who gives it to the Commission. The reason we don't is to preserve the confidentiality of the investigation itself, who was contacted and who on our staff did the work.

ASSEMBLYMAN GEWERTZ: The point is that you can charge all of these things to expenses, air fare, lodgings, meals, because you can get somewhat of an insight into some of these little--

MR. MARTINEZ: That's exactly why we wouldn't tell the applicant that. We don't want them to know who we're talking to.

ASSEMBLYMAN GEWERTZ: I'm not saying, who they were talking to.

MR. MARTINEZ: Well, if there is only one guy in Geneva, Switzerland who had anything to do with them, they would pretty much know who we were talking to.

ASSEMBLYMAN GEWERTZ: But, if you go and talk to them and they know the people, don't you think they're going to say to the people, "Do you know who was here today?"

MR. MARTINEZ: In many cases, they will not. You would be surprised.

ASSEMBLYMAN GEWERTZ: Alright, thank you. At this time, if you will, there are lists of people that had called and given us their names, who wish to make comments. There are other people, obviously, who could not get to the Committee and obviously, we will take them in turn. There were several people and I know everybody would like to get out of here, including myself, as expeditiously as possible, but there are several people here that have some very serious commitments.

MEMBER OF AUDIENCE: Excuse me.

ASSEMBLYMAN GEWERTZ: Yes?

MEMBER OF AUDIENCE: How long does it take to finish in Legal, to when we get it?

ASSEMBLYMAN GEWERTZ: Bob, are you going to be around for a while to respond to questions from the audience, through the Committee?

MR. MARTINEZ: Sure.

ASSEMBLYMAN GEWERTZ: Alright, one of the questions--I'm sorry, it was my fault really because I broke his train of thought with other areas--from the time that it gets to Legal, what happens from that point as far as it going back to the Commission to be acted upon?

MR. MARTINEZ: Well, it comes to Legal in one of two ways. Either it comes over on a list so that the file isn't even in Legal. It is just a list of names. That's where I indicated before that there is about a 48 hour turnaround time on that. People who have had some investigation done don't come over on a list. The file, the entire jacket with the investigative reports go over to Legal physically and then, they are reviewed by an attorney and a decision is made. It can be one of, I suppose, four decisions. Either the problem that was identified by the investigator had been cleared up and the party can go on a list; the problem has resulted in a situation which I described before with the "yes, but" letter; or it is an objection, which is a letter--

ASSEMBLYMAN GEWERTZ: But, at any rate, the people are advised, at that point, "you are on the 'yes, but'," or, "we have no objection to your licensing?"

MR. MARTINEZ: We send a copy of the communication that goes to the Commission to the applicant in the case of the objection letter, and the "yes, but" letter and there's a form thing that goes out to people on lists.

ASSEMBLYMAN GEWERTZ: Just to clear up--

MR. MARTINEZ: Now, the fourth thing that could happen at that point is that a lawyer can make the judgement that there is going to be a problem and it requires some other witness to be produced or whatever and he may send it back to investigation. It doesn't happen too often, but occasionally it does.

ASSEMBLYMAN GEWERTZ: And then, within 48 hours Legal sends it to the Commission?

MR. MARTINEZ: 48 hours relates only to those people who come over on a list. The "yes, but" and the objections can take, well, let's see, the average "yes, but" letter is about 7½ months and the average objection letter is about 9 months in the system in total. I would say two months of that is in three-way, probably two months of that is in investigation, so the rest would be in Legal.

ASSEMBLYMAN GEWERTZ: Now, on this particular point, if you have a question on what was just explained, if you want to address your question on this particular aspect, since that might expedite time and some of you sitting here, I'll accept the questions to the Chair. Ma'am?

MEMBER OF AUDIENCE: We have a copy of a letter, it is okay, it is being forwarded to the Commission for approval. That was in September. Now, how long is it before we get this approval and we're on the list?

MR. MARTINEZ: That's the Casino Control Commission. The statistics that I've given you are the Division of Gaming Enforcement statistics, okay?

ASSEMBLYMAN GEWERTZ: Let me see the letter that you have. There are a number of the same letters? Okay, this is from the Division of Gaming Enforcement, signed by Mr. Gushin. "Pursuant to your application to the Casino Control Commission for licensure as a casino employee, as a dealer, the Division of Gaming Enforcement has conducted the requisite investigation into your background. This is to advise you that this office has forwarded your name to the Casino Control Commission with a statement that this office interposes no objection to your licensure at this time." So, in other words, it is now on a list and it has gone to the Commission.

MR. MARTINEZ: Yes, that would be what that letter signifies.

ASSEMBLYMAN GEWERTZ: So, that's then out of your hands and it is now in the hands of the Commission. Now, this was as of September 17, 1979 and we are now to October 29, which is about six weeks or thereabouts.

MEMBER OF AUDIENCE: How about April 26?

ASSEMBLYMAN GEWERTZ: Alright, those of you who have these particular letters, I'm going to give you a sheet. Now, this is the identical letter that I just read. If you have this type of letter, if you will come up on the side and I will ask Assemblymen Gormley and Matthews to assist me. I don't need the letter, all I need is your name, address and social security number.

Now, a question, and I want you to pay attention to this, please; assuming, once this letter leaves your office and goes to the Commission, this is not a prioritized list or anything of this nature? This is just a notification to the Commission that you have completed your investigation and they can act on the application?

MR. MARTINEZ: It may or may not have been the result of that person being on a priority list in our shop.

ASSEMBLYMAN GEWERTZ: But, the point is, whether or not they were or were not on a priority list, once this letter goes to the applicant and that name goes to the Commission, as far you're concerned, you have completed it in its entirety and it is the responsibility of the Commission now to act on this particular applicant?

MR. MARTINEZ: That's correct.

ASSEMBLYMAN GEWERTZ: Now, the Commission would only know that it is a prioritized list--and it wouldn't really make a difference because you are processing applications, at this point, on a prioritized list and if you have slack, you are taking some of the older applications. So, the Commission would not receive the names, they would just get a list of total people, including prioritized and non-prioritized, correct?

MR. MARTINEZ: Yes, although we have been able to identify to the Commission, in most cases, the people who are on a list for a particular casino. It is not in that letter. Physically, it is not contained in that letter, but in terms of what we actually transmit to the Commission, we do tell them.

ASSEMBLYMAN GEWERTZ: But, the passage by the Commission on this type of letter, for this type of individual, would be to merely approve that name on a list at a Commission meeting.

MR. MARTINEZ: That's correct. Now, that's a function, incidentally, that on our recommendation the Legislature is about to delegate to the Chairman, rather than waiting for a Commission meeting. I would have to go back and look at the dates. For example, you cited one dated September 17. I don't know what day of the month that was, but if that was a cutoff date, so that that party missed the next Commission meeting, they might wait two or three weeks beyond that.



MEMBER OF AUDIENCE: We have one here from April.

ASSEMBLYMAN GEWERTZ: Alright, just give us the name, the date of the letter, your address and social security number and we can run those through. Now, in the same vein, on this type of letter or any other related matter concerning the processing of a license.

MEMBER OF AUDIENCE: How long does it take--first of all, when it is done three-way, they have a completed file, a picture from the FBI, the State Police, credit, all that. How long does it take from that completed file before you are assigned to an investigator, A. B, I was called by an investigator and had a verbal interview over the phone and she told me it would be two to four weeks before it would be to the Commission, all the way completed. She said she would write up her report, and this was September 28 I had this interview, she would write up her report, give it to the Legal Department, and they recommend or deny and then it goes to the Commission. That was September 28. I spoke this morning to someone in the Legal Department, who said that my name is now waiting to go before the Legal Department. After a month, the investigation is totally complete and I am waiting a month just to be heard by the Legal Department, who will then send me a letter.

ASSEMBLYMAN GEWERTZ: It's not heard. They only review the application and the investigator's report and supposedly, if there is no objection, then it goes over to the Commission. Okay, I understand your question. To your knowledge, are you on a prioritized list?

MEMBER OF AUDIENCE: No, I'm not.

ASSEMBLYMAN GEWERTZ: How long a period of time has it been?

MEMBER OF AUDIENCE: Since March. Another point, sir, my brother is on a prioritized list for Bally. They sent in his application. He's 18, lived in one place, had one job, has no credit, no FBI, no State Police history whatsoever. They told him it will take approximately 10 months and he's on a prioritized list for Bally. Now, Bally said that they would hire him. They paid for his application. Supposedly, he will deal roulette for them. He graduated school, but Bally gave him the OK for the job, supposedly, before he even went to school and yet, Mr. Martinez is telling us that they are holding back some licenses because the people haven't completed school, haven't gotten their certificate yet. They have to get together with the casinos.

ASSEMBLYMAN GEWERTZ: If I'm not mistaken, I think--maybe I would be safer not to think--but I believe that what initially happened is that when all this business first started, I think the Division and the Commission were processing applications to a point, waiting for--in other words, they may have fully processed them initially and then when you got a copy of your license and it was received, assuming that there was nothing derogatory in your report, they would then recommend licensing. But, now, because of the volume of applicants and the theory that they should be on prioritized lists, I believe that the position is that we don't even start to process anything until we get a Diploma that you graduated from school and in fact, are acceptable. Am I correct in that, Mr. Martinez?

MR. MARTINEZ: I think that is a fair statement and you might recall that I mentioned earlier that for this past Commission meeting, we deliberately held off processing a large bulk of Bally investigations, that had cleared the background unit, in order to clear out some of the earlier backlog in the system. As I say, we made the tactical judgement that we still have enough time to process Bally in time for their opening and still do some others, so we got the others out first. That's what it boiled down to.

ASSEMBLYMAN GEWERTZ: In answer to your question, once an investigation is completed totally and it is now in Legal to be reviewed, and they are not on a prioritized list, bearing in mind that the investment in time for the investigation has already been completed, and the actual legal review, assuming there is no objection, is more or less of a standard type of procedure, correct?

MR. MARTINEZ: Well, no. If a problem was identified and investigated and cleared up by the investigation, the lawyer won't even see the file. If there was a problem that was investigated and the facts about that problem were ascertained and put in a report, then the investigator must look at it to ascertain what--then the lawyer must look at it to ascertain what the legal ramifications are. So, if something is on a list when it comes to Legal, it goes through in 48 hours. If the file is sent to Legal to review, that will depend very much on whether or not you are on a priority list as to how long it takes. I think the last number that I saw in Legal was about 450 Bally people waiting for the lawyer to look at them. Those people, those 450, can expect to be out by the end of the year or well before it because they are on a Bally list. The people who are not on a Bally list and whose files are waiting to be reviewed by the lawyer, that's just going to be a situation where you get to them when you can. Now, we deliberately held off doing Bally in order to do as many as we could this past meeting. Of the 600 and some people processed this past meeting, a goodly number, I think I said there were 200 on a priority list and 400 not. You know those were people who were sped through the system because we felt we had the time, without processing Bally, to deal with that. You have to remember that it is going to get increasingly difficult because every casino has their own priority list now. We've just started to receive information from Great Bay. We have still some pending priorities from Caesar's, some new ones that they put on, and some priorities from Resorts. Now, when I say some, I'm talking about numbers of 300, 400 and 500. That's a small number to us. So, those people are going to be taken first at every step along the way.

MEMBER OF AUDIENCE: Am I to understand, in other words, now that my investigation was complete September 28, it could be past the end of the year, since I'm not prioritized for Bally, before I can hear from them, just for lawyer?

ASSEMBLYMAN GEWERTZ: That's what I understand he said, although I don't concur that that's the way to do it.

MEMBER OF AUDIENCE: Just for a lawyer to look at it? That's incredible. On top of which, how do they explain the 90 people that Caesar's had to lay off in September? They were paid. They were on the payroll since May. Mr. Martinez's Department cannot license people who are on the payroll at casinos, let alone people that have a priority.

ASSEMBLYMAN GEWERTZ: We understand that there are mechanical problems. That's why we're all here. You see, one of the problems is, if you don't have the name of the individual, you don't have the address, you don't have the social security number and you don't have the release, then it becomes difficult to track somebody through a system if you don't know who they are. That's what you are all here for. As long as we have the names, addresses, you know, we can get the specifics as to what is the problem.

MEMBER OF AUDIENCE: Where is the paper?

ASSEMBLYMAN GEWERTZ: Right up front here. I would add your social security number, which is not on here, just in case you get people with the same name. Now, on this same specific kind of a circumstance, because what I would like you all to do, though I'm taking these questions from the floor to save some of you some time, if the problems are relative, you know, we still have the process of allowing you to take testimony. Sir?



MR. MARTINEZ: Mr. Chairman, a point was made with respect to the Ceasar's situation and I would like to comment on that since it has provoked a comment or two along the way. I think there was a great deal of inaccuracy perpetrated at the time of that situation, and again, this is an example of what I consider to be casinos coping out to their responsibility. Ceasar's overhired personnel and they stated, initially, that they were laying off people because they had kept them on the payroll for a long period of time and couldn't afford to do so any longer until they cleared out of the process. A couple weeks later, it is my understanding that of that group, whoever was remaining, received a second letter saying, "Well, we've decided not to hire you back, even if you do get a license." I think the truth will out over the longer haul. When you get down to the end of a priority list of about 200 people, your rate of objection because of that statistical phenomenon of "the longer in, the longer the problem," comes to pass. There was not 95. There were 89 to start with. About half of those are licensed. At least 15% of them have objection letters pending right now and the balance of them have problems. Now, that's one of the phenomena that come out of that type of a system. I don't think, however, that there was complete candor with these poor people in terms of being told exactly what their situation was.

ASSEMBLYMAN GEWERTZ: But, then we have a similar problem. If you are taking lists, prioritized lists to pursue as far as the application and, in fact, they are not really going to hire the people, then why are we wasting time and money for, instead of processing people in turn?

MR. MARTINEZ: What you are doing is a balancing act in which we cannot tell, at the bottom line, before a casino opens, what its actual, final payroll figure is going to look like. Now, they have probably dropped their payroll, and I think some of that is a seasonal adjustment, by about 300 over what they had originally projected. When they started out with their priority list, we had no way of knowing what they considered an optimum service level and, you know, consequently, we worked on 300 people who are not working now, not because they are not licensed, but because they are not employing them.

ASSEMBLYMAN GEWERTZ: Now, those that have questions on this particular situation, if you will just line up behind this gentleman who is standing up now, we will take those questions in order, directed to the Chair, and if you will state your name and address so we can get it on the record, we would appreciate it.

F R E D E R I C K W A L K E R: Assemblyman, my name is Frederick Walker. I submitted my disclosure form October 10 of last year, 1978. I was investigated by Investigator Dudley Bright in February of this year. At that time, he told me that I should hear something from the Commission in about a month. To this date, I have not heard a word. I don't even have one of these letters that the other people have here. I've called over and over. My telephone bill is unbelievable. I even called this morning. The week before last week, I was told that the Legal Department had it and I should get it on the 24th of this month. I waited and today is the 29th.

ASSEMBLYMAN GEWERTZ: Since October of 1978?

MR. WALKER: I have a copy of it right here.

ASSEMBLYMAN GEWERTZ: If you wish, sign me one of these forms and we'll pursue that. Mr. Martinez, the question has been raised-- and again, I realize that you don't have files and records with you and I'm not trying to put you in that type of situation-- what type of license were you applying for, sir?

MR. WALKER: Dealers' license.

ASSEMBLYMAN GEWERTZ: Is there any reason why it should take over a year, and when I say over a year, I understand that there can be problems, but if you have someone waiting over a year that has received no communication from anyone to date from anyone, is that a normal type of procedure?

MR. MARTINEZ: I think it is highly abnormal, but it could occur and I think that the point that you make respecting problems is well placed. On the other hand, what we've tried to do, as we did this last Commission meeting, was to try to go back into the aging file and to pull out some of the earlier ones and push them along. In other words, the priority really ought to be first open to casinos and secondly, deal with what's in the pipeline on a first in, first out basis. That's what we're trying to do.

ASSEMBLYMAN GEWERTZ: But, in this particular gentleman's case, again, if, in fact, during the normal course of the processing of his application and there is a certain percentage of mistakes that have to be made by everybody, nobody is perfect. Now, in his particular situation where conceivably he went through the system prior to any prioritized lists, he finds himself now, after waiting for a year to be licensed, everything completed and now, not being able to be placed in that position because of the prioritized list. I think there has to be some aging of applications, the same as if you were in a business, the aging of whatever, that there be a mandatory situation, type of situation that all applications within a certain age limit, if the problems have been corrected, must go.

MR. MARTINEZ: There are situations where you have a pending investigation by another agency of major proportions, which sometimes causes a delay, and I don't know this gentleman's situation, so no one should think that I'm commenting about him because I'm simply unaware about his circumstances. But, I know of at least one case in which a fairly vocal person, who has spoken to the press a lot and spoken to various legislative committees a lot is simply the target of a major investigation by another agency and I'm not in a position to tell anybody who he is or whatever, but I'm not in a position to defend myself for holding it, at this point, but I'll have to hold it. Now, as I say, that's not with respect to anything that has to do with this gentleman's situation and I do agree with your point about aging. That's, in fact, what we're trying to do.

MR. WALKER: Sir, shouldn't I, at least, have received a letter or something?

ASSEMBLYMAN GEWERTZ: The question, Mr. Martinez, is that in the system, the man, at this point in time, after over a year, should have received a communication from somebody, stating something.

MR. MARTINEZ: That's one of the things that you recommended to me a long time ago and that's one of the things we'll implement and, in fact, it is the first part of implementing that data processing system, so that we can tell people where they stand. Right now, it is being done verbally. He found out, evidently, by calling the offices where he stands and that was on the information line that was put in place and we're attempting to do that in written form. That's part of the request that is pending now before the Attorney General.

MR. WALKER: Sir, I don't know where I stand. That's my main problem.

ASSEMBLYMAN GEWERTZ: Well, we will check you out commencing tomorrow, my friend. All I need is the form signed and we will go from that point.

J O S E P H   L.   J A C O B S: Mr. Chairman, Mr. Martinez, my name is Joseph L. Jacobs and I'm from Atlantic City and we were put on the priority list from Ceasar's in March. I mailed in my disclosure form March 10. Now, there are others here from Ceasars who were on the priority list, but when we called Trenton, they didn't know anything about a priority list and we were telling them about our plight. Now, we were hired from Ceasars. We were all hired, we had a job. Now, we don't have a job. Now, I have two kids and a family and everything. I received a letter saying that I

would receive my license. Who's responsible, right now, for me and the rest of us not having our jobs that we were promised and we worked for and everything and I want to know who's responsible for that. I think someone should be responsible for that. Maybe you should talk to the casino industry or something to get our rightful jobs back.

ASSEMBLYMAN GEWERTZ: I think I understand the problem. When you say you were on the priority list, that was by virtue of the fact that you were on the payroll of the casino, awaiting licensing.

MR. JACOBS: Right.

ASSEMBLYMAN GEWERTZ: Now, you see, this causes another set of problems. On one hand, it is the position of the Division of Gaming Enforcement or the Casino Control Commission that they are overhiring. The fact that they are paying people would indicate to me, not defending the industry, that they had intentions of hiring that individual or they wouldn't be paying them. It's not like sending you a letter saying, I would like to hire somebody. You're paying someone for, really, not working. Now, Mr. Martinez, the question is that being on a payroll and taking into consideration that the people, at least most of them I assume, have not had any specific problems to delay the licensing. The inability to process a license because of the volume, resulting in the individual being laid off and someone else being hired in their place, not because the employer doesn't wish to hire the person, but merely because the regulations are so that the time involved to be licensed becomes prohibitive and they lose their job. That can't be put on the industry, who is paying somebody, who says, "Fine, get a license and we'll hire you."

MR. MARTINEZ: Ceasars did not want dealers prioritized over the summer.

MR. JACOBS: We were told that there were priority lists and we all went out to Stockton College.

ASSEMBLYMAN GEWERTZ: That was Ceasars' school, correct?

MR. JACOBS: Ceasars' school. They said that you have to have your disclosure in by the 15th of March and we were ready.

MR. MARTINEZ: Mr. Chairman, before Ceasars prioritized the people at Stockton, they asked us to concentrate on 157 executive personnel and that's what we did.

ASSEMBLYMAN GEWERTZ: But, the point is, the 157 executive personnel, how many people were there that lost their jobs?

MR. JACOBS: 89. Mr. Chairman, the plight is that we're in a limbo here and we can't go to another job because they won't hire us and we're just in a plight without our license or anything.

ASSEMBLYMAN GEWERTZ: You know, Bob, one of the problems that I see here is this. You're the Director of the Division of Gaming Enforcement. You run Gaming Enforcement, not Ceasars, and if there are 89 people who were on the payroll, who, but for the want of a license, could be gainfully employed, someone giving you a request saying the hell with the 89 people, process this one, this one and this one, you know, the value judgement that has to be made is, are these people who have quit their jobs and who are taking this minimal amount of dollars awaiting the licensing, because they know they have a job once they're licensed, be punished because of this decision.

MR. MARTINEZ: I can't defend the industry's practices.

ASSEMBLYMAN GEWERTZ: No, it is the practice of Gaming Enforcement because you made the decision. I'm not saying that sarcastically, because if you get a letter from Caesars knowing that these people are all employed, on the payroll, awaiting licensing, now all of a sudden, instead of processing them, a letter comes in that says, the hell with the 89 people, more or less, process executives instead. I don't know that we're bound, as a State agency, to be told who to process and who not to process.



MR. MARTINEZ: I agree.

ASSEMBLYMAN GEWERTZ: But, you see, the decision that was made was not made by the casino. It was recommended. We're not bound, as a governmental agency, to adhere to those wishes.

MR. MARTINEZ: I agree with you. In that particular case, the representation that was made by them and the facts as they checked out, were that Caesars would not be able to start its credit system and it would not be able to start other functions, certain other functions that were awaiting executives and for which there were other people waiting on the payroll and not performing the casino functions they were trained for. It is a tough judgement to make.

ASSEMBLYMAN GEWERTZ: Do you think that an equal judgement could have been made and a directive saying that if you hire someone, you pay them, you put them on the payroll, and you wish to prioritize someone else, that you're going to continue to pay those people and you're going to continue to give them the guarantee of the job that you originally committed to or we're not going to license you at all.

MR. MARTINEZ: That's something the Commission should do. I don't have the rulemaking power. I can't tell them to do something like that.

ASSEMBLYMAN GEWERTZ: Did anyone recommend to the Commission that they not process these applicants or that they compel the casino to make good on their commitment and continue these people on the payroll and continue their job security.

MR. MARTINEZ: I asked the Commission back in May to embrace and set up a priority system that would be fair.

ASSEMBLYMAN GEWERTZ: Forget the priority system. I'm saying that if a casino commits to employ someone and, in fact, puts those people physically on the payroll and the only reason that those people are not employed is because of the licensing time that is required. You are saying to me that there's no policy, presently, to protect the rights and the jobs of those people that are being pushed aside for what a particular casino may consider to be its priorities.

MR. MARTINEZ: There is no Commission rule that requires that.

ASSEMBLYMAN GEWERTZ: Do you agree that such a rule is needed?

MR. MARTINEZ: I think that would be a very healthy rule.

MR. JACOBS: So, after today, what can we hold onto as far as our job security? We need our jobs. We were offered jobs and obviously they picked us for some reason. Now, can you help us with getting our jobs back?

ASSEMBLYMAN GEWERTZ: I understand the problem and upon the getting of the list out--wait a minute, this now raises another point. If those of you who on the Caesars business, if you will mark on there "Caesars" so I can compile a separate list of the Caesars people, though I am not permitted by law to go before the Commission, I can certainly send them letters and I'm certainly not precluded from going to Caesars and saying, "Hey guys, you have an obligation."

MR. MARTINEZ: Mr. Chairman, may I suggest so that everyone can take notice of what's been done here that you include these lists as part of the official record of the proceedings, or otherwise, I won't get them either.

ASSEMBLYMAN GEWERTZ: I'm going to compile you a separate list once I get them, absolutely. May I just make one comment. Just as an aside, one of the gentlemen who testified here was the gentleman whose problem related to where an instruction book might come in handy and that was the result of filing under a Muslim name and having one investigation done and refiled under a different name, causing more time to be taken in the whole process.

ASSEMBLYMAN GEWERTZ: Yes, but you realize, if you read this form, that's conducive of happening. I mean, you know what you want out of them.

MR. MARTINEZ: That's what I just said.

ASSEMBLYMAN GEWERTZ: The guys that draw the forms know how they should be filled out, but, unfortunately, when they give it to plain people, plain people have a problem of trying to comprehend what this means and what that means.

MR. MARTINEZ: On something like a name, that's why we ask for a birth certificate.

ASSEMBLYMAN GEWERTZ: That's why--who does it I really don't care, you or the Commission--besides this booklet going out with each application, there should also be a service offered where you can come if you have a problem. If you don't understand the form, you come in here and you say, "Here's the form, I don't understand what this means, I don't understand what I'm to put here," and have that service here available to people who don't understand the application, so you don't have all this confusion.

MR. MARTINEZ: I understand, Mr. Chairman, that there are gaming schools that are charging \$2.00 to pick up a copy of the form you can get in this building for free; \$2.00 to notarize it; and \$75.00 to help you fill it out.

V I O L A C R A I G: I wish to put it on record right now that that does not happen at East Coast Gaming School. I print the forms and I give them to the students and we give them any help they need. They do have to go to a notary because I don't have a notary aboard. But, at my gaming school, I get a copy from here and at my cost on the Zerox, I print them and give them to the students. If there are students in this room, anybody will tell you.

ASSEMBLYMAN GEWERTZ: Viola, rather than crop up out of the audience like this--

MS. CRAIG: I have to say this because right now I am here with no intimidation and no fear, and there are detectives in my school, been there for three days. I asked them what they're looking for and they say, "We will leave when we find it." Now, my books are open, I'll print them in the newspaper, if they want them.

ASSEMBLYMAN GEWERTZ: Thank you, Viola, for that spontaneous outburst.

J O E P E T T Y: I'm Joe Petty of Atlantic Casino Training Academy and what Mr. Martinez refers to, he better get his facts straight because he's wrong. Now, anything he wants me to answer, I'll answer.

ASSEMBLYMAN GEWERTZ: Joe, I don't think--

MR. PETTY: But, he made the accusations.

MR. MARTINEZ: Mr. Chairman, I didn't mention anybody.

ASSEMBLYMAN GEWERTZ: Joe, please. If there is some specific problem, I'll be more than happy to listen to it in its proper context, at the proper time. The comment that Mr. Martinez made was a broad based kind of a comment. I'm sure that the context that Mr. Martinez spoke was not meant to embarrass anybody, at least I hope it wasn't. While we're on the subject, are there any representatives from any of the casinos?

MEMBER OF AUDIENCE: Mr. Cade is here from Caesars.

ASSEMBLYMAN GEWERTZ: Mr. Cade from Caesars? He may have gone to make a call. Give me a holler when he gets in. Sir?

R O B E R T F R O L O W: My name is Bob Frolow, Ventnor. Now, I'm on a priority list now with Bally and I'll give you a little background first so you will know what I'm talking about. In March, I sent in my disclosure form. Approximately August 25, I got a call



from the investigator, Mark Sivik, told me everything was clear, no problem, he's sending it up to Legal and I should have my license or hear from the State or whoever in two to six weeks. Now, this was August 25 when I heard that. Now, as of October 17, I have heard nothing yet in the mail and in the meantime, I had gone to East Coast School, graduated as of August 31. Now, I'm waiting and I'm figuring as of August 31, they could hold it up waiting for the certificate of graduation for completion of the course. Again, as of October 17, nothing, no letter, no phone calls. So, after about the 37th phone call to Trenton, I find out, again, they can't find my file. A classmate of mine, who happens to be here, John Cocci, calls up the same day to find out why his license hasn't been issued yet because he was supposed to get his prior to me getting mine. The girl says it is because we haven't gotten your certificate yet. Now, this October 17. We got out of school as of August 31. Now, I don't know. It could be the Post Office or anybody. But, I'm kind of curious to know where the delay would be, whether it is here; whether it is in Trenton, and if it is in Trenton, where; what happens to the files between Legal and the time the Commission votes on it, because the girl in Trenton says it is going to be at least another month before we get the licenses. Bally is going to be opened up and we're still going to be unemployed.

ASSEMBLYMAN GEWERTZ: Viola, let me ask you a question. When a class graduates, they get a certificate upon graduation and do you then forward to the Commission or to Gaming Enforcement or both a copy of those that have graduated with a copy of the diploma, etc.?

MS. CRAIG: I certainly do and I want to put it on record right now that there would not be a name missing from that list because, whether anybody here knows it or not, I work under a casino controlment escrow fund. I cannot draw down money to pay my instructors or my bills until that student has graduated. Now, I made up the form that was sent and was accepted both by the Commission and the Division. There's an individual sheet of paper and I do hand-deliver, I guess I've been a little lenient in not getting signatures when I hand-deliver, but at Independence Mall in Trenton, I leave off things. I used to leave them for Director Martinez, and then it was Director Kent or Sargeant Kent and now it is, I don't have the name here. I would extremely foolish to leave somebody's name off the list because that's either \$760, \$840 or \$960 that I don't get to operate my business.

ASSEMBLYMAN GEWERTZ: Would you do me a favor, please. Get me the list that contains this gentleman's name, when you sent it up, whatever copies you have of whatever it is you submitted and the date that you submitted it.

MS. CRAIG: Alright, thank you.

MR. MARTINEZ: Mr. Chairman, I point out again that that gentleman indicated he was on a Bally priority list. If so, again, I suggested that we deliberately held off opening the floodgates on Bally because of other things that we were doing.

ASSEMBLYMAN GEWERTZ: Again, I'm going to go back to the initial point that was raised initially, communication. Because, if, in fact, Bally, for example, has done something else and said, the hell with different individuals, now process so and so, and so and so, people have a right to know. They have a right to know, but at any rate, everybody is completely in the dark and one of the things that I pointed out to you is that the whole enforcement end has to build a better rapport with the people that it is supervising. I mean, people can't despise you, they can't mistrust you. You can't get to the position where nobody will talk to you because that's not an enviable position to be in and I think that's what happens.

MR. MARTINEZ: Mr. Chairman, the personnel office of each casino participating in the priority system is notified on a bi-weekly basis of the status of every applicant whether they are finished or whatever. So, I would suggest that people who need to know that information, and to reconfirm that they are on a priority list, go to their personnel office.

ASSEMBLYMAN GEWERTZ: Let me point out, also, the Legislature said, "We are creating this thing, we are creating it equally. People will have the opportunity to work," and I don't know about this priority business because I tell you quite candidly that it raises some very serious legal questions as to whether or not--they have the right to hire whoever they want to hire at whatever point they want to hire them, there's no question about that, but I don't think that they can use State agencies, who is not an employer of these people, who should not sit in judgement as to who goes where and when, but take the fee and treat people fairly.

MR. MARTINEZ: I would much prefer that kind of a system. If I did it, Bally wouldn't open.

ASSEMBLYMAN GEWERTZ: But, Robert, the bottom line is, if you gave the employees the same benefit as the casino gets, a temporary license, for a period of time, then there would be nobody out of work and we wouldn't have priority lists.

MR. MARTINEZ: That's a legislative judgement, not mine.

ASSEMBLYMAN GEWERTZ: The bill did pass the Assembly, incidentally, for temporary casino licenses for additional people. It's stuck in the Senate someplace. Not dealers, which should have been included.

Bob, let me ask you a question. The point that you made that Nevada has less of a investigative process but more of a rejection rate, then why don't we adopt their system and put more people to work?

MR. MARTINEZ: You know, one of the essential features of the Nevada system is that you can't apply for a work card until you have a letter from a casino giving you a job commitment. That's the priority system.

MR. FROLOW: Back to the priorities again, I had a promise of a job with Resorts in August and I lost that job because I never got my license. Now, I'm on Bally's, but I hope I can go to work by '81 and who knows who's going to be open by then.

ASSEMBLYMAN GEWERTZ: Well, Viola will provide me with the information and we will get on with that.

MS. CRAIG: Before Bally was coming before the Commission for a school, Bally submitted 430 disclosure forms to the Division. Bally had no school. Bally had no idea whether they were going to get a school or not, unless they have a crystal ball better than I do. But yet, this 430, I think, logged the Division down because these disclosure forms were in before these people were ever put in the school.

ASSEMBLYMAN GEWERTZ: Bob, let me ask you something. In the structuring of the Division, realistically, you have, I realize, a need for additional investigators, which I personally have no problem with, but if you know a casino is going to open and you assign so many investigators to do the people that do not have job commitments, so many investigators to do each entity and if there is a slack period in the processing of those applications by that particular subdivision within the Division, then you could utilize the personnel in another capacity. Because, what I see here happening, which becomes more and more prevalent, if you're not on a priority list and more and more casinos continue to send you priority lists, there are large numbers of people whose rights are being compromised and we can't allow that to happen. Now, even if you were processing a little slower, that's one thing. But, in some instances, they just totally

lay dormant for a long period of time, which isn't fair, it isn't right and that's not what the law provides, and whether you have to make the decision or the Attorney General has to make the decision, there has to be a revision.

MR. MARTINEZ: All I can say is that when you have 2500 applications coming in a month and your capability is to process a thousand applicants out--

ASSEMBLYMAN GEWERTZ: But, if you had the computer which has taken two years and nine months to get--

MR. MARTINEZ: We would have loved to have that a year ago.

ASSEMBLYMAN GEWERTZ: I recall sitting with you a year ago and asking if you had sufficient personnel to do what you're doing and you said, "Yes, we have sufficient personnel." Nobody gauges what is going to happen. Now, the avalanche comes down and when you're trying to dig yourself out from under the rocks, nobody is saying, "Look, we really underestimated the capabilities of this industry and what it would generate, the amount of people that were interested," forgetting the amount of people that are employed. They are the same kind of people who go to the county college to study nursing, drafting or whatever. They enjoy that type of work, they want to go to that school and they want to receive a license.

MR. MARTINEZ: I think everyone underestimated it.

ASSEMBLYMAN GEWERTZ: But, now that we've underestimated it and everyone sees the problem, it has to be corrected now because we're getting into a very competitive world, my friend, and if I were New York State and I was looking at some of these things and I was reading some of these things and I wanted to go into the casino business and knock your socks off, I would take every casino out of here so quick your head would spin.

A L C A D E: I understand you wanted to see me, Mr. Chairman.

ASSEMBLYMAN GEWERTZ: Mr. Cade, the question that has been raised, and I think legitimately so, by people-- and I don't know how long you've been sitting there-- but anyway the question that was raised was about the people that were initially placed on Caesars, some 89 pupils as dealers, who lost their ability to be employed, not because they weren't on your payroll, not because they didn't have a certificate from the school, but because they couldn't get licensed in time for subsequent tables. Now Gaming Enforcement's position was that it is not they who are doing this because they were told or I understand that different sets of priorities came out and the Division was asked not to process these people, as opposed to processing other individuals. Subsequently, they were laid off from the job. Most of them are still sitting without licenses because now the position is that if you don't have a job commitment, they are not going to process the application and I think that it is grossly unfair if those set of facts are correct, that these people should not be guaranteed the position to which the company committed itself and if the company is the one that asked Gaming Enforcement to set aside these processings for other things, then it is not the responsibility--well, I don't alleviate Gaming Enforcement because they can make their own decisions, but I feel very, very strongly that something has to be done to guarantee these people the employment that they were promised. I'm not trying to put you on the spot, but are those sets of circumstances correct?

MR. CADE: I think they need to be explained in a different manner, Mr. Gewertz. My name is Al Cade and I'm Vice-President of Administration of the Boardwalk Regency. The Chairman is correct in his statement that we ended up in an overhired position in our dealers. We did not intend to end up in an overhired position. We intended to have all of those dealers that we hired working. We expected them, of course, to be



licensed. As we went down the road in terms of our operational capability and games became available, we hired other dealers that we had not originally intended to hire from an operational standpoint, while we were waiting for our dealers to be licensed. Beginning in the April timeframe, we began to work with staff to try to identify what our staffing requirements were and as we approached what we considered to be an opening date, we provided to the Commission lists of people, or to the Division, lists of employees for licensing. It was very obvious to us that we had to have the supervisory personnel licensed, in order to operate, as well as dealers and yes, we provided several prioritized lists to the staff for their consideration in terms of getting us into a posture where we could operate. We went through several phases of operations, first, working with 50% of our table games and part of our slot machines and ultimately where we finally got to the position where we were operating with all of them going. During all of these processes, we were carefully trying to identify those skills that were necessary to operate. It was very difficult. We received considerable cooperation and coordination from both staffs, the Commission and the Division. It was a very complicated process. It was not easy. What we ended up doing is hiring dealers that we had not intended to hire from an operational standpoint and finding ourselves with dealers on our payroll who were not licensed that we had been paying a salary to for some five months, that we had to take off of our payroll, with the understanding that if we were able, if the vacancies existed at the time they received their licenses, they would be hired. Now, at the moment, we do not have sufficient table games in operation or staff to increase table games that would permit us to hire those dealers back. We do have, however, a plan in which we are requesting permission to expand the number of table games. When that occurs, we will be able to bring those dealers back on staff.

ASSEMBLYMAN GEWERTZ: The problem I perceive is, I've been in some businesses myself where I've made some bad judgements and I've paid for them. Now, the question is and I may be speaking off the top of my head, but I feel very strongly that there is a commitment to these people that has to be fulfilled. Now, if it is a case that people due to miscalculating how many games of which there should be, these people should have been given first priority to a second game, if, in fact, the realization was made that you really don't need them in that capability at this point or placed in some other positions, bearing in mind that many of them had quit their jobs and are now sitting, more or less, a ward of the State, which, on one hand, if we're creating jobs to get people off of unemployment and other benefits, then the industry itself through acts of miscalculation should not now put these people back in another position and if you say you want these people processed and there is a change, then something has to be done to compensate the people, not that they pay the price for miscalculations.

MR. CADE: I understand what you're saying Mr. Gewertz. I think this is a problem that has to work, however, out between the industry and the agencies of the State. At the moment, they have no licenses and we have no positions for them. We need two things to solve this problem, both the positions and the licenses, and I think the industry and the Commission and the Division must work together to solve that.

ASSEMBLYMAN GEWERTZ: But, you see, it goes one step further. There is another great father that sits over both the Commission and the Division and the industry and that is the creator, being the Legislature. Because I can recall that when the vote went on the referendum, it was just exactly 60 votes, one of which was mine and the whole point was that this is going to create a new way of life for large numbers of people, who would not ordinarily be afforded that opportunity and, you know, to the Legislature there is a responsibility and to the intent of the law there is a responsibility

and if it can't be worked out equitably as an internal type of structure, then maybe the Legislature has to pass a law that says, if you commit yourself to a person, to hire him, you're going to hire him and you're going to pay him for as long a period of time as it takes you. Now, I understand, mechanically, what the problem is, but I further understand when you give somebody your word, it has to be carried out, and I'm not saying that as a sarcasm to you or your organization, which I have the very highest of respect for. But, what do these people know? These people don't know from beans. They know that you said, "Go to our school, come out, quit your job, we're going to put you on our payroll. You have a job with us." Now all of a sudden, there is a miscalculation so it is, see you later alligator. This can't be.

MR. CADE: May I comment on that sir? I've been in the room for most of the afternoon and I've heard most of the comments that were made. I would like to say that the industry is not here to create problems for people. We're here to do business. We're here for employment and we want to run our facility in a first-class manner. It is not our intent to create unemployment. It was never our intent to layoff anyone. We made a judgement. Unfortunately, our calculations were not fulfilled. We did not anticipate the situation that befell us, but we made a business decision to lay those people off. We did not want to. We have publicly stated or I have publicly stated before Mr. Matthews' subcommittee that it is obvious to me that the workload, if you will, is a very great one for the Division and I recognize that the Legislature has an obligation to see that this whole thing works and whatever assistance the Division needs, in order to handle this severe workload that it obviously has, I think it is incumbent upon all of us to see that they get it. By the same token, the industry is committed to cooperating with the Legislature, the Division and the Commission in attempting to find some solution to this problem. The point of it all is, however, that we felt that we had, for five months, waited for the licensure of these employees. We had no assurance that they would ever get a license. How long should we be expected to carry them on the payroll?

ASSEMBLYMAN GEWERTZ: Well, you see, what happens here in this situation-- the more and more I listen to all that's going on, understanding one very basic fact, often times the industry can't speak too boisterously against the Division or against the Commission because they're the ones that license you. You know, it is the old adage, you say something nasty about me, watch yourself, because the first time you stumble, I'm going to whack you over the head, because that's life in general. So, really, the industry is not in too good a shape to rise up and break the bonds of oppression and say, "hey, we don't like all of these things that are going on, they're not right, they're hurting business, they're keeping people out." You're not in a position to do that. So, who is in a position to do that? The Legislature? Sure, what's the Division going to do, call you something--I won't mention the word. You know, the more I think about this, the more I get the idea that maybe there ought to be a commission or a panel formed by the Legislature to go over all of this business. I'm talking about the rules, the regulations. You know we have commissions for the insurance industry, the banking industry. You know, because, really, maybe it needs a third entity, impartial, comprised of business people to understand what is happening, and the bottom line that you operate as a business, but you put these people on the payroll so that you would be guaranteed, on the day of opening, to have sufficient personnel, with the exception of not anticipating the long delay in the licensing, so that you would do business. That's why they were put on the payroll, because they went through the school, according to the gradings of the school, they were highly qualified people that represented the best available people. So, therefore, they were placed on the payroll. The

inability to get a license comes about because of two aspects: a) a bureaucratic system that may have outgrown its usefulness in many respects; b) a corporate decision to push those people back on a priority list and instead use the available personnel to do other things; none of which is the fault of the individual. Now, where do they go for that protection?

MR. CADE: Let me say that I am sure that all of the members of the industry would be delighted to work with whatever agency you set up to try and find some resolution to this problem because it is a very difficult problem. It is not an easy problem and indeed an adversary relationship between the industry and the Commission or the Division or the Legislature will not solve it. We must collectively work together, industry and State, to solve this problem. It is not going to solve itself.

ASSEMBLYMAN GEWERTZ: Can we collectively get these people back on the payroll or back to work?

MR. CADE: As I indicated to you, one, they have no license and we have no positions for them. We are working on a plan right now and, hopefully, it will materialize so that we can solve the greater part of that problem.

MEMBER OF AUDIENCE: When we were laid off, we were told in a form letter signed by Mark Eller that if you receive your license within 90 days come back. We subsequently got another letter signed by Terrence Lanning, "We do not need you. Do not come back, your employment is not warranted."

MEMBER OF AUDIENCE: In the meantime, we're on unemployment and we've got bills and things to pay. What are we going to do? What are we going to live on? We've given up our jobs and everything.

MEMBER OF AUDIENCE: We go to unemployment and unemployment says, look for other work. Anyplace you go to fill out an application, you're asked, "What was your last employment?" "Regency Boardwalk." "What were you doing there?" "Waiting for a license as a dealer." Now, who's going to hire you, knowing that as soon as you get your license that you will leave their employ to go into the gaming industry? Nobody is going to hire you and by the same token, we're subjected to rents. People are losing homes, people have families to feed and we were promised jobs. They didn't say how long. They made a corporate decision. I understand business, but every time those licensures go by, 25 pages, those are people's lives. These are not people that you can just throw papers around. These are people's lives. We gave up good jobs. I gave up a job where I was making \$500 a week to get into this industry. I've been in the hotel industry, sir, and this is the first time that I've come into this type of industry that had nothing but backstabbing.

ASSEMBLYMAN GEWERTZ: Mr. Cade, one of the problems that we seem to have that emanated from all of this business of making money and whatever, understandably, the industry, in order to survive, it must make money or a profit, but there is a civic responsibility, the hell with the laws, there is a civic responsibility to people as human beings, not to cause them to leave jobs, jeopardize their family, their homes and everything else, to come somewhere and then get cast off and have you say, "We're sorry, we made a mistake". If you make a mistake, you have to pay for it and I really would not like to see this become a major issue in any permanent licensing. I don't say that sarcastically.

MR. CADE: I understand what you're saying and we recognize the civic responsibility and in all honesty we thought we were fulfilling our civic responsibility by retaining those people on staff as long as we did.

ASSEMBLYMAN GEWERTZ: I want to point out to you that the three letters are only about three weeks apart. So, let's assume when the people were laid off, they got



a letter that says, "Get your license and come back." So, now, three weeks go by waiting for the licenses, not knowing that they are not now on a prioritized list, they're down at the bottom of the barrel, so to speak. They lose three more weeks and now comes another letter three weeks later that says, "Well, we're sorry, we can't use at all." I wonder what kind of decisions they are that only take three weeks to go from one point to another.

MEMBER OF AUDIENCE: If you notice, the second letter is about two weeks before the meeting that just went by. They didn't even give us a chance to make that meeting.

ASSEMBLYMAN GEWERTZ: If you had left them on the list without sending out the second letter, it is my feeling that they probably would have gotten a license at the last one.

MR. CADE: We had really intended to have on the agenda at the last meeting a request to increase our table games. We could not make that. We are trying to get it on for the next one, to increase our table games, which will create more jobs for dealers.

MEMBER OF AUDIENCE: That doesn't solve our immediate problems, sir.

ASSEMBLYMAN GEWERTZ: I understand and I was just going to say that in light of all of these efforts that are being made, I really sincerely want to impress upon you to carry back, and in fact, I will pursue it through the next degree that something be done on behalf of these people, something positive. It says on the letter, on the bottom of the letter, "Should you have any particular hardship due to your termination, please contact my administrative assistant." Now, what happens when you call, I don't know.

MEMBER OF AUDIENCE: I did call.

ASSEMBLYMAN GEWERTZ: What happened?

MEMBER OF AUDIENCE: Nothing. She just said, sorry, and I didn't need to call to hear, I'm sorry, I was already sorry before I called.

W A N D A H O L M E S: When we left Stockton, they instituted the TAP program, right. I was working at the hotel at the front desk every night from 12 to 8, drawing a salary, performing a job. Now, when I got my checks, when I got laid off, I asked them, "How come I can't continue to work in the hotel?" They told me, "Yeah, you can work in the hotel, but when you get your license, there's no way in the world you can come in the casino." That's what they told me and I was working.

MEMBER OF AUDIENCE: This is what the hotel said, that they were looking for other areas within the hotel structure, that they needed help. Now that we were working those positions and getting the salaries that those positions demanded, they decided to lay everybody off and herded us in like cattle in the back room and we asked about the TAP program, can we do these jobs and they said that these jobs weren't available. How in the hell did they get available to start off with? Those jobs were there for people to do and now there are no jobs.

MEMBER OF AUDIENCE: Am I to understand that if anyone is vocal or speaks out to their legislators that you hold this against them?

ASSEMBLYMAN GEWERTZ: Excuse me, I didn't hear you.

MEMBER OF AUDIENCE: Am I to understand, according to one of the statements made by Mr. Martinez, that if somebody is vocal or speaks out to a legislator then this requires a special investigation? He did make the statement prior that one party that is waiting to be licensed has been very vocal with the Legislature. Does that mean that

if someone speaks out and wants to find out their rights, that they're going to be pushed to the bottom of the pile because like you had said, they'll stick it to you because you're asking questions? I know about 20 people who are not here today because they said, "Don't mess with the Commission, they'll get you." I would like to know if that is a true statement, before I give you my name. I've given my name before and I've had problems.

ASSEMBLYMAN GEWERTZ: Let me assure you of one thing. I had better not find out factually, and that's the reason why you need names and addresses, to start to look at the process, I had better not find out that somebody is playing some kind of game because I give you my word that they will wish to God that they were never even born because on one hand, if government is expecting the public to be honest and do its function, then government has to be that much of a step above, as far as its method of doing things, not that people have to be afraid of the government.

MEMBER OF AUDIENCE: They are afraid and you better believe they're afraid. I have been to meetings, I have spoken up and I want to tell you something. My son applied for his license, called up the Commission while he was still in college and was told to get a license, put it in immediately. Back in January, he had to come home for a weekend, he filled out his form, brought it in and went back to college. He signed up for school in January so he could go in June. We did everything that we were told to do. Unfortunately, my son is not a standby and will not take it. He did happen to ask the Attorney General, "What are you using, the lunar calendar?" I'm sure that that did not register too good. He has been sitting in Legal since January 31 when that license was put in. He has graduated college, dealer school and we been told he's in Legal, he's in Legal. He's opened up his mouth and he's been to meetings. He's signed records. I think Mr. Matthews will vouch for it. He has signed papers. He has done everything. I want to know why, in the name of God, these people can act like gods and hold back somebody's license because they just feel like it or pick out a little thing, something small, perhaps something tiny. He's sitting there scratching his head, "What did I do." He did nothing. He was born and raised in this area. He went to Drexel University. There is no reason, in God's name, other than he opened up his mouth. He called his legislator, and he called his Senator, he called his assemblyman, the two of them and I want to know if Mr. Martinez is using that or why in the hell his license has not been brought forward or he doesn't know what is happening. He has that right as a citizen and I would like an answer.

MR. MARTINEZ: All I can tell this lady is that if I ever find out that anyone on my staff is using--

ASSEMBLYMAN GEWERTZ: Listen, you always accept someone at face value--and I'm not saying that as a facetious kind of a comment--until they have proven otherwise. Mr. Martinez is the Director of the Division. He is one individual. He has large numbers of people, likewise, working for him. In anything, I don't care what business or industry it is, to expect that everybody, every day, does 100% of what they are supposed to do is totally out of the realm of any reasonable thinking.

MEMBER OF AUDIENCE: I didn't mean that directly to him. I mean his organization, which has many people working for it.

ASSEMBLYMAN GEWERTZ: I will reiterate what I said to Mr. Martinez privately and publicly. You must have a better rapport with the people that you are licensing because when they get to fear you and hate you, then you will never find out a damn thing about what's going on. They just won't want to talk to you.

MEMBER OF AUDIENCE: Since January, then, can you tell me why a license would be held up since January? Here we are in October. Perhaps he has an answer for that.

ASSEMBLYMAN GEWERTZ: I don't, but, without giving your name, if you will write me a little sheet there, we will get after it. I mean, obviously, he doesn't have your son's file here because there was no way of knowing what people would attend. But, he has assured me that as he receives the list, he will go through them and we'll get you the responses.

MEMBER OF AUDIENCE: And on what picayune things do they work? How picky are they? What are the rulings, a criminal, somebody with an arrest? Those I can understand. Are we working on little picky things?

ASSEMBLYMAN GEWERTZ: You see, once I get a release, we can then look at the process and I would hope that we're not going to find something that's improper.

MEMBER OF AUDIENCE: Getting back to what you went through with Mr. Cade, I think you have good intentions and he has good intentions, but you are avoiding the subject of the unnecessary length of time to issue a license. My license isn't that intricate.

ASSEMBLYMAN GEWERTZ: Understand that up to this point in time, if I don't have your name, I don't know who you are, there is no way I can go to Mr. Martinez and start tracing the system, what happened to you or what happened to this lady and once you establish a method under which this operates, it has to be a uniform method because if it is not uniform, then there are going to be some very serious problems for some people.

MEMBER OF AUDIENCE: Well, I think I can tell you that Mr. Matthews had called and found out that his application was in Legal. That was back in July. He has gone to meetings and he has opened up his mouth and now he is in reinvestigation.

ASSEMBLYMAN GEWERTZ: Well, there are a number of things that should have been done, that were not, like being notified when your application is filed, notified when it goes to Gaming Enforcement, notified that there are mistakes on the application, not two, three, four months later, but those are mechanical things that don't take any genius to correct. If there are things in the system that are not operating as they should, then they're going to be corrected. One way or the other, they're going to get corrected.

MEMBER OF AUDIENCE: I do thank you. I think you're the first person, other Assemblyman Matthews, who has really listened and tried to help the people. Thank you.

ASSEMBLYMAN GEWERTZ: We are all paid by your money. Some people are better and some people are worse, but you have the right to confront us with things that you feel are wrong and we have a responsibility to try to correct those things. It's the best shot the State has, at the moment, all things considered, because if you think people are going to start building at 17% interest, you're wrong. We're coming into bad times, bad times. Sir?

ROBERT MOSCOWITZ: Sir, my name is Robert Moscowitz and I live in Ventnor. I applied for my license on March 16. I was one of the people that was told and believed, I guess stupidly, that you didn't have to have promise of employment, that you could go to East Coast. I applied March 16 and I started school in April. My daughter applied for her license in April and she got hers in August. I'm still waiting. Mr. Martinez stated that when it hit the beginning of that investigation thing that it took it the longest, eight weeks. I was told, when I called Trenton back in May, that it took 13 to 16 weeks then. I was investigated July 3 and I guess I'll blow any chance I had for the license on this statement. The investigator called me on July 3. His opening statement to me was, "Is your phone number still 823-0378?" I just looked at the phone. What, did they change it while he was on the phone with me? I was also asked, "Gee, I see you've



worked at your present job for 15½ years. When you get your license, do you plan on leaving that job?" Why would I be applying for a license. I was told, I believe, in August that my application had hit Legal. I think it was sometime, maybe, in the middle of September, I made the mistake of calling a local senator. Two days after I called this local senator, I was put back into reinvestigation.

ASSEMBLYMAN GEWERTZ: Well, I'm going to tell you something my friend and I'm going to tell you this honestly. If I find out that that is happening, whoever is responsible is not only going to get fired, they're going to get prosecuted. I mean that sincerely. Now, if you have that feeling that that is going on, even though it may not be, then there is something wrong with the public relations between the Division and the people that it is supervising, both of which is a kind of an unhealthy situation for a harmonious marriage that has to last a number of years if this thing is to succeed and operate properly.

MR. MOSCOWITZ: Last week, Mr. Matthews was kind enough to call Trenton and I was told that they had reinvestigated my license and it was back in Legal. This morning, my wife called for me while I was getting ready to come here--I wasn't going to come here-- and she was told that it was not back in Legal, it was sitting there waiting to be typed up for the last four weeks, that it has been reinvestigated and it has been waiting for four weeks. Now, someone lied to Assemblyman Matthews.

ASSEMBLYMAN GEWERTZ: Do I have your name in my pile here?

MR. MOSCOWITZ: I have it right here sir.

ASSEMBLYMAN GEWERTZ: Do you want to bring it up to me?

MR. MOSCOWITZ: Also, out of my graduating class from East Coast, and I think Mrs. Craig could verify this, we graduated June 15, blackjack, and I know of one person that has been licensed and is working.

ASSEMBLYMAN GEWERTZ: We will get on it tomorrow my friend.

MR. MOSCOWITZ: Now, if someone wants to go to work for Resorts, and truthfully, I want to go to work for Resorts out of all the places here, number one, I work there now. I quit my job of 15½ years to get my foot in the door at Resorts. Now, I cannot audition until I have a license. Now, they say if you just applied on your own and you don't have promise of employment, forget it. It just doesn't make too much sense.

MR. MARTINEZ: Mr. Chairman, with respect to Resorts' practices, I became aware of the situation this gentleman describes within the last week. They have told me that they will audition unlicensed people, but only in protected classes, minorities. They are not auditioning unlicensed, white males. I have suggested to Resorts that they had better watch the legality of their practice.

MR. MOSCOWITZ: Sir, may I ask someone a question? I was told that in this equality hiring process, 47% will be women, 23% will be minorities. That means that 30% are this white male thing. That puts us in the minority. I feel that somebody should be auditioned and hired on their ability, not on their sex or their race.

ASSEMBLYMAN GEWERTZ: May I once again make another point? Whether you are hired according to quotas or whatever criteria the Commission is establishing is one point. But, the question is, does everybody have the right to be auditioned, not hired? Now, if we're getting into this Catch 22 situation that we went over earlier, then this really poses another very serious legal problem. Everybody has the right to be auditioned. Whether you pass the audition, that's one thing. Whether you're hired, because of whatever classification you're in, that's something else. But, you ought to have the right to be auditioned.

MR. MARTINEZ: I have told Resorts, as I have others, that I don't need to have their priority lists limited to people to whom they are giving immediate hiring

commitments. I have said to Resorts, for example, if you want to audition people who you anticipate needing to hire six months or a year from now, just in anticipation of routine attrition, I would be happy to receive those names on a priority list.

MR. MOSCOWITZ: I went a week ago to Bally's audition. I mean, in all honesty, I think it was a nice experience to see what an audition was about, but myself, they asked me 20 questions and I got all 20 right. They let me deal two hands on a table. My goodness, you haven't lost your nervousness in two hands. I dealt the two hands and as far as I know, I didn't make any mistakes. But, you know, truthfully, one, without a license, two without going to Bally's school because I went to East Coast, and three, and I hate to use this expression, being a white male, I don't see where I have a chance there either.

ASSEMBLYMAN GEWERTZ: I can't account for some of the practices, but I can assure you one thing, as expeditiously as possible, people are going to get licensed and as expeditiously as possible, they are going to get put to work. Now, the other problem, Robert, is, in a particular set of circumstances, an individual fails the audition, are they notified or is there a requirement that they be notified that they have not passed the audition and for what reason they have not passed the audition?

MR. MARTINEZ: There are no Commission regulations governing that process.

MR. MOSCOWITZ: Sir, on that, I was told at Bally, after I auditioned, the gentleman came to me and another fellow that auditioned at the same time and he said that in approximately four weeks, we would receive a letter whether we were hired or not.

ASSEMBLYMAN GEWERTZ: The question was whether or not there was any criteria that made that kind of a mandatory situation, that you be notified whether you passed or you didn't pass and if you didn't pass, why.

MR. MOSCOWITZ: Thank you very much for your time.

ASSEMBLYMAN GEWERTZ: You're welcome. Ma'am?

D E N I S E D E N N I S: My name is Denise Dennis and I live in Atlantic City. On April 1 of this year I applied for a casino license and on April 17 it was received at the Casino Control Commission in Trenton. At the time, I didn't have promise of employment and then I was told that you did have a better chance if you did have promise of employment. Going back to Resorts, they held interviews and I went and was given an official promise of employment. I don't know if they submitted my name on a priority list, but I thought I was doing good by sending a photostatic copy of this letter to the Commission. On August 3 I had my personal interview at the Gaming Enforcement trailer and Investigator Robinson told me that as of that day my investigation was completed and that she would be forwarding it to the Legal Department. August, September and October have gone by and I haven't received a letter. I called and they said, did you receive a letter, you should have received a letter, even though I didn't receive a letter and they said to just call back. They keep telling me, call back, call back, but no letter.

ASSEMBLYMAN GEWERTZ: Mr. Martinez, another question. What is the application process for hiring people by the Division of Gaming Enforcement and the Commission? Is it the same type of disclosure form that is required by applicants for the casino industry?

MR. MARTINEZ: It is a form I. I don't know about the Commission's practices. I don't have any control over or am not involved in their hiring practices, but for the Division it is a form I.

ASSEMBLYMAN GEWERTZ: The same as a key employee?

MR. MARTINEZ: Yes.

ASSEMBLYMAN GEWERTZ: How long does it take you to process your own?

MR. MARTINEZ: The higher the employee, at a certain level they have to be farmed out to the State Police to do by the Attorney General. In other words, we don't do our own background on our own key employees. I would say that generally, depending on what kind of a rush we put on it, we can either get it in about three or four or five weeks, something like that, or about eight weeks would be the longest.

ASSEMBLYMAN GEWERTZ: On a form I?

MR. MARTINEZ: Yes. In the case of the in-house ones, probably about the same or less.

ASSEMBLYMAN GEWERTZ: Now, can I ask you a question. The reason I ask this question is, most of your personnel are State Police personnel, the investigators that are there.

MR. MARTINEZ: About half. We don't have to do the background, obviously, on them because it has already been done before they were sworn in as State Police officers.

ASSEMBLYMAN GEWERTZ: Is it updated?

MR. MARTINEZ: Yes, we require an annual sworn financial disclosure statement from everyone.

ASSEMBLYMAN GEWERTZ: Now, the other half are what I consider to be civil employees. Where are they recruited from?

MR. MARTINEZ: I assume you mean non-clerical, the professional employees.

ASSEMBLYMAN GEWERTZ: Yes.

MR. MARTINEZ: Most of them are investigative personnel who either are sworn when they are hired or become sworn after they finish their training. They come from different places, usually from other agencies like IRS or SEC, depending upon the particular skill we're looking for. Also, almost all of our people with an accounting background, the minimum is that of a bachelors degree in accounting, for those positions.

ASSEMBLYMAN GEWERTZ: And what evaluation does the Division do as to the performance of various employees? Now, understand that that is not meant as a criticism, but if, in fact, you hire people and you hire them for a specific purpose, who monitors their field ability to conduct investigations that give an adequacy, that are done in a reasonable period of time? Do you have a monitoring or evaluation process?

MR. MARTINEZ: Well, we know what the standard time is in terms of man-hours and the people's work product is measured against that by their supervisors. In addition, there is a mandatory six month written evaluation of each employee, which combined with that and any other information that might be relevant to a performance.

ASSEMBLYMAN GEWERTZ: Do you also evaluate their ability to deal with the public, their mannerisms, how they conduct themselves in talking to people, how they enter businesses to check on different things, etc.?

MR. MARTINEZ: Now, there is a specific section for that in the evaluation report itself. In terms of actually conducting the evaluation, part of that section would turn on whether or not there has been any complaints or that type of thing filed against an individual, which I might add does not happen very frequently.

ASSEMBLYMAN GEWERTZ: Well, who would complain, really? Would you go and complain about somebody who is doing your report?

MR. MARTINEZ: Oh, we've had complaints.

ASSEMBLYMAN GEWERTZ: But, not very often.

MR. MARTINEZ: No.



ASSEMBLYMAN GEWERTZ: Well, it is either one of two things. You either have a tremendous staff or people are frightened to death of them.

MR. MARTINEZ: There is both an informal and formal disciplinary procedure that is implemented in the case of any outside complaint, automatically, and if there are such complaints, they ought to be put down in writing, assuming they are not of a criminal nature, and forwarded directly to my attention. If they are of a criminal nature, they ought to be referred to the Division of Criminal Justice, which has criminal oversight of our activities.

ASSEMBLYMAN GEWERTZ: Bob, suppose someone, an investigator called someone, for example, and asked if your phone number was still the same and you responded somewhat sarcastically because you felt that the question was somewhat ludicrous, would that be noted on the investigator's report, "applicant responded sarcastically?"

MR. MARTINEZ: I have not seen that type of thing being paid attention to unless it is in the context of investigation where there is an avoidance of information or non-cooperation. We do prosecute objections on the basis that an employee has not answered candidly or has obstructed an investigation. We've even had some perjury prosecutions as a result of that activity. But, you know, something minor, attitudinal questions are simply not in the report.

MS. DENNIS: September, the last time I called Trenton, they told me to be patient, they had just hired three new lawyers in the Legal Department to help speed up the backlog of cases in the Legal Department. That was September and my application had been in there since August. This is now the end of October and I haven't seen a letter telling me that I have passed, but the investigators told me everything was OK.

ASSEMBLYMAN GEWERTZ: Do I have a form from you?

MS. DENNIS: No, but you will get one. I didn't even apply for the big one, a dealer. I asked for a secretarial, in particular, a pit clerk job. Then I look in the paper here and there's an advertisement from Caesar's Boardwalk Regency, "At the time of interview, valid casino license with teller or CRT endorsement is needed." When I receive my pit clerk license, do you mean to tell me that it won't be any good unless I have a teller or CRT endorsement for this job? I would like to know.

ASSEMBLYMAN GEWERTZ: Maybe Mr. Cade would answer that. Do the criterias or licensing for specific jobs change periodically, as far as the type of license?

MR. CADE: Yes, they do.

MS. DENNIS: So, I shelled out \$125 for something that won't get me the job I asked for and received from another--I couldn't go to your casino with this particular license and, if there is a job open, get it because of this?

MR. CADE: If there is a job open for which your license will qualify you, yes, you could work there.

ASSEMBLYMAN GEWERTZ: The question is, is the job that she's speaking of and the job you advertise both the same license?

MR. CADE: I would have to check into it, I don't know.

MR. MARTINEZ: I can answer that question. A Form II license covers all casino related employment, except the key supervisory people. This has nothing to do with the Division, but the Commission endorses positions on a Form II license, casino employee license, depending upon the specific pre-existing criteria for qualification, if there are any. Now, I don't know whether this would apply to this young lady's case or not, but if by way of experience she is suited for two or three endorsements on that license--

ASSEMBLYMAN GEWERTZ: Then, all she would do is apply for the endorsement,

which I believe the Chairman can do without a meeting of the Commission.

MR. MARTINEZ: That's correct.

MS. DENNIS: Does it cost me extra money?

ASSEMBLYMAN GEWERTZ: I don't know.

MR. MARTINEZ: I don't know the answer to that.

MR. STORCELLA: Mr. Chairman, if this young lady applied for a pit clerk, the position that comes out of the Commission would be a Casino Teller. That's an all-inclusive position that allows her to work behind the cage, work as a change girl, work as a pit clerk within the casino.

ASSEMBLYMAN GEWERTZ: Thank you, I appreciate that. So, the answer to your question is, yes, you would be able to work in that capacity.

MS. DENNIS: Thank you.

ASSEMBLYMAN GEWERTZ: Get me a form and we'll track you down. Ma'am?

D E N I S E P E R G A M A N: My name is Denise Pergaman from Ocean City. I've been working at Caesars since day 1. Caesars paid for my license and I've been on a priority list with them. It was submitted in March. I've been calling and I haven't been able to work in the Casino floor. I've been working in lounges all summer and this fall. August 1, my investigator called me and said that there was no problem, that I would have my license in two to six weeks. I still don't have my license. I called three or four weeks ago and a woman told me that it was in Legal. She put a tracer on it. She said that if I didn't have my license in three weeks, to call her back and she would do something further. I waited out the three weeks, didn't call, didn't get my license, called her back last Friday and she said that there is a new policy now, there can be no tracers. "If it was in Legal three weeks ago, it probably is still there and there is nothing further we can do for you. There's no one you can talk to besides me." There's no one we can talk to besides this one woman?

ASSEMBLYMAN GEWERTZ: Mr. Martinez, one of the recommendations is that you should instruct your investigators not to make value judgements as to how long it is going to take somebody to get a license upon the completion of the investigation because if an investigator says, "Okay, your investigation is done, you should get your license within three or four weeks." Now, somebody has in their head that it's only going to be three or four weeks and they're not in a position to make value judgements as to how long it is going to take to go through Legal or whatever else has to be done. So, I think that's part of the problem.

MR. MARTINEZ: In answer to your first question, they were so instructed and evidently need to be reinstructed regarding that.

MS. PERGAMAN: This was back in August.

ASSEMBLYMAN GEWERTZ: There's not a person that has gotten up here today that hasn't stated as a closing remark, "My investigator told me, three or four weeks, I would have my license." So, evidently, it is not something that just popped in her head.

MR. MARTINEZ: Yes, I understand that.

MS. PERGAMAN: Now, another problem, she said to me, "If you are on a priority list for Caesars, then we can do something about it." Well, Caesars paid for my license. My investigator knew I was working, I've been working there. So, they know I'm on a priority list, but there is nothing that they can do. Now, our union froze the floor. I can't get on the floor and I have union seniority. There are about eight other girls that work there that left because it has taken so long. They can't work on the floor. Now, we're talking about double income. I gave up a good job as a legal secretary. I can't go back to work. People know that I'm waiting for my license. I have a child to support. I'm making less money than I should be making because I don't have my license.

ASSEMBLYMAN GEWERTZ: Give me the forms and we'll get after them.

MS. PERGAMAN: Thank you.

RAY MANSFIELD: Good afternoon. My name is Ray Mansfield and I'm from Absecon, New Jersey. I was employed at the Holiday Inn, better known now as the Penthouse. I sent in my license on 9-26-78. It is already 13 months and every time I call Trenton or write them a letter--I went through the procedure of getting everything done and I got this letter here that dated April 30. I made a copy of this letter and sent it to Trenton. I keep calling them and all I get is, they say I should get a card soon about my license.

ASSEMBLYMAN GEWERTZ: For what type of license is your application?

MR. MANSFIELD: It's a hotel license.

ASSEMBLYMAN GEWERTZ: Just a plain hotel license?

MR. MANSFIELD: Right.

ASSEMBLYMAN GEWERTZ: Well, that could be issued on a temporary license.

MR. MANSFIELD: Well, I spoke to a gentleman over at the Penthouse and he told me, if I don't have my license by the time they open up, which would be in April or May, that he would get me a temporary license.

ASSEMBLYMAN GEWERTZ: Let me see what you have in the letter. Mr. Martinez, would you do me a small courtesy? This is a temporary license and it said that the Division can't act on--the Control Commission can't act until they've received a copy from the Division of Gaming Enforcement as to an investigation, which don't even make any sense.

MR. MANSFIELD: Can I just say something? We expect to open Penthouse in March or April. Now, the man told me over there, Mr. Williams, who is in with Penthouse, he said that if I don't have my license, he said that he would make me out a temporary one, but I'm hoping to have this in before I go back to work there. I'm still employed there. We just got laid off.

ASSEMBLYMAN GEWERTZ: Will you sign me one of these forms?

MR. MANSFIELD: Yes, I will.

MR. MARTINEZ: The letter that the gentleman has is one from the Casino Control Commission and it seems to me that he is a hotel employee applicant who can work on a temporary basis. Now, this is the first time I've heard anyone suggest that any casino has said to a hotel employee, "We won't employ you unless you have a permanent license."

ASSEMBLYMAN GEWERTZ: Well, maybe the gentleman from the Commission would be kind enough to take a look at this thing and possibly might be able to assist him. Assemblyman Matthews?

ASSEMBLYMAN MICHAEL MATTHEWS: One thing I want to start off by saying, one thing that you said, Assemblyman, is that we can change it by legislation. Now, I want to bring it to everyone's attention a comment that was made by the Attorney General in response to my report on Channel 3, and I don't have the exact date but I can get that for you, and he said, and I'll paraphrase because I don't have the exact quote with me, that "Assemblyman Matthews has been trying to change this legislation and as long as I'm the Attorney General, nobody is going to change this legislation." I just want to let you know that for the record. That was not a direct quote, but I watched it myself. It caused me a little chagrin that the Attorney General would make such a off the cuff remark.

I've been working on this problem for quite some time and I would like to have entered in the record the testimony I sent you, plus my report. I won't go into that.



ASSEMBLYMAN GEWERTZ: Yes, I have that and we'll enter it into the transcripts.

ASSEMBLYMAN MATTHEWS: Okay. I'm going to repeat some of the things that were said here today. One is that there is definately a lack of respect for the individual. When people call my office, we treat them as individuals and we handle their case separately. In Trenton, people who answer the phones, unless it is Mrs. Marcello, do not want to give their names to people. People do not have any way of identifying them. People that call Trenton are placed on hold and transferred all over the place. Their telephone calls are extremely numerous and their bills are very high and they can't get any information. Now, detectives give misleading information to stop the people. They'll say it is illegal or it's this or it's that and when they call my office and check, this is not the case. There is a lack of consistency, which was brought up here today also. Investigators, apparently, use different criteria and the attitude is one that leaves a lot to be desired. From some of the testimony, some of them think they're Starsky and Hutch, and the criteria is different because I know of one case where a woman testified, three or four times they asked her, "Is it true you've been married five times." There is one case where a gentleman came before me and said that they keep asking who is godfather was and the guy died 25 years ago and they ask him all these kinds of questions about his godfather, or they call at 11:00 at night. Investigators, I think it is one of the key things, they'll call people up and they have no idea who they're talking to. They can call up my office and they say, "Assemblyman Matthews", and maybe somebody else picks up the phone. They don't know who they're talking to, and they will ask questions and they will use these answers as documented proof to hold up people's licenses. They will take some former employer and take their word to hold people's licenses up, and who checks the former employer's integrity? Who says he is telling the truth? This is not necessarily company records. They'll also check on people and ask them about their morality to other people and these are used as bases to hold up some of these things, and I'm not making this up, I've seen the letters. But, the fear that we have, people are scared to death. They're afraid to give their names. They give all sorts of information and when you get enough information, you start to believe the validity of it, but they won't give their names because they are scared.

What are the results, as people brought up? The results are that people are losing jobs, they're losing seniority, they're losing chances for promotion and they're losing raises. The length of time is too long. The priority, once again, is also inconsistent.

They are checking families, husband and wife, separately. People have been married maybe 15, 20 years and they'll do two separate investigations. I have a letter right here which I can refer to. It says, "My name is blank and I am writing this letter in reference to the casino licenses. I was graduated from dealers school, East Coast Gaming, on August 22 and my license has been in the Trenton Commission for several months. My brother, blank, has received his license on August 1 and since our family background is the same, I would think my license should come through quickly. I was hoping you could me get my license through the Commission as soon as possible. It would be greatly appreciated." This is just a sample of some of the letters I receive in regard to this.

There is another thing which I checked into personally, and I talked to Mr. Martinez and I talked to Commissioner Lordi. On one individual and I knew the situation. The situation was that a person had, through the investigation, found out that they owed somebody \$130. When this was called to their attention, they made out a check and paid it right away, in July. When I personally took this under, and I talked, and I was told, "I can't tell you anything about." Well, finally, when he got his letter, there was an exception on there. They said, "We agree to license, but you should know this fact." This

was in October, but it was cleared up in July and it was communicated by me personally, with copies of the letter and everything else. They held up this gentleman's license and he was one of the Caesars people also. He just got his license last week and whether he'll get a job, I don't know. The thing is, and a very significant point, I think, is the credit check in general. The idea of the Casino Control Act was to keep out organized crime. But, what we are doing is we are taking people that owe some money, maybe little sums of money, and making a big deal out of it and wasting hundreds of manhours, hundreds of dollars and other things for the credit. Now, how far should we go? People are out of jobs and they can't work and they owe their rent and everything else and they need a job. I mean, if everybody was going to be rich, then they don't need jobs and conversely, if they're poor, they can't get a job, because they owe somebody some money. Also, which has been brought out before, is where one gentleman when the investigators went to a bank, and they didn't know where this gentleman lived, and the bank got his name and address and said "You owe us money." Now, we should not be allowing this kind of information to be flowing back to a bank. I mean, we are not in that business.

ASSEMBLYMAN GEWERTZ: Well, interestingly enough, not to interrupt you, but you almost need a Truth in Investigation Act to provide proper procedures and the public's right to go into their own files and find out what other people are saying about them, should those people be given bad information. Now, you raise another point. The mere length of time, Mr. Martinez, that is consumed in the investigation, let's assume that some of these people are waiting a year. Let's assume that you did the investigative reports and then stopped because of priority lists or whatever. That investigation could almost be deemed to be useless because of the length of time that has passed and the possibility that maybe the person that had passed the investigation at that point in time now had gotten himself into some problems and wouldn't pass the investigation at this point in time. Just the mere time lapse causes problems in what you're trying to overcome.

ASSEMBLYMAN MATTHEWS: Now, I have trouble getting information myself. There have been many charges and I want to bring out some of the charges because back on October 5 of 1978, I have written letters and made phone conversations and I have not got this information yet, to do my own investigations, which is not really my function, but once again, where do we get the information? Now, as has been brought out, I've had charges that the investigators are getting elaborate rooms out in Las Vegas. But, to check on this, and I can check on it, I need names and I need dates when they were there. Also, since they love it out in Las Vegas, they may extend their trips a little bit out there because they enjoy it.

ASSEMBLYMAN GEWERTZ: Wait a minute. What do you mean they're getting excessive rooms?

ASSEMBLYMAN MATTHEWS: Well a couple of the things that came to me, they're getting three bedroom suites for two investigators. Once again, I can't prove this charge out because I have not gotten the information yet as to who went out and when they went out. Also, there have been charges that they've been getting comps out there, to the point where they're almost demanding comps. Once again, I can't prove this out because I can't get the information.

ASSEMBLYMAN GEWERTZ: Mr. Martinez, can I ask you a question? Is it the Division's policy that if an investigator, forget investigating a casino applicant because I read your comments that they can't even buy cigarettes in the casino and that is a matter of your rules and regulations, but let's assume investigators went out to

Las Vegas to investigate an individual, do you permit them or do you permit any comps at all on the members of your staff?

MR. MARTINEZ: No.

ASSEMBLYMAN GEWERTZ: And if anybody did use a comp, what would be the action taken by the Division?

MR. MARTINEZ: He would be subject to internal disciplining. Their jobs would be on the line, to begin with. I must say, Mr. Chairman, I've demonstrated, to the best and most objective of my ability, that a backlog is a backlog. Now, I'm not going to sit here and answer vague allegations or suspicions. I've told Mr. Matthews in the past that if he has some specific information of wrongdoing, to bring it, not to my attention, but to the attention of the appropriate authority. This kind of innuendo doesn't accomplish anything.

ASSEMBLYMAN GEWERTZ: You're not here to respond to Mr. Matthews, but merely to answer what I asked you as to the Division's policy as to whether or not that is permissible. I'm not saying that it is or it isn't.

MR. MARTINEZ: Comps are forbidden.

ASSEMBLYMAN GEWERTZ: Okay, that's the answer and a comp being anything of a gratuitous nature that is not paid for by voucher, etc.

MR. MARTINEZ: Correct.

ASSEMBLYMAN MATTHEWS: I must say that any of these things that I am stating I have already reported to the Attorney General's office and to someone. I would not pull a from-the-floor shot until I've done it. I bring it out publicly from the standpoint that I gave certain information to the Attorney General's office and I have not had any response and I had mentioned to the office, at the time, that if I don't get any response, then I'm suspect that nothing is being done. I'm just saying publicly what I've told them over the past month or so. There is nothing new here.

Now, as far as the intimidation goes, this allegedly came from someone in the Director's staff, somewhere in there, and I can't pinpoint it down, and I can get names if I have to, if someone will testify. I had someone testify before me and they were displayed on one of the television channels, I forget which one now, and the report came back from someone in that Division that said, "No way is that broad going to get her license, no matter what the judge says. We will investigate until we find something." This is what people are afraid of, reprisals. They are scared to death of them. They may be fact and they may be fiction, but, once again, you get enough of these charges, you have to wonder.

Now, solutions. Since I've talked about some of the problems, I have some of the solutions in here. Put it on computer. I can't believe it has taken two years and nine months. I brought this up last year and I've worked with computers for over 20 years. The thing is that if we are having such a problem, then we should let me know, let you know, let the rest of the Legislature know. Don't exclude us. 90% of my legislative time in my office is spent on these licenses, on the problems. I would like to work on the solutions. Now, if we are in a vacuum, and I don't think we should be disregarded, if they are having problems, then let's get together and let's use our respective clouts, whatever we might have, to pursue this problem. The thing is, if we want to check out families, dates, any kind of records, we could put things together. Now, I asked, for example, to check this out where some people applied for a license in December haven't gotten them yet and some people that applied in June have. I've asked for dates and I can show you letters from Commissioner Lordi right here. I've asked for a list. I have to give specific names. We have no way of having a list of names to see how much time is being used by the State, to be able to point to an investigator, pin something down



and say, "Maybe this investigator is a problem." Who is he handling? Maybe three different investigators are handling the same family, which doesn't make sense. We need some management expertise, and I've been recommending this, and if they are forthcoming, why don't we know about it? I respect these people and they may be great in their investigative backgrounds, but the thing is, it doesn't mean that they can't take advice from somebody else and I think we should go out and hire management experts, time and motion studies, simplification and standardization, basic management concepts, to look at this. For example, when Caesars was opened, 50% capacity. Then, they finally got open full-board and now they want to expand. I see the same thing for Bally and I see the same thing for anyone else that comes down the line, and these are problems. I know that during testimony that was given when we were at hearings, Committee hearings over the Spring, and I asked a similar question that you asked. I said, "Are you telling me that you're operating at maximum efficiency?" The answer was, yes. I guess my answer to that is that everybody can be improved, the status quo is unacceptable. That's all. Thank you.

ASSEMBLYMAN GEWERTZ: Thank you. Sir?

ALBERT ROTMAN: My name is Albert Rotman and I'm a resident of Atlantic City. I think you've heard it before and maybe by more than just this gentleman. I started in April, they put me back to May. My license, the paperwork, has been lost, excuse me, not lost, misfiled twice.

ASSEMBLYMAN GEWERTZ: By whom was it misfiled? Was it misfiled by the Commission or was it misfiled by Gaming Enforcement?

MR. ROTMAN: It's in Trenton someplace. I called one agency and then I called the other agency. One had it and then they didn't have it. They had me on hold for 30 minutes to find it, while I was calling up. The last time I called, two times back, I had talked to them and they said that the investigator would get in touch with me. I called again since then and there was something else, new investigators. Five weeks ago or four weeks ago, the woman that was mentioned here, she told me something entirely different. Right now, they don't know where it is. They put a tracer on it or something. Nobody knows where it is and they said, maybe by New Year's Day I might have it and maybe not. That's the only answer they can give me. They don't know.

ASSEMBLYMAN GEWERTZ: Do I have a sheet on you?

MR. ROTMAN: Yes, you do.

ASSEMBLYMAN GEWERTZ: Okay, we'll get after it. Again, some of the problem is, bad information is worse than no information, when you keep going through this cycle and if people within the various agencies are telling individuals things that they're not really not sure of, it is better to say, "I don't know" and get back to them and give them some accurate ascertations than to quote something that is wrong and then they find out later that it is a whole other situation. So, I think some of these things, entirely, can be corrected by some very strong memos.

MEMBER OF AUDIENCE: I have a question. When my investigation is totally complete and I have my license in my hand so that nothing more can be done to me, can I see this investigation. I want to know if, under the law--for example, if I'm denied credit, I can go and say, well, I can write my credit bureau and there is the Sunshine Act for all you legislators.

ASSEMBLYMAN GEWERTZ: I know that under the State law there is a requirement that you are entitled, I believe, to a portion or all of any credit information that may be given.

MEMBER OF AUDIENCE: Can I see what past employers have said about me?

ASSEMBLYMAN GEWERTZ: There is also, under the new Federal Privacy Act, I think--

MEMBER OF AUDIENCE: In other words, I can go to the FBI and they have to, by law, tell me what they have on me. But, does the State Gaming Enforcement Agency--

ASSEMBLYMAN GEWERTZ: If somebody, Robert, wished to look at their file, they themselves, personally, wished to look at their own file and came into the Division and said, "I would like to look at my file." Under your rules and regulations, is that permissible for an individual?

MR. MARTINEZ: It's not true here nor at the Federal level.

MEMBER OF AUDIENCE: Yes it is. The FBI, if they have something detrimental to you, yes it is.

ASSEMBLYMAN GEWERTZ: The federal law states that you are entitled to any investigative, you are entitled to any records, reports, etc., with the exception of those, there are certain exclusions, informants, etc. But, let's assume that you went to an employer and the employer said something that was derogatory about the individual that was not true and it merely held up there license unjustifiably. Are people entitled to know that?

MR. MARTINEZ: Well, if there is an objection to the license, they are entitled to know the basis for the objection, including all the investigative material that is relevant to that objection, and the letter itself is the beginning point of that. In other words, the letter specifies what the factual basis of the objection is and if a hearing is requested, the party is provided with the rest of the material in the file that bears on the objection.

MEMBER OF AUDIENCE: The problem is that there shouldn't be any objection to my license, so that when I get my license from your Division, can I go in--in other words, Mr. Martinez can sit down and see everything about my life. I want to know if I can see what all the people in their office are privy to, what a casino that hired me would be privy to, what the Casino Control Commission would be privy to.

MR. MARTINEZ: I better explain this in more detail. First of all, you file your application with the Commission and a copy is forwarded to us. When the investigation is completed, regardless of whether or not an objection has been found or not, chances are that the only people that have seen it are one or more people in the Intake and the background unit, the investigator, obviously, and a lawyer who has reviewed it, if he didn't go on a list. The file is then taken and microfiched and the hard copy is then destroyed and a code is assigned to it. The microfiche is stored off-premises so that somebody cannot access it who is not authorized to access it. Now, in terms of your access to that information, we do not have a Freedom of Information Act in New Jersey, similar to the one at the federal level. If we did, it would be equivalent of being able to give you the portions of the report in which we verify things that you told us on your personal history disclosure form, but you wouldn't be able to get information such as what a prior employer or a voucher or a credit agency or whatever may have told us, if the source of that information needs to be protected. Now, if the source doesn't need to be protected, then you would have access to that. That's the same that exists at the federal level. However, we do not have a law like that in New Jersey. In New Jersey, we have not made it a practice to give anyone access, unless we're in an adversarial situation and then the rules of discovery permit entirely.

MEMBER OF AUDIENCE: In other words, if I took you to court, I could see it.

MR. MARTINEZ: Well, if you asked for a hearing on an objection, you would have access to complete discovery of any detrimental information.

NATHAN SCHENKER: Mr. Chairman, my name is Nathan Schenker, and I live in Absecon, New Jersey. I would like to first start off by stating something that has crossed my mind while I have been standing here for the past three hours or so listening.

We have had testimony here as to fear and intimidation and all kinds of mental attitudes that applicants have had in their relationship with either the Division of Gaming Enforcement or the Commission. Mr. Matthews has made us privy to information he has collected in his office, that people are reluctant to testify as to names and places and specific data so that he could present what would amount to a viable case, whether it was legally or in the legislature, or wherever he intends to present it.

I would like to pose a rhetorical question to you: As the Chairman of the Commission, how do you expect ordinary people like myself who are dealing with what amounts to at times - and I do not use this as a personal criticism of Mr. Martinez - to be dealing with people who are high handed, uncommunicative, who don't have any intention of knowing where we are. We have already spoken to the problems in communication. You get this feeling that you have no where to go and no one to talk to and no one to help you with your problem. How do you expect, with that kind of fear, to get any kind of viable testimony with names and dates and that form which is acceptable?

ASSEMBLYMAN GEWERTZ: Well, the only thing I can do is reiterate what I have said. There is a need for a change in attitude, very distinctly, because even the IRS, which has to be the worst government agency to deal with - and I don't know if you have ever gone down there for anything, but it is murder - they now, realizing that they are dealing with the public and they are being paid by public monies, you know, they are very nice and sweet and they help you. At least the attitude or the way of doing things has changed. Nobody should be in fear of anything.

MR. SCHENKER: Well, in relation to that---

ASSEMBLYMAN GEWERTZ: Maybe in the training course they should be given instruction as to how to deal with the public. You can be a very good law enforcement officer or very good accountant, but if your attitude is such that you don't know how to talk to people or deal with them, then your usefulness is somewhat really limited.

MR. SCHENKER: I would like to say one thing. I would like to give personal testimony as to my case, and prior to that, I would like to also ask Mr. Martinez---

ASSEMBLYMAN GEWERTZ: Well, if you have personal testimony other than the licensing procedure---

MR. SCHENKER: No, no, this is geared to the licensing procedure. I would like to say that this is not only inherent in this administrative agency. It is something that is across the broad spectrum when an individual feels a lack of ability to go for actions or recourse.

ASSEMBLYMAN GEWERTZ: It is commonly called "And justice for all," not to quote the movie, but that is where it is at.

MR. SCHENKER: In relationship to myself, sir, I would like to put on the record that I and my wife both filed simultaneously applications to the Commission. Somewhere between what Mr. Martinez described as the correlating



of information and sending it to the Gaming Enforcement Division, two pages of my application were lost. As a result, my application sat on somebody's desk for three and a half months. There was no attempt, despite testimony to the contrary here as to the various procedures, to contact me one way or the other, and if it wasn't for the fact that I called up some three months later to find out what the status of my license was at that point, and through approximately 45 minutes on the phone, finally tracking down what the problem was, it would still be sitting on somebody's desk.

I am still waiting for mine. Mine has gone completely through the investigation and it is now supposedly in legal. So, I am not in the same position as some of the other people here, but that is an example of what happens. The information on my wife's and my application was almost identical, the difference being her history was basically in California while the majority of my history is in New Jersey, which would seem to me to make it somewhat easier to track down the information.

ASSEMBLYMAN GEWERTZ: The major problem with yours was the loss of two pages.

MR. SCHENKER: Yes, it was the loss of two pages which nobody made any attempt to correct. Incidentally, they were not that critical. One was a copy of my birth certificate - which I can't understand how that can be critical to the investigation ---

ASSEMBLYMAN GEWERTZ: Well, it is.

MR. SCHENKER: Well, I forget what the other information was. The other interesting point that I would like to bring up is we have testimony here about how the officers for his enforcement division can go through a license, within, I believe he said, five weeks. Is that correct?

ASSEMBLYMAN GEWERTZ: That is a form one which is a key employee.

MR. SCHENKER: Which is even more of an investigation than a form two, since---

ASSEMBLYMAN GEWERTZ: Oh, I am sorry. Form one is the key.

MR. SCHENKER: That is the more detailed one, if I am not mistaken.

MR. MARTINEZ: Yes. Just to clarify, I am not sure what it was this gentleman thinks I said, but I didn't say the form one is done in five weeks.

MR. SCHENKER: The question posed to---

ASSEMBLYMAN GEWERTZ: Yes, he was referring to his own employees.

MR. SCHENKER: Employees on a form one license, are they not?

MR. MARTINEZ: Well, it is not a license, but it is an equivalent.

MR. SCHENKER: An application equivalent is processed within five weeks, and one of the reasons given for that situation, as I remember it, and correct me if I am wrong, is that some of them, or at least 50% of them, were State Policemen who had previously gone through an investigation, and they could be updated and swear to certain things that would obviate further investigation.

I brought to the attention of their office the fact that I had passed the investigation of the Character and Fitness Committee for the Bar Association in the State of New Jersey some six years ago, and asked them if that would obviate some of the investigation, including Federal Bureau of Investigation fingerprints. The answer was in effect, no way.

And, as a final statement, if I might just say something, it seems to me that it is incumbent upon the entire structure here, not only Mr. Martinez's office and the Casino Control Commission and the Legislature as well, to look into things of the nature of, for instance, the State of Nevada where a non-crucial employee gets a sheriff's card, in my case, in thirty-five minutes, and in most instances within the day with a promise of employment, and I am sure that any number of people in this office would love to go to one of the employers in here and say, "Give me a promise of employment; I will have my license tomorrow."

I don't see the need myself for an extensive investigation of the people who carry cocktails, or even the dealers, for that matter. They don't do it in Vegas and their system is not - according to Mr. Martinez's testimony - that much behind ours in terms of rejection, percentage of rejection. I don't even know what the percentages are.

ASSEMBLYMAN GEWERTZ: It is higher than ours.

MR. SCHENKER: It is higher than ours, but is it enough that it justifies this type of investigation?

ASSEMBLYMAN GEWERTZ: Just to respond to you, you know, we have been looking at this thing for some time, and I can honestly tell you that our staff has done a lot of work in reviewing the background of the various types of applications. It does not appear to me to present any particular hardship to any agency if the individual passes all of the normal police checks, even if it took thirty days to do that. That is still six, or eight, or ten months, or a year, whatever the hell it is taking at this point.

With the honest understanding that any information they furnish that is false pertaining to any arrest records - and I mean critical information, not what address you live at - will prominently bar them from ever being licensed in the State of New Jersey and impose a sufficient enough fine to make it not palatable for people to willfully falsify information as far as the critical areas are concerned. I would think that you could really license anybody immediately and do your checks as your personnel become available, and if somebody again does not come out of the check or does not go through the final investigation, it is with a full understanding that they are immediately laid off from their job, and that would be the end of that.

But, we make it so complicated that it neither services the employee, nor the State agency, which is now overburdened by all kinds of problems that you didn't previously foresee, and it is not an asset to the industry as well. So, if you look at the combinations of people involved in this, you can see that it is not working out beneficially for anybody. It has to be revamped immediately without further complications of the situation.

MR. SCHENKER: Mr. Chairman, may I say something just in closing. In addition to what you just said, I think in order to make that more palatable to the powers that be who are going to review this, if anything does come of this, you might want to include the hired personnel from something like that where an extensive investigation is done.

ASSEMBLYMAN GEWERTZ: Even the key personnel, to a point. What is a reasonable time to investigate someone, if on one hand, the State, in order to get personnel to staff gaming enforcement, can investigate a key employee's form in five weeks, if you said it took ninety days to do the

initial checks on a key employee working for the casino, bear in mind that if you gave the casino a temporary license, you can give them a temporary license as well, with the understanding, if you falsify the application you not only forfeit the fee, you are subject to a heavy fine and you can never be licensed in the State, period.

MR. SCHENKER: In defense of Mr. Martinez, as it is, he is operating within the structure. It is not his fault.

ASSEMBLYMAN GEWERTZ: No. Look, understand this, I have known Mr. Martinez for a number of years, and if at times people rear up--- He has a job to do as well, because he is answerable to people, if he makes a mistake, as well.

MR. SCHENKER: Of course.

ASSEMBLYMAN GEWERTZ: But, realistically, looking at all the aspects, it is serving nobody. The system is not doing what it was supposed to do.

MR. SCHENKER: It is a system which needs revamping.

ASSEMBLYMAN GEWERTZ: Believe it. Ma'am.

DEBORAH HARTWELL: My name is Deborah Hartwell, and I am here for the American Civil Liberties Union. I have a couple of specific questions that I will address to you for Mr. Martinez.

One of them is, I would like to hear the Division's position on a temporary license for casino employees.

ASSEMBLYMAN GEWERTZ: Mr. Martinez.

MR. MARTINEZ: Well, the Division does not take independent positions before the Legislature on any issue, because I am in the Attorney General's Office, and I work and report directly to him. The last time the question came up legislatively it went before the Committee and they opposed temporary licensure for form two and form one employees, with the exception of those that are, I think, included in the non-gaming form two. That is our position now. I have not discussed it recently with the Attorney General, but I don't have any reason to believe - and I don't know of any reason - that he has changed his position.

MS. HARTWELL: I just wanted to have that on record. The second question I have for Mr. Martinez is, what is the status of the size of his staff at this point?

ASSEMBLYMAN GEWERTZ: In which aspect, the total size of the staff of Gaming Enforcement?

MS. HARTWELL: The size, not only of his entire staff, but, in specific, the investigative staff.

MR. MARTINEZ: Our total staff, including State Police assigned over, who are paid on a debit/credit between our agency and the Division of the State Police is approximately 297, as of today. Of those, approximately 180 are investigative personnel. With respect to employee's licensing I believe it is a shifty number, depending on our work load, but in the last six months, there have been no fewer than 50 of those investigative personnel devoted to employee licensing, and I think the number when I looked last week was about 59 investigative personnel.

MS. HARTWELL: The reason I am asking is because it came to our attention during testimony at our constitutional challenge of the licensing



provisions, that the investigative staff had in fact decreased, and it was also subsequently reported in the press that this was a fact. I was just wondering if that could be justified in light of the increasing demands on the staff.

ASSEMBLYMAN GEWERTZ: You mean decreased in the amount of people who are assigned to employee investigations as opposed to the total number of people, or an actual reduction in the staff in its entirety?

MS. HARTWELL: The actual reduction in the amount of investigative staff.

ASSEMBLYMAN GEWERTZ: Do you have less investigative staff?

MR. MARTINEZ: There was a staff increase in the spring of this year. I don't know the exact numbers at the moment. The number fluctuates due to normal attrition, but there has been no cutback in the number of staff positions. The only official that I can think of that has done a number of effective investigative positions was that we converted two investigative positions into legal positions in order to help out the backlog in the legal end of it.

ASSEMBLYMAN GEWERTZ: Do you have a large turnover in investigators?

MR. MARTINEZ: No. I don't know what the figures are, but they are not large at all. It is normal. We lost one guy to the Secret Service, and one to the FBI. A couple went back into private accounting practice. We probably carry anywhere from two to five vacancies at any given time, simply because we are in the process of hiring people, but there has not been any conscious staff cutback. If anything, the only conscious staff decision that affected the numbers was to increase it - and earlier this year I testified before Assemblyman Matthews and went to the Attorney General - because we recognized the fact that we were beginning to develop what is now a severe backlog.

MS. HARTWELL: Okay, I have another question that I wanted to bring out. It was also learned during the testimony at that particular hearing that there are no written guidelines for the instruction of investigators. In other words, they have nothing after their training period they can refer to in terms of guidelines and how to conduct their investigations. I was wondering if anything was going to be developed in that regard, given the discrepancy between the conclusions of the various investigators?

ASSEMBLYMAN GEWERTZ: Is there a criteria that they are furnished with?

MR. MARTINEZ: Yes. This is very basic criteria. Of course, in any investigative situation you have to be prepared to deal with a unique set of facts, and in attempting to draft something like that, we have come to recognize that it is almost impossible to anticipate every situation.

We have, in place of something that is impossible to achieve, a couple of procedures created entirely to achieve an effort to guarantee consistency. First, of course, is the centralization of controlling these individual investigations and a given set of supervisory personnel who meet periodically to review what they are doing. The second phase of that is a legal review of some, which again is with a specified supervisor and set of attorneys who don't change that frequently, and it is their job to again reassure the consistency that is achieved otherwise.

Of course, the ultimate arbiter of consistency is the Commission itself. We don't make the judgements about licensures, we simply present the

facts to the Commission. They are the ones who make the judgement, and ultimately have to be responsible for the fairness of those judgements among different sets of the same facts. I think that the overall control that achieves is a fairly good one. I don't think there has been severe consistency slipping through it. The bottom line of it, however, is that in each case you are making individual judgements on licensure that are based upon the total known fact that was about a person. You know, that is a sensitive judgement that people approach fairly gingerly in our staff, from what I have seen of the process. And they know they are being supervised and watched over and being called to account for what they say and do. Perhaps the ultimate guarantee on us is the fact that anything we do say we have to be prepared to prove. And, so far we haven't lost a case for not having proven a fact in it.

ASSEMBLYMAN GEWERTZ: I wouldn't go so far as to say that.

MR. MARTINEZ: Well, that is in our judgement.

ASSEMBLYMAN GEWERTZ: Do you only use objective criteria when you evaluate someone? In other words, when you go through the field investigation you take the information when you talk to people, are there only objective kinds of things that are submitted? In other words---

MR. MARTINEZ: All we submit are facts.

ASSEMBLYMAN GEWERTZ: Is it always more or less the positive or negative side?

MR. MARTINEZ: Well, that is what I am saying, facts can be objective in the sense that they frequently deal with issues of motivation. You know, you are an employer and we are interviewing about why you fired somebody, did you fire them because they were incompetent or because you found them cheating or you suspected them of such.

ASSEMBLYMAN GEWERTZ: I understand that. But, in other words, the attitude of the applicant - when I say attitude I mean the fact that some people are abrupt by nature, but they give you the factual answers, their gruffness and their attitude to talk to an investigator wouldn't impede--- I am not talking about obstructing or not furnishing information, but the attitude of the applicant. Could an investigator say, gee, that guy is really arbitrary and nasty and he gives me short and abrupt answers, even though he is giving you the facts, would that enter into any type of investigation?

MR. MARTINEZ: I would have to say not. There is no section on that which deals with personality and the ability to get along.

ASSEMBLYMAN GEWERTZ: I understand. I am just trying to get it clear as to whether any of that would ever enter into a report submitted that could in fact delay a license?

MR. MARTINEZ: Not unless it is associated with and becomes in itself relevant to or a basis for an objection. For an example, if a guy is obstructive during an interview or refuses to answer a question directly and may claim who knows what kind of privileges or whatever, if later on facts contrary to those disclosed on his application are discovered and provable, those facts, as well as his own attitude in the course of the investigation, will be reported to the Commission. What they do with it is up to them. You know, there is a thin line between obstruction and simply personality differences.

MS. HARTWELL: Yes, and that is always subject to the interpretation of the investigator. I have seen letters---

ASSEMBLYMAN GEWERTZ: Do you want to take a seat?

MS. HARTWELL: Okay. I have seen letters in my office where the objection is based on the fact that the investigator felt that the person was less than candid, and therefore there was the existing possibility that other facts of a different nature gleaned in the investigation could come to light subsequent to this, and they are being denied on that basis, with nothing to back it up.

ASSEMBLYMAN GEWERTZ: Well, I would appreciate it, if that is the case, if you would furnish me with the names of those individuals and we can sit down at the Division and go through that.

MS. HARTWELL: I have a few other points I would like to make. The Assembly Committee on Government worked very hard to get through certain proposed amendments and they were taken from the ACLU; they were taken from the Casino Control Commission itself; they were taken from the Division of Gaming Enforcement; they were taken from the various casino concerns, and a lot of things were hashed out over a long period of time. I know because I was there. I lobbied the whole time. I lobbied for temporary license which got voted right down. I lobbied for a lot of things that did not get approved, but some things did. Now, you sent it over to the Senate, and they struck down--- They absolutely destroyed all the work that was put forward. I realize that different branches of government have different jobs to do, but can't you people get together? Can't the Senate and the Assembly get together and get these amendments through? I mean, what is the problem? Where are those amendments now?

ASSEMBLYMAN GEWERTZ: They are in the Senate.

MS. HARTWELL: I got a copy of the Senate's position on that, and they added eleven amendments. They changed a good portion of what the Assembly had gotten through.

ASSEMBLYMAN GEWERTZ: Well, if you looked at a sponsor of the various amendments, you would probably find---

MS. HARTWELL: It is locally based. I would like to know why you guys can't work together. I mean, you guys are holding up the progress now too.

ASSEMBLYMAN GEWERTZ: I can't answer for anyone else, but I was likewise at the same hearings, as you will recall. I testified on behalf of the temporary licensing, which in fact was my bill, and unfortunately, I was under the assumption that there was an agreement between both houses before that passed the Assembly. But, unfortunately, other people did whatever they had to do, for whatever reason.

MS. HARTWELL: Well, when the Assembly comes back, what is going to happen?

ASSEMBLYMAN GEWERTZ: The Assembly does not have to concur with the Senate Amendments for sure, and I can tell you quite honestly from a personal conversation with the Speaker he is very unsatisfied with what has happened, because that was not the agreement.

MS. HARTWELL: Is this going to become a game of volleyball now?

ASSEMBLYMAN GEWERTZ: I would certainly hope not. If it is a game of volleyball, it will all end abruptly in January because you have a whole new legislature.

MS. HARTWELL: There is another point I would like to bring out which no one else has really mentioned here. I have a couple of examples of things



that no one has really brought up here, but I think this directly pertains to what is going on here, this testimony.

One is, a person who was licensed and working for a period of three weeks and was subsequently notified by the Commission that they were licensed in a clerical error. And, they were told to return the license, or they would be subject to denial and then subsequently lost their job. This person was out of a job for three weeks. I want to know how these clerical errors take place.

I have another example. There was a woman working seventeen months and has a casino license from when Resorts opened. She upgraded her license during this period and sent in for a standard renewal and is being rejected on the basis of information that was fully disclosed in the original application. Now, I really want to know--- This person went and got a license and got training to become a dealer, and did not get a dealer's license but did get a license for the casino floor, and went and got training to become a dealer, became a dealer and worked as a dealer for well over seven months and is now being denied on the basis of information the Division and the Commission had all along.

ASSEMBLYMAN GEWERTZ: I would say they really couldn't do that and make it stick. Of course, you can object to somebody's license, but that doesn't mean that they are going to prevail as well.

MS. HARTWELL: Well, we will see what happens, but I have a feeling that the person is going to lose his license.

ASSEMBLYMAN GEWERTZ: The information was contained in the original license?

MS. HARTWELL: No accusation of withholding information has come forth.

ASSEMBLYMAN GEWERTZ: Well, if you will furnish us with whatever information you have, I will be glad to give you a hand in that.

MS. HARTWELL: I have just one last comment. This pertains to the hearing process. These people wait nine months to get an objection letter and then they have to wait two months to get a pre-hearing and another month to get a hearing, and then another two months to get an answer. Okay, so we are talking about an incredible amount of time here.

Now, it is common practice that these hearings are held in Trenton. Now, there is no public transportation from Atlantic City to Trenton. I would like to know--- I think it is fairly obvious that the hearings are in Trenton for the convenience of everyone other than the applicant.

ASSEMBLYMAN GEWERTZ: Yes, I don't see any reason why the hearings would have to be held in Trenton. In fact, if I recall correctly, at least one of the appeal hearings, the most publicized one, the one that went on for weeks and weeks, was held in this chamber, as I recall.

MR. MARTINEZ: By way of information, the location of the hearings is designated by the Office of Administrative Law in the Secretary of State's Office. I don't know what proportion of them have been scheduled in Trenton, but we don't have any say over where they are, because our lawyers are all over the State on hearings. You know, I can't give you the statistical breakdown on where they are, and how many are scheduled in Trenton.

ASSEMBLYMAN GEWERTZ: There is no reason why they should be scheduled in Trenton.

MS. HARTWELL: We have had fifteen clients and we have only been able to get one hearing in Atlantic City, and that was because of the inordinate amount of witnesses that live in this area that are going to be testifying and we made a special appeal, and there is still no certainty whether we can ever get hearings in Atlantic City on a regular basis. I think since all of the people, or most of the people who are being objected to are from this area, they ought to be given the courtesy of having--- You know, these people have to pay for lawyers.

ASSEMBLYMAN GEWERTZ: I realize that. There is no question about that.

MS. HARTWELL: And, if this lawyer has to travel all the way from here to Trenton, that is costing that person money.

ASSEMBLYMAN GEWERTZ: Well, we can certainly suggest this to the Committee. Mr. Frakt will make a note of this and will get in touch with the Office of the Administrative Law Judges in the Secretary of State's office, and ask that all hearings pertaining to personnel matters be held in the location closest to the individual as well as the witnesses and counsel.

Thank you, Debbie.

JOHN JOSEPH RUIZ: My name is John Joseph Ruiz. I am residing now in Atlantic City. The subject was brought up about investigators and the process and procedures of giving out information pertaining to credit. I specifically had a denial for a rejection of my license. I called up, and was sent a letter saying if you want a hearing, send it back within fifteen days in writing, which I did. They received it October 3. I received another letter from the Gaming Commission saying that the letter arrived and they were submitting it over to the Administrative Law Office, at this time, which was two weeks ago, I called the Administrative Law Office at 185 Washington Street in Newark, New Jersey, and they told me they didn't have it yet. I told them my name and explained the situation and they said that it takes normally thirty days, and at the end of the month when the Gaming Commission has enough paperwork, they will send it to them, and when they receive it, it will take between four to five more weeks before it can be put on the calendar for a hearing.

I was one of the 95 people laid off from Caesar's. One of the objections I had was for credit. Now, this stems from the investigator, and I don't want to mention his name right now, because I am in the legal end of it right now. He turned around and asked me about a \$200 loan that I owed the bank over seven and a half years ago, at the time I was getting divorced. At that time, I told him that I did not put it on the disclosure form because I didn't know about it. I separated from my wife and I traveled to Florida and I have been upstate New York.

When I saw my investigator it was June 14. On June 17, I received a phone call at the hotel where I am staying from a law office representing the bank, telling me that we have now learned your new address, your telephone number, and your room number, and we would like to clear up this problem. As I explained to them, I was at Stockton College, making \$90 a week clear as a single individual, and I owed them \$200, and now it is up to \$480 with interest over a seven and a half year period.

I told the gentleman on the phone that I do not at this present time have the monies to pay the outstanding debt that I do owe, but I am willing to pay

it, and the attorney turned around and said to me, that he would make sure that I would not get my license until this is paid.

ASSEMBLYMAN GEWERTZ: Mr. Martinez, are you paying strict attention to this dialogue?

MR. MARTINEZ: Yes. I am discussing the case with one of my staff here. As this gentleman says, I will ask him to write me a letter to this effect: This is the first time I have heard of this set of circumstances.

MR. RUIZ: My attorney sent it out.

MR. MARTINEZ: Okay, fine, if you want to sue, that is fine too. One way or the other, this is the first time I heard of these particular circumstances.

MR. RUIZ: Mr. Chairman, before when the statement came from Mr. Matthews you did ask if there was any set of rules pertaining to giving out information. This is your number two disclosure form. Right here it says, waiver of liability, which you sign your life away, I, John J. Ruiz, hereby waive my ability as to the State of New Jersey, and instrumentalities and agents for any damages resulting from any disclosure or publication in any manner, other than a willfully, unlawfully disclosure or publication or any material or information acquired during the licensing consideration process or during any inquiries, which exactly is what happened.

It does say that the Gaming Commission is not allowed to give out public information.

ASSEMBLYMAN GEWERTZ: Absolutely. That goes without saying.

MR. RUIZ: In fact, only two people knew where I was living because I left Burlington, New Jersey, to come to Atlantic City to go to school at Ceasar's. I did not even know I was going to stay. I looked around and found a hotel. I notified my mother what room and what hotel I was at, and the only person she gave the information to was the investigator, which at this time, I will not give his name. She gave it to him, and he contacted me at the hotel and I saw him in Absecon for an interview. To this day--- Up to this time, they turned around and sued, and got an injunction toward me, and they garnished my pay while I was working at the Ceasar's Regency Boardwalk. At that time, I received a letter from Regency Boardwalk - what they call a warning report. I worked there as a supervisor for them also under the temporary program. I was a front door supervisor, which, if you get three of those warning reports, you can be terminated. And, it said on that one report, "This is contrary to our hotel policies, and any monies owed could and would lead to termination as an employee." At the bottom there is a space for the employee to put a comment, and I did, I said, "I saw my investigator in June, and I was hired by the Regency Boardwalk in May, and I was unaware of the situation until it was brought to my attention by the Sergeant. My investigator tried to contact the bank, and at no avail, they did nothing but harass me. I do have letters stating, on June 22, five days after I saw the investigator, in writing from the bank that they now had my new address and all other pertinent information.

At this time, I have an objection and what I am saying is that I am waiting now for my hearing. I called the Commissioner---

ASSEMBLYMAN GEWERTZ: Wait just a minute. What are you having the hearing on? You are having a hearing on Gaming Enforcement's objection to your license because you owe \$200 to the bank. Is that the sum and substance, or---



MR. MARTINEZ: Sitting here, I don't know what the objection is. He has gotten an objection letter and the hearing is pending.

ASSEMBLYMAN GEWERTZ: The reason I am asking that is, what is the objection based on.

MR. RUIZ: There are two objections: One, I saw the investigator in June, and I am on probation period for resisting arrest. They had it down as reckless endangerment. I spoke to the investigator. I told him this on June 14. On May 10 I was sentenced to three years' probation. I spoke to the investigator and I told him that I was sentenced to three years' probation, and he put down that "Mr. Ruiz states they put down reckless endangerment equivalent to New Jersey statute"- and I don't know the numbers right offhand -"We could not locate any disposition on this case." Which, he could have gone right over to the Atlantic County Probation Office and get the report, and it is written down as a misdemeanor, class A-1, resisting arrest. They put down that "Mr. Ruiz states that he pleaded guilty to the charges, and he is on a three year probation and no other disposition could be found in this case."

Again, the other objection was the monies that I owed, that my character, integrity and honesty is beyond reproach." And I disclosed everything on that disclosure form.

ASSEMBLYMAN GEWERTZ: Resisting arrest is not, to my knowledge, a statutory exclusion, but merely something that I assume the division is making an objection to. Am I correct in that assumption?

MR. MARTINEZ: Well, again, I don't have Mr. Ruiz's file here, but if what he says is true, it sounds to me like we are objecting on the basis of the conviction for the misdemeanor.

ASSEMBLYMAN GEWERTZ: But it is not a statutory exclusion that the Commission can consider.

MR. MARTINEZ: No. It is one the Commission didn't have to consider. But it is not mandatory, if that is what you are getting at. It is not mandatory to disqualify him. He is entitled to a hearing, and the Commission can exercise its discretion.

ASSEMBLYMAN GEWERTZ: Let me ask you this: Anybody who is convicted of anything, would the Division under its normal standards object to their licensing just as a matter of practice.

MR. MARTINEZ: Because of the presence of a conviction? No.

ASSEMBLYMAN GEWERTZ: Is there a specific---

MR. MARTINEZ: Well, there are convictions for very minor offenses which, particularly if they are stated by age---

ASSEMBLYMAN GEWERTZ: All misdemeanors, for example, be they resisting arrest, hustling drugs, whatever, you have a discretion within the Division whether to object to a licensing on the basis of a specific charge?

MR. MARTINEZ: Yes.

ASSEMBLYMAN GEWERTZ: Is it the Division's position, excluding the age factor of the offense, to object to the licensing of all individuals who have been convicted of a misdemeanor?

MR. MARTINEZ: No. We attempt to go into the facts and the circumstances, finding out what the underlying facts of the thing were and then report back to the Commission, including any explanation that the applicant has given or may have included in the disclosure form, or any other underlying facts that might be

relevant. You know, some of the crimes give us more concern. They are the crimes that involve violence or financial mismanagement or impropriety. Those that are of less interest to the Committee and certainly to us are those involving the type of moral conduct that from time to time the Legislature seeks to regulate. So, it will depend very much on the circumstances. Evidently, in this case, an objection was filed based upon those underlying facts. It is up to the Commission to decide ultimately what it wants to do.

ASSEMBLYMAN GEWERTZ: But, as I understand this, the Commission is now not holding the hearings themselves, but they are being done by an Administrative Law Judge in conformance with the change of---

MR. MARTINEZ: Yes, the Administrative Law Judge hears the case and makes a written report and recommendation which, by law, then must be reviewed by the Commissioners.

ASSEMBLYMAN GEWERTZ: Wouldn't it be simpler and easier to just let the Commission hear the thing and decide? You make an objection, and they have to decide. Why do we need the Administrative Law Judge in the middle for? What is his function? I mean, isn't it another step added?

MR. MARTINEZ: Well, when we started out with the Casino Control Act, it was drafted in a way that would permit the Commission staff to hear these things, but then when the Administrative Law thing was enacted it superseded the Casino Control Act in that respect.

ASSEMBLYMAN GEWERTZ: It added more work for attorneys. Just as a matter of fact, you don't even have to be an attorney to be an administrative law judge.

MR. MARTINEZ: No.

MR. RUIZ: This is my point in fact, even in the letter of objection it states that we could not find a disposition on this matter, however, Mr. Ruiz states, and they are going on that assumption, because they have no record of it, according to the letter that I got as an objection. We have not received, or did not get any disclosure of the disposition of this case, but Mr. Ruiz states that he pleaded guilty.

I told the investigator that I pleaded guilty to the lesser charge, because the problem was a medical problem. And, I explained specifically to that investigator because I knew I was sentenced a month before that, and still the investigator, having all the information he needed - he could have gone to the probation office - turns it around and says that he could not find out the disposition on the case. And, yet, because it was resisting arrest, and I assume, because he was a police officer, he wanted to put me down even further, so he went back and gave out information as far as my credit. Everybody somewhere along the line has owed \$200 or \$300. Nobody is an angel. This whole system is made up of credit.

ASSEMBLYMAN GEWERTZ: If that was a qualification to be in the Legislature, I would be in big trouble.

MR. RUIZ: The problem is, everything was disclosed, and now I am getting an objection to a license, and I am waiting for a hearing which now I understand from calling them up, it will take the Gaming Division about a month to get it, and another month to get set up for a hearing.

ASSEMBLYMAN GEWERTZ: Well, I can't help you with the objection, because certainly the Division of Gaming Enforcement is within their rights to

object to that which they feel needs some further clarification. I will be more than happy as the Chairman of the Committee to write to the office that sets up these cases under the Administrative Law Judge in an effort to get you as expeditious a hearing as it is humanly possible to do.

MR. RUIZ: I appreciate this.

ASSEMBLYMAN GEWERTZ: Just for your own information, even though the Administrative Law Judge may find in your favor, it still has to go to the Commission to resolve that situation.

MR. MARTINEZ: I think you should know as a procedural matter that when we file an objection letter to an applicant and to the Commission, the Commission takes a preliminary look at it before they farm it out. If they are in agreement that there is a prima facie case they will then send the applicant a notice of intention to deny, and that is what triggers the right to a hearing. That is another built in kind of safeguard, so we are not off on an extensive hearing process in a case where the Commission might be able to say, "Well, even if everything is true, we are not going to deny the license." That was omitted from the description previously.

MR. RUIZ: Another thing I wanted to ask, I understand that the Administrative Law Judge, might overturn the decision and say "Let's give him a license." But, I still have to go before the Gaming Commission.

ASSEMBLYMAN GEWERTZ: The Commission still has the right to review that recommendation.

MR. RUIZ: How many days does the Administrative Law Judge have to act on that hearing, forty-five days? That is what I understand.

MR. MARTINEZ: From the end of the hearing, I do believe the Administrative Law Judge has forty-five days.

MR. RUIZ: And then after that, I can look for another hearing with the Gaming Commission, and that may take another two months.

MR. MARTINEZ: After that, you are not entitled to a verbal hearing before the Commission. The Commission is entitled to, if it wishes to, consider it just on the basis of the written report and recommendations. In their discussion, they can give you another hearing, but you are not entitled to another hearing.

ASSEMBLYMAN GEWERTZ: Of course, you have the right of appeal.

MR. MARTINEZ: Yes, you have the right to appeal.

ASSEMBLYMAN GEWERTZ: Ma'am.

A D R I E N N E H U N T E R: My name is Adrienne Hunter, and my question was for Mr. Cade, but he just left. I am not a dealer, but I am a cashier, and we were advised last Tuesday, pay day, that if we were not licensed by Wednesday, it was our last day. Throughout the hotel, anyone who is not licensed, it will be their last day.

ASSEMBLYMAN GEWERTZ: How many people does that involve?

MS. HUNTER: I have no idea, but I know the number is over two hundred.

ASSEMBLYMAN GEWERTZ: Two hundred more people?

MS. HUNTER: Yes. And---

ASSEMBLYMAN GEWERTZ: Did you sign a slip for me?

MS. HUNTER: Yes. We were told in our department that if we were not licensed as of Wednesday past, that we would lose our jobs.



ASSEMBLYMAN GEWERTZ: And now everyone is expecting their pink slips.

MS. HUNTER: Yes, they will be in our paychecks tomorrow. I wanted to ask Mr. Cade about this.

ASSEMBLYMAN GEWERTZ: Well, have no fear, I will get ahold of Mr. Cade.

M A R I E S N Y D E R: I am Marie Snyder. I turned my disclosure form in in February. In July I was investigated, and I never received a letter of rejection or anything, and two weeks ago I received a phone call from my investigator saying that I had a \$400 bill, and he wanted to know why I didn't put it on my disclosure form. I told him, to my knowledge, I didn't know. So, in meantime---

ASSEMBLYMAN GEWERTZ: Is there a place on this form to note anything like that?

MR. MARTINEZ: I think she is referring to a question which asks, are any civil suits pending.

ASSEMBLYMAN GEWERTZ: Well, suppose there is no civil suit, and you just owe them the money.

MS. SNYDER: Well, he told me it was a lawsuit, but at the time I didn't know.

ASSEMBLYMAN GEWERTZ: Were you ever served with anything?

MS. SNYDER: No.

MR. MARTINEZ: It sounds like this party answered this question accurately, because she didn't know there was a suit pending, but from one of the record checks, evidence of a suit came back, so it is a legitimate question to ask, did you know about this.

MS. SNYDER: What I want to know is, if this will affect my receiving this license, or what?

ASSEMBLYMAN GEWERTZ: Well, let me get back to the basic rudiments. If she owes somebody \$400 and they filed a suit against her to collect it, the court of competent jurisdiction will say, "Yes, you owe the \$400," or "No, you don't owe the \$400," but you have that opportunity to go in and plead your case. In the event you do owe them the \$400, you say, "Fine, as soon as I get my job, I will pay you." I mean, what does that have to do with the fact of getting a license or not? I mean, this is starting to reach the point of absurdity.

MR. MARTINEZ: It sounds to me like the question is whether or not it was disclosed as opposed to the debt.

MS. SNYDER: I didn't know.

MR. MARTINEZ: I can't comment on any individual's case, but frequently you will get a pattern of non-disclosure and that relates to other questions, and when you get one or two---

ASSEMBLYMAN GEWERTZ: The other thing that concerns me is a matter of dialogue here. I wouldn't want to see the State act as some kind of collection agency by these banks and other lending institutions by saying, now, you owe us the money, and you may say, no, I really don't owe it to you. And, they will say, well, you don't get your license because we can do this, this, and this, and screw up your application. That wouldn't be right, either.

MS. SNYDER: I also have been employed by Ceasar's since May 1st. I wanted to tell the investigator the hardship that I was having. I promised that I will make payments each month, but I was laid off the 23rd, so what am I supposed to do?

ASSEMBLYMAN GEWERTZ: Did you sign a slip for me?

MS. SNYDER: Yes. They will never receive the money if I don't have a job. They will still hold this against me.

ASSEMBLYMAN GEWERTZ: You never were served with any notices.

MS. SNYDER: No. He asked me if I went to court, and I said, "No, I have never been to court."

ASSEMBLYMAN GEWERTZ: Well, the only thing I can tell you is, as soon as we compile the list, we will get after them to see that we get your license as quickly as possible.

MS. SNYDER: Thank you.

ASSEMBLYMAN GEWERTZ: You are welcome.

H O W A R D H O N E: My name is Howard Hone. I graduated dealer's school April 20th. I sent away for my license on March 16th, and I have not heard anything. I have talked to everyone. I was called by the investigator the first week of August, but I have not heard anything from Trenton, or anything.

I was discharged from the service eighteen months ago with an FBI clearance. I don't see what the big thing is that they just can't check back with the FBI. They did an investigation. I can't see what is holding up my license. It is going on eight months.

ASSEMBLYMAN GEWERTZ: Can I get another---

MR. MARTINEZ: The FBI will not release that information to us.

ASSEMBLYMAN GEWERTZ: Why?

MR. MARTINEZ: That is their policy.

ASSEMBLYMAN GEWERTZ: The point is, do we always have to start from scratch with everybody, assuming that the information they are giving you on the application is correct? For example, I know an individual who is a police officer in Atlantic City working, waiting for a dealer's license. He is a police officer, the same as the State Police. Evidently, he must be a good character, or whatever, because he is physically working on the job with the gun, the badge, the whole business.

Now, this guy has been waiting for eight or nine months. I say to myself, how is this possible? Isn't there a certain---

MR. MARTINEZ: As I said, 70% of all the applications go through without---

ASSEMBLYMAN GEWERTZ: I understand, basically what we will get will be the people with problems, obviously. But, if they are legitimate problems and they emphasize a weakness in the system, there is something that could be done a little bit better.

MR. MARTINEZ: Yes, well, there is a basic backlog situation. I mean, I have said right from the beginning, there is a backlog. Nobody seems to believe that there is a backlog.

ASSEMBLYMAN GEWERTZ: Believe me, I believe there is a backlog. But, we are not going to lessen the backlog by taking priorities and pushing people further back. It is going to continue to increase, because some of the people you are asked to ignore because of the backlog are people who require subsequent, much more extensive investigation.

MR. MARTINEZ: Yes, that is one of the side effects. I would point out that you are incorrect in saying that the priority system increases the backlog.

That is not what increases the backlog. What increases the backlog is when you have maximum capacity, regardless of whom you are doing, you can only turn out 1,000 a month when 2,500 come in.

ASSEMBLYMAN GEWERTZ: But the length of time that it takes to investigate a specific type of applicant when other people are pushed back on a priority system, that does increase your backlog, because where an investigator could do ten Form I's or twenty Form II's as opposed to three key employee licenses, times, checks, the type of criteria, it does create a backlog. There are people waiting.

MR. MARTINEZ: Allocation of resources to do key employees ahead of Form II employees obviously cuts down the number of Form II employees, but not that much. Out of the total of 13,000 applications in the system, only 250 are key employees. The rest are some Form II's and some Form IV's. So, I don't think that not doing the Form I's or the key employees would do anything except prohibit new pits or new casino functions from opening up.

ASSEMBLYMAN GEWERTZ: The problem that we have is, the Form II and the Form I's where the backlog is the most, it has to be diminished reasonably immediately.

MR. MARTINEZ: I am in 100% agreement with that.

ASSEMBLYMAN GEWERTZ: It is easy for someone that is employed and is feeding their family and paying their mortgages, whatever they have to do, because they physically have a job to generate the dollars to do that. Understand how somebody feels that quit a good job on the promise of something better and is now in left field with all kinds of major problems coming down around their ears. What do you do when you can't feed your family? You are going to lose your home. Might you resort to some desperate means?

MR. MARTINEZ: It is a very sad situation involving thousands of people, over ten thousand people.

ASSEMBLYMAN GEWERTZ: Well, as sad as it may be, it has to be corrected, and it has to be corrected now.

MR. MARTINEZ: The only thing I can say to sum up, Mr. Gewertz, is that you ought to be telling all these people who are calling you, even if you decree legislatively that everybody in this system get a license, very few of them are going to have jobs. And, that is something they ought to take into account. It is something that the 12,750 who are not here today, but are in that situation, ought to hear fairly clearly.

ASSEMBLYMAN GEWERTZ: Yes, but you see, here is an interesting point in that concept. If you have 100 people applying for one job, the competitiveness of that job will produce more highly qualified people to fill that position. Okay. Where you have only a limited amount of people licensed and you say to yourself, well, we have to fill that position because we can't open, you may really take somebody even though there may be someone better with additional skills to fill it that will do a better job, cause less problems, but you don't have the competitiveness. You only have a limited amount of people to choose from, and that is the problem.

MR. MARTINEZ: That is why with the backlog system we are trying to force the thing into the private sector to make the judgement about who goes first. That creates the competitiveness ---



MEMBER OF AUDIENCE: Oh, come on, no, no, that priority list---

MR. MARTINEZ: Well, the fact of the matter is, it exists either way.

It is up to the Legislature to decide how to handle the problem.

ASSEMBLYMAN GEWERTZ: But, again, the upgrading of existing licenses--- Let's assume that you have someone who is a dealer now that has gotten the extra game and all the additional hours and the employer has said, you have been a very good dealer and we want to promote you to a pit boss, so, get your upgraded license. These people are already licensed, and they have absolutely gone through the initial licensing process. The only difference now is the financial aspect, the difference between the Form I and a Form II. How long can it take a licensed person as a dealer to do just the financial information? Would you believe that would open up those dealer jobs as that person moves up to people that are out on the street and can't get jobs.

MR. MARTINEZ: In an upgrading situation, the Commission is required - and I say they have required us - to go through a non-field, fee set financial review and prior report if they want it.

ASSEMBLYMAN GEWERTZ: What does that mean, in English.

MR. MARTINEZ: I am speaking English.

ASSEMBLYMAN GEWERTZ: What is that type of procedure. That is not taking one of your people and letting them do the investigation.

MR. MARTINEZ: No, it is not a field investigation. What it is is taking five years of income tax and other financial information that is supplied and going through an eighty-step check of that information. It is a cross-check. You will take the cash flow situation and match it against the income to see that the net increases in assets over that five-year period is explained adequately from the income that is otherwise reported during that period. There are also similar type financial checks. That is something that I am not doing voluntarily. That is something I am doing because the Commission has insisted that I do it.

ASSEMBLYMAN GEWERTZ: Could you furnish me with a copy of what the eighty steps are?

MR. MARTINEZ: Yes.

ASSEMBLYMAN GEWERTZ: Let's assume that you go through the eighty steps. How long does the eighty steps take?

MR. MARTINEZ: I don't have a breakdown. I would say about--- I know that a key employee, right from scratch - meaning not an upgrade, but a basic key employee investigation - takes on the average about forty man hours. Now, that includes those financial reviews and I would really be guessing. I would say maybe twenty hours, man hours. That is just a guess.

ASSEMBLYMAN GEWERTZ: It is a twenty man hour investigation, approximately, for the financial aspect alone. That is assuming it is an upgrade.

MR. MARTINEZ: Yes, yes.

ASSEMBLYMAN GEWERTZ: What then causes such a delay in getting the people upgraded? I know of a lot of people that are waiting for the upgrade that could physically move up, open these dealer jobs up to people who are hanging on.

MR. MARTINEZ: I think the principle problem there is that the people are having difficulties obtaining copies of their IRS forms. That is as we understand the problem.

ASSEMBLYMAN GEWERTZ: All right, if I had all my IRS forms enclosed in my upgrading application, or my employer submitted it, and it goes through the

same process for upgrading, it goes to the Commission, and it is logged in, and it is transferred to Gaming Enforcement, and you then do your---

MR. MARTINEZ: It goes directly to the unit that handles that. It doesn't go through the intermediary. You are talking upgrading. Someone is already holding a valid license.

ASSEMBLYMAN GEWERTZ: Right. Now, how long a period of time from the receipt of the application for upgrading and all of the pertinent information, nothing missing from the form, would it physically take to turn out the upgrading?

MR. MARTINEZ: I don't have any figures to tell you that. There are not that many of them. I have never broken that down.

ASSEMBLYMAN GEWERTZ: Would you do me a personal favor, please, in the course of your looking at the functioning of the system, take someone and trace it completely. Or, if there is not that many of them, maybe you could establish some type of criteria as to the problem there and the time element in the upgrading of the license.

MR. MARTINEZ: Of course, understand, this is something that we cured by the bill that is pending. Okay. The upgraded situation we addressed in the recommendations to the Legislature back last spring that said, we care if you temporarily license as a one.

ASSEMBLYMAN GEWERTZ: But, unfortunately, we don't have the benefit of the passage of that, so, subsequently you are still working under the old rules.

MR. MARTINEZ: Yes, sure.

ASSEMBLYMAN GEWERTZ: It might not be a bad idea for you to lay it on the Senators, and say, "Hey, get this bill passed and out of the hopper so we can get a little action here." But, as long as I have one of your sheets here, my friend, I will look into it.

MR. HONE: I just have one further question. When we voted for the casino gaming, wasn't one of the benefits that we would be selecting New Jersey citizens first over out of towners, or out of state people?

ASSEMBLYMAN GEWERTZ: Well, the law initially said you had a certain amount of time to gain your New Jersey residency, and because of what I understand to be a somewhat lag in the amount of qualified people, a lot of people that did come from outside the State established their residency and subsequently were hired, because they had some previous experience, et cetera. I think the only requirement that you can constitutionally impose is that you impose a residency requirement of whatever the law states prior to an individual being employed.

MR. HONE: Is this investigated deeply as to how long these people have really lived here? Because there is a tremendous amount of out of towners who are taking local jobs and who are getting licensed over---

ASSEMBLYMAN GEWERTZ: I think Mr. Martinez, without going into all kind of specifics, is aware of the fact that there may be numbers of people who are using New Jersey addresses who are not New Jersey residents and have not been there for six months.

MR. MARTINEZ: We have objected to people on that basis alone, but the public should also recognize that there is a waiver of provision in the statute which the Commission can exercise. I would guess off the top of my head

that they probably have exercised this right in about 250 cases in each casino. We have nothing to do with that, but that would be my guess. But we do look at suspicious residencies and in fact have objected in a couple cases I can think of for someone not fulfilling the six month residency requirement. Of course, that doesn't preclude the Commission's waiting.

ASSEMBLYMAN GEWERTZ: Next, please.

R I C H A R D Y E N K E R: I went to East Coast Gaming and I graduated April 6th. I submitted my license on the 26th of February, and on April 2nd, they said they started processing it. I talked to my investigator about a couple of months after that, and I went to Trenton since, and I have called Trenton, and nobody knows where it is. I called up last week and Mrs. Marcello said they put mine aside to take care of people with priorities, those who have jobs. How can you get a job without a license, right?

ASSEMBLYMAN GEWERTZ: Well, we have been through that.

MR. YENKER: Yes, but my sister sent hers in four months after I did, and she has her license. What is the problem?

ASSEMBLYMAN GEWERTZ: Was she on a priority list?

MR. YENKER: No, she wasn't. She doesn't have a job.

ASSEMBLYMAN GEWERTZ: Give me your sister's name and address. Next, please.

S T E P H A N I E C R I N G H I P K A S: I have been on the payroll of Ceasar's since May 1st. My position is Casino Host. My functions are related to credit, therefore, without a license I cannot earn the salary that I am being paid. After about five months of being on the payroll we had a meeting and my department was put on half salary and that decision was revoked a few days after which prompted us to contact the Commission to see what was going on, since I had not heard from any investigator through phone calls or anything at all for that entire period of time.

I called Trenton and they said they had no record of my ever submitting an application for a license. Then, a friend of mine, by coincidence, went to see someone in Trenton and saw my application laying on the desk. At this time, I found out where my application was and was able to pinpoint it. Then I was put on the priority list by Ceasar's about a month ago and my investigator called me a week ago and said that he had not been able to locate me, which is kind of hard to understand, since everybody in the hotel knows how to find me, and he said that everything is ready and that it is going to legal and it is going to take four to six weeks, but he cannot promise me I will make it in that time.

My concern is, if I don't make the license now in November, my department has already lost two employees and reassigned two others and I have no guarantee that the Boardwalk Regency is going to want to keep me all the way until January, since I understand there is going to be a vacation in December, at which time, no one will meet to approve licenses. So, I am very concerned that I have been going to work every single day not being able to do my work, knowing any day I could be terminated and I have no way to turn to anyone in order to push my application through.

ASSEMBLYMAN GEWERTZ: Let me ask a question. Where someone has misplaced by accident - and I take into consideration the fact that you process 13,000 applications, and there is lost or mistake on 1% or 1/2 of 1%, that is



65 people or 130 people, or whatever it is - where it is legitimately a mistake of the Division or the Commission in receiving the application, seeing that it is forwarded in time, assuming there are no mistakes on the application, legitimately someone put it aside, and papers were put on top of it, is it the policy, or can it be the policy, where there is a legitimate mistake that those applications go to the top for processing because of the length of time it was lost because of a mistake not by the applicant, but by the processing agency, just to establish some type of an equity, so that people are not made to suffer such things as this young lady is going through where it could not be her fault.

MR. MARTINEZ: Yes. There is a list of 50 or 75 people which we received principally from the Commission in terms of misplaced applications where they actually have to refile, rather than put in a new one. This sounds like this problem --- This young lady's problem was complicated by two separate factors. I don't think hers was lost. She had a maiden name and a married name.

MS. CRINGHIPKAS: I am not married.

MR. MARTINEZ: I am advised that she has another name, for whatever reasons. I think that generated some confusion at that time as to who the person was, because one of those names was and still is on the Ceasar's priority list.

The second part of the problem was some confusion in terms of the Commission classifying the job as a Form I or Form II job. She applied for a Form I position. Ceasar's was not clear in her original submission as to whether or not the people in the category she is applying for were going to handle credit or not. Obviously, that would make the difference between a one and a two. Apparently, it took some time to get that unscrambled. That was the---

ASSEMBLYMAN GEWERTZ: Where is the application at this point, since you seem to have some knowledge of this problem.

MR. MARTINEZ: She is right on top of the pile. I don't have the workers here to tell you exactly what is going to happen to it.

ASSEMBLYMAN GEWERTZ: When you say the top of the pile, where, with the investigation completed, at legal, leaving legal, going to the Commission?

MR. MARTINEZ: I am told that it is in the investigator's hand, but legal has already been notified to push it through immediately when it is finished.

ASSEMBLYMAN GEWERTZ: Now, has it been determined that she is a Class I or a Class II license?

MR. MARTINEZ: Class I.

ASSEMBLYMAN GEWERTZ: In her particular case, to insure that she remains working, she can be issued a temporary license, correct?

MR. MARTINEZ: Under the new law. Under the pending legislation--- No, I am sorry, she has no license, so she couldn't.

MS. CRINGHIPKAS: May I mention something---

ASSEMBLYMAN GEWERTZ: What do we do in this case, where you really have a very, very serious time frame problem and again the prospectus of somebody being put out on the street where they are gainfully employed?

MR. MARTINEZ: Well, she applied in May and is coming up on the five, five and a half month mark, which is the average processing time, so even with those two fowl-ups that I mentioned, she is on time.

ASSEMBLYMAN GEWERTZ: Five and a half months on a one license?

MR. MARTINEZ: Yes, sir. That is the average.

MS. CRINGHIPKAS: Excuse me, I was finally told that I didn't need a form I and it would be faster if I submitted a form II, because it was supposed to be faster, but now you are saying my position requires a number one, and I never submitted a one.

ASSEMBLYMAN GEWERTZ: Wait a minute. You had submitted---

MS. CRINGHIPKAS: I originally prepared a one, and my boss said that he had just found out that my position did not require a one, to turn in the two because it was faster.

MR. MARTINEZ: She is almost done. The Commission will have to decide how to license her when they find out what that position is.

ASSEMBLYMAN GEWERTZ: In the meantime, she doesn't have much time, and I wouldn't want to see---

MR. MARTINEZ: As I said, she is coming up on the average time it takes for anyone to get out of there on a list type basis. It sounds to me like---

ASSEMBLYMAN GEWERTZ: Forget the average time for this particular point. She is not waiting to get a job with anyone. She is physically working. You see, there is a difference between five and a half months. I am working, and I am being paid, and I am paying taxes, and if I get the license, maybe I can go around and talk to some people in the hopes of getting a job. We have another problem. You are not putting someone to work, you are taking someone out of a job. Not you, I don't mean you personally, I mean the system.

How much time do you have left?

MS. CRINGHIPKAS: Well, if I don't make it in November, and there are not going to be any meetings in December, that is going to be, in addition to almost seven months being paid without working, maybe another three or four months that the company has to be willing to put up with me on their payroll.

ASSEMBLYMAN GEWERTZ: What do you mean there is no meeting.

MS. CRINGHIPKAS: I understand there is going to be a vacation in December and there are no meetings.

ASSEMBLYMAN GEWERTZ: By who?

MS. CRINGHIPKAS: By the people who meet to give licenses, the Commission.

ASSEMBLYMAN GEWERTZ: The Commission meets on personnel matters twice a month now. Am I correct? Chris, is it your understanding that for the month of December there will be no meetings at all?

MR. STORCELLA: I have not heard any information of that nature at all.

MS. CRAIG: Somehow they get that out on the street every month.

MS. CRINGHIPKAS: That is what I heard. I am really not sure.

ASSEMBLYMAN GEWERTZ: Do I have a sheet filled out by you?

MS. CRINGHIPKAS: I will fill it out.

ASSEMBLYMAN GEWERTZ: Okay. Ma'am.

B A R B A R A G E A R: My name is Barbara Gear. I am a resident of Margate. I submitted my application March 5th and I just received my letter of recommendation dated October 12th. I did not make this meeting. My only question is, how long does it take after you receive the letter that you make a meeting?

ASSEMBLYMAN GEWERTZ: Chris, there is a letter dated that it went over

to the Commission on October 12th, Gaming Enforcement informed the Commission that there is no objection to the license---

MR. STORCELLA: Mr. Chairman, I am under an obligation by the Commissioners to have a package prepared and submitted to all the Commissioners containing all individuals to be considered for casino and casino key licenses the Friday prior to the meeting. I have an in-house cutoff which is Tuesday night, the close of the day, and the reports that are received prior to that date are on the next meeting. If they come in after the Tuesday night prior to the meeting, one week prior.

ASSEMBLYMAN GEWERTZ: When is the next Commission meeting, Chris.

MR. STORCELLA: To my knowledge, it is the 7th of November. I have heard talk of it being pushed back to the 14th, but at this point I don't believe there has been an official decision. It is still scheduled for November 7th.

ASSEMBLYMAN GEWERTZ: Are you in a position to inform this young lady privately whether or not you have received the letter from Gaming Enforcement.

MR. STORCELLA: At the close of this hearing, I can make a telephone call and verify that I do have it.

ASSEMBLYMAN GEWERTZ: Okay, do you want to stick around?

MS. GEAR: For the record, I am also one of the dealers that was laid off by the Regency.

ASSEMBLYMAN GEWERTZ: You have the same type of dual letters?

MS. GEAR: Yes.

ASSEMBLYMAN GEWERTZ: Ma'am.

D O R I S H U G U E S: I am Doris Hugues. I turned my form in May 29th, and in the middle of August I was called by the Gaming Commission because they lost it.

ASSEMBLYMAN GEWERTZ: Back up. When did you send it in?

MS. HUGUES: May 29th.

ASSEMBLYMAN GEWERTZ: And you were notified when?

MS. HUGUES: Middle of August.

ASSEMBLYMAN GEWERTZ: And that was the result of your calling them to find out---

MS. HUGUES: No, I never called.

ASSEMBLYMAN GEWERTZ: Well, how would they notify you that they lost it, then?

MS. HUGUES: They called me, and this gentleman told me that he personally lost it, and would I send him my copy, which I did. They made copies of my copy.

ASSEMBLYMAN GEWERTZ: Who is the gentleman that informed you of this?

MS. HUGUES: I am going to get his name wrong. I know his secretary. Miss Coptic, whoever she works for.

MR. STORCELLA : Mr. Chairman, in the application that was filed in this office on May 29, 1979, there was a box containing 22 casino applicants, and 28 hotel applicants that I conducted an audit at the beginning of August, and they were found not to be there. At that moment in time, I reached out to each individual and tried to make it as painless as possible to have them resubmit a form, or they could come to my office, and fill out another form. At the same time, the Chairman of the Casino Control Commission contacted Director Martinez



and arranged to have these documents prioritized, because it was my mistake, and I believe we are in agreement with that.

ASSEMBLYMAN GEWERTZ: Were you able to reach everyone who was on that list?

MR. STORCELLA : I reached every individual on the casino list, which were 22 applicants, and I had them all forwarded to my office where I took a personal touch. On the 28 hotel individuals, I reached 98%. I am missing two individuals, because there is no possible way to find an address. I have sent out certified letters and I just cannot reach them. There is no way to identify where they live and where they are.

ASSEMBLYMAN GEWERTZ: But those things do happen.

MS. HAGUES: All I wanted to know was, since I did that and I have not heard anything, was I still in the running?

ASSEMBLYMAN GEWERTZ: Whether or not they have it and it is in the process.

MR. STORCELLA: Absolutely, if she has talked to my secretary Karen Coptic, we have submitted it; it is absolutely there.

MS. HAGUES: Thank you.

MS. CRINGHIPKAS: Mr. Chairman, may I ask you a question? Something that came up when I was testifying. Supposing this position of casino host needs a key license one, instead of the two that I submitted, what is going to happen to my application?

ASSEMBLYMAN GEWERTZ: I thought it was determined that it would require---

MR. MARTINEZ: We are under instructions right now to treat it as a one. We will do it that way expeditiously and then we will figure out what precise license is needed.

ASSEMBLYMAN GEWERTZ: What he is saying is, even though you submitted a Form II, they are processing it as if it were a key employee's license and if it is determined you need a Form II, then you are all right, and if it is determined that you need a Form I, they have already completed that type of investigation, even though you submitted a Form II.

MS. CRINGHIPKAS: So I will receive a key license one---

MR. MARTINEZ: Well, I don't know what the outcome of the investigation will be.

MS. CRINGHIPKAS: I mean if it is approved.

MR. MARTINEZ: In terms of what we will do, we will treat it that way, but when it comes to the Commission, they will have to decide what the position calls for.

ASSEMBLYMAN GEWERTZ: I will hope that we will not get down the road, and the Commission say, "Well, you have to file a Form I." I don't think that is going to happen here.

I am going to give you now a very sad story. Do you want to come up, ma'am?

JANE MAHONEY: I am Jane Mahoney. I live in Williamstown. My husband submitted his application in February for a dealer's license, and I have since then for the past twelve months spent \$226 in phone bills back and forth to Trenton to Mrs. Marcello. She told me every two weeks, "Resorts is being relicensed, be patient. Caesar's has priority, be patient." Now, when I called

last week before the last meeting, she tells me, "Everything is completed in your husband's investigation. Everything is done except him being licensed, but he is not on a list. He doesn't have a job, therefore, we will not process his application. I can't even promise you that he will have a license within the next year." What do we do now?

ASSEMBLYMAN GEWERTZ: Do you want to explain what hardship you have gone through, your family, your daughters, because of all this?

MS. MAHONEY: To begin with, my husband is a veteran. He was not accepted into Atlantic County College, for whatever reason, I am not sure, but we had to go into debt for him to go to school and we had to borrow the money for him to pay for his license. My children had to do without him. He had to work eight, ten, twelve, hours a day. He drove two hours to Atlantic City to go to school for four hours for eight weeks. We had to do without a lot of things, and now they tell us that they won't even give him the license that he paid for. Where do you go from here? I don't know.

ASSEMBLYMAN GEWERTZ: This is one of the situations where I am assuming he has gone all through the investigative process and it in fact is completed, and it has not been acted upon because of the prioritization, which is what she has been told by Gaming Enforcement. Now, what does it take in this particular set of circumstances to finish the submission to the Commission for licensing, bearing in mind the people have undergone a lot of extreme personal hardships. But, again, the thing that is not read into the system is you get a log number. It doesn't tell you who the people are, what they have been going through, all the aggravation, you know, hoping that something good is going to happen.

Can you find out for me what the status of her husband's license is, whether in fact it has been processed through the investigative process and is in fact sitting somewhere completed, ready to go? And, how many licenses are there that are through the entire process, as far as the investigation is concerned, but waiting to go to the Commission?

MR. MARTINEZ: I can give you those numbers right now. We said with no adversities, you have to make the distinction between those people who come to the legal section on a list and those who don't. All right. Those who come on a list, there is no backlog at all. They are processed over on a daily basis to the Commission as they are received. That is 70% of the total. The others, those are the ones that the investigator-supervisors put on the list.

ASSEMBLYMAN GEWERTZ: How do you get on the investigator-supervisor list? Does this point back to the prioritization, or are there some that have gotten through that list because things have been a little slack and you have been able to pick up some of the people?

MR. MARTINEZ: They were over the last five months; they have been running about two on a list for every one that is not on the priority list. That is over about a five-month period. There are meetings that are exceptions to that, like the last meeting, which I thought I gave you the figures for, about one in three were priority and two in three were not priority. But, yes, to answer your question, when you are back in the investigative section, if they have two stacks or piles in front of them, and one stack goes on the priority list and one stack is not, they will work on the priority list stack first.

Now, you are asking for the backlog in the legal section. There are--- As I said, people coming over on a list are passed through directly. An additional

10% that come over, the lawyer decides that they should go on lists, and the turnaround time there is probably a couple of weeks. But, there are presently 450 Bally files and 250 unaffiliated, meaning non-prioritized files, sitting in the legal section waiting for a lawyer to get to them, to either put them on the secondary list, or to write an objection letter or a yes- but letter.

There may be a dozen or two Resorts people in that same situation, and probably one or two Ceasar's people also.

ASSEMBLYMAN GEWERTZ: How many people do you have in the legal section?

MR. MARTINEZ: There are five attorneys who work on this process almost exclusively.

ASSEMBLYMAN GEWERTZ: Employees, or---

MR. MARTINEZ: I am sorry, you asked me how many lawyers I have in the legal section? I have ten total. Five are dedicated to this process.

ASSEMBLYMAN GEWERTZ: Is this including the casino applicants themselves?

MR. MARTINEZ: No, I am talking about individuals, individual license applications. Now, that legal staff has to be increased, because aside from the backlog there is a growing number of hearings being requested. We are in a hearing every single work day somewhere, which cuts into their time, obviously.

ASSEMBLYMAN GEWERTZ: So, the people who are doing the employee checks are likewise going into court to the hearings. Are they Deputy AG's assigned from the Attorney General's office on a reimbursing kind of situation, or are they employees of Gaming Enforcement?

MR. MARTINEZ: Of the five, two are borrowed from other sections of the Attorney General's Office on a debit and credit basis until we can set up a fund for those legal positions directly. In addition to the five attorneys, there is one paralegal and three clericals working full time on that function.

ASSEMBLYMAN GEWERTZ: Okay, so, would it be safe to say that in the input unit you don't particularly have a backlog in the processing of the applications coming from the Commission. Right, I mean, you are able to log them in within a reasonable period of time upon receipt.

MR. MARTINEZ: Right. I think even at worst it is a week. You know, when we get 1,000 applications in one shot, there is a backlog.

ASSEMBLYMAN GEWERTZ: Okay, from that point they go to the check unit, three-way. Is there a backlog in processing the three-way, not the length of time that is required to get back the answers, but in actually fanning these applications out to the various agencies? Is there a backlog in there?

MR. MARTINEZ: Not in sending out the applications or the request for information. Well, on the other hand, in the three-way unit in posting the returns on those applications, the backlog more than occasionally develops. I have asked for an entire second shift of clericals in there. Right now that unit excluding renewals which has a separate staff working on it, we have not had a problem with renewals, that three-way unit has its non-clericals functioning solely on the employee licensing portion of the work.

Those people are coming in an hour early every day on a routine basis and working at least a half a day on Saturdays. We can justify a full second shift. I am waiting for the positions to be created there in order to do so.

ASSEMBLYMAN GEWERTZ: Can I offer a suggestion?

MR. MARTINEZ: Sure.

ASSEMBLYMAN GEWERTZ: How are you funding these clericals? They are



coming in an hour early, you must pay them overtime.

MR. MARTINEZ: That is correct.

ASSEMBLYMAN GEWERTZ: Are you using CETA people?

MR. MARTINEZ: They are Civil Service employees and we have to take them off the list. I frankly don't know.

ASSEMBLYMAN GEWERTZ: You mean to tell me that you can't take CETA people or even people unemployed by the casinos at this point in time and get them off---

MR. MARTINEZ: I cannot hire any more people at this point in time.

ASSEMBLYMAN GEWERTZ: Under CETA I am talking about.

MR. MARTINEZ: I am not authorized any vacant positions. All my clerical positions are filled. If I had a dozen vacancies--- In fact, I have asked for 25 additional clerical. I would put on an entire second shift if I had the positions.

ASSEMBLYMAN GEWERTZ: All right, let's assume by some magical wisdom it is determined that you could use a total second shift, which you claim you can, let's say, nine additional clerical people. Now, what would be the problem--- I will have to do some research on this under the State CETA grant, as to where the CETA people are going.

On a temporary basis, to clear up the backlog, you could certainly take CETA clerical people.

MR. MARTINEZ: There are plenty of clericals available.

ASSEMBLYMAN GEWERTZ: CETA pays for them, you understand; that doesn't have to come out of your budget.

MR. MARTINEZ: The problem, as I understand it, is getting positions authorized by the Department of Civil Service.

ASSEMBLYMAN GEWERTZ: You don't know the old temporary position game?

MR. MARTINEZ: Yes, I know the temporary position game.

ASSEMBLYMAN GEWERTZ: Maybe we can help you out by getting some of these people.

MR. MARTINEZ: To carry it forward in the process, a backlog exists not in the review stage, that is the preliminary stage in background, because they will just turn around whatever review has to come through, as soon as it hits their desk. The backlog develops on those 30% of the cases which need some type of field work. I think there are approximately 1700 files waiting assignment right now. That means they are waiting for an investigator. When the investigation is completed, the file--- A judgement is made -and again there is not a backlog in this particular function - as to whether the investigation is adequate and if so whether the person goes on a list, or whether it goes with a typewritten report to legal. If the latter is the case, again, we have a problem. It is a clerical problem. I can use a whole second shift of clericals to handle the typing of those investigative reports. Once it clears that process, I think I have described it in legal, if it comes up on a list, there is not a backlog, and if it does come with a full file, then it needs a lawyer's review, there is a backlog and we could easily use more lawyers and more clericals to turn out the result of that work product.

There I would also go to a second shift basis, which would save additional space, which, you know in Trenton is a serious constraint. So, rather

than have to put in double the number of work stations, I would rather go to a second shift.

ASSEMBLYMAN GEWERTZ: Okay, you don't have a problem in the intake unit, assuming you don't get 1500 people. In the three-way unit you need clerical people, in the investigative section, assuming that there is a backlog,

MR. MARTINEZ: We have been doing field investigations, yes.

ASSEMBLYMAN GEWERTZ: Okay, now, the typing of the field investigations you likewise have a backlog.

MR. MARTINEZ: Yes, that is a clerical problem.

ASSEMBLYMAN GEWERTZ: And in the legal department for those cases that require review, you likewise have a backlog because of a lack of attorneys.

MR. MARTINEZ: And clerical.

ASSEMBLYMAN GEWERTZ: Sir.

MEMBER OF AUDIENCE: You keep referring to a priority list. I was hired by Resorts---

ASSEMBLYMAN GEWERTZ: Why don't you come up and give us your full name.

T O M B U R K E: My name is Tom Burke. I have been on Resorts' priority list now between four and seven months and I still don't have a license.

ASSEMBLYMAN GEWERTZ: You definitely know that to be a fact.

MR. BURKE: Yes, I have seen it in print.

ASSEMBLYMAN GEWERTZ: Did you sign a slip for me?

MR. BURKE: Yes.

ASSEMBLYMAN GEWERTZ: Do you have a copy here of any priority list sent down by any of the casinos?

MR. MARTINEZ: No, I don't believe I do. I think Resorts has a problem that I hope they have finally gotten straightened out. But, again, we met this week to describe the priority system to them, and I don't think we have everybody on the priority list who they had intentions of hiring, including people they have said to, "If you get a license, we will give you a job." The bottom of everybody's priority list tends to be those people they are anticipating needing six months down the road. The top of the priority list is everybody they need yesterday.

ASSEMBLYMAN GEWERTZ: Can I ask you a very honest question? I know it is going to come out wrong, but I am going to ask it anyway. I hope there is not some kind of move on by different combination of agencies to really deter people from continuing to enroll in schools or by trying to wring out the market so to speak by holding off licensing of people which in turn at some point may force people from hiring other people to pick up what you would initially describe as an overabundance of licensed people at this point in time to accommodate the industry's needs and certain criteria.

Do you follow what I am saying?

MR. MARTINEZ: Well, I think so. The chances are, we don't even know through most of the process where a person is enrolled in school. The only point I wish anybody on our staff would even be able to take notice about is the point at which it is gone through the first two or three months of processing in that investigator-review stage, where a determination is made whether or not field work is necessary.

So, I don't know of any built-in bias in the system relating to that or any other particular criteria.

MR. BURKE: I was hired in March.

ASSEMBLYMAN GEWERTZ: Why did you apply for a license?

MR. BURKE: I applied for a license the day I was hired.

ASSEMBLYMAN GEWERTZ: And this is how long after you graduated?

MR. BURKE: I did not have to go to school. It is not a dealer position. It is a slot attendant position, which is kind of a minor role, actually.

ASSEMBLYMAN GEWERTZ: That is a Form II. And you have a job.

MR. BURKE: Yes. I am not working currently. The employer which I was working for at the time knew that I was going after this job, and he let me go three months ago.

ASSEMBLYMAN GEWERTZ: Can you make a little note about Mr. Burke, and advise me whether he is or is not on the list. I understand you may have a letter. I was going to give Mr. Martinez one of these letters, as an example. Is this the type of letter?

MR. BURKE: I have not gotten a letter. I had a phone call, and I know I am in legal. That is as far as I know.

ASSEMBLYMAN GEWERTZ: No, no, I am talking about what you got from the employer. Did they send a letter?

MR. BURKE: I have a verbal commitment.

ASSEMBLYMAN GEWERTZ: What have you seen in writing?

MR. BURKE: I have seen the priority list. I was told several times that I am on the priority list.

ASSEMBLYMAN GEWERTZ: You have physically seen the list yourself?

MR. BURKE: Yes. This is through Resorts' office. I have seen their list. I know I am on their list.

ASSEMBLYMAN GEWERTZ: I think we are getting the two confused. The list that Resorts may have in their office--- Did you see a communication sent to the Division of Gaming Enforcement or to the Casino Control Commission from Resorts with your name on it?

MR. BURKE: No, I did not.

ASSEMBLYMAN GEWERTZ: Well, that is the first thing we have to check, whether or not you are on a priority list, not verbally, and whether or not you are on a list in their office that never got to the Commission.

MR. MARTINEZ: That is one of the problems. Mr. Chairman, with respect to that, this again is not an uncommon situation, and one that I don't think is intentional, but when we did an audit of the pending Resorts priority list, there were 43 people on there who neither we nor the Commission had in the system.

Now, again, that could be a screw up of either the file being lost, or I don't think that is the case, but there are people who are registered within Resorts---

ASSEMBLYMAN GEWERTZ: Well, if we can run enough of these things through, then you can find out where the flaws are, if in fact there are any.

MR. MARTINEZ: Well, we gave the results of our audit back to Resorts, and I assume that they are taking the appropriate steps to contact those people.



MR BURKE: They had called me and told me they were compiling this list and they were putting me on this list to send to the Commission. That was approximately five months ago that they called me and told me they were putting this list together.

ASSEMBLYMAN GEWERTZ: Well, we can easily find that out, without too much of a problem, which I will do.

MR. MARTINEZ: I would guess on that particular job category that that is a job category that is needed in terms of having qualified people to fill it. He should move through very quickly if he is on the priority list.

ASSEMBLYMAN GEWERTZ: Well, that is what we have to find out. But, even if he wasn't, a lapse since March - seven months, and he should be up near the top on both.

MR. MARTINEZ: Yes, based on the study of returns for the last Commission meeting, that is correct.

ASSEMBLYMAN GEWERTZ: We will check that for you. Sir.

ANTHONY GREEN: Mr. Chairman, my name is Anthony Green. I have addressed Chairman Lordi several times on the matter of my license. I was employed by Resorts International back in February. I have a written job commitment. I was placed on a priority list. There are no objections to my license. I have not as of yet received any type of verification or anything. Now, I have been in touch with Mr. Gushin.

ASSEMBLYMAN GEWERTZ: Do they physically have your application? Do they acknowledge that?

MR. GREEN: Yes, they do, but I have not received any type of verification whatsoever. Chairman Lordi has taken the stance, I guess, that it is not actually his responsibility and I feel that it is. I feel that he has a responsibility to look into these matters, and not pass it off to someone else. This is what is happening. It is becoming a volleyball game, where everyone is blaming someone else, whether it is Resorts, or whomever.

ASSEMBLYMAN GEWERTZ: That is what I am here for. As long as I get the names, I can run them through and we will know what happened, factually.

MR. GREEN: Okay, let's not go on hearsay, let's go on fact. Everybody has been having these discussions all over town, and everybody has been talking to people and to this date nothing is being done about it.

ASSEMBLYMAN GEWERTZ: First of all, for someone to go into someone else's application without a release allowing us to do it, there is no way. I can call and say, "What is the status of someone's application," and they will say, "It is in process." And Mr. Martinez has been very cooperative in trying to track some of these things down, but he has a multi-layer of people that he has to go to.

MR. GREEN: I have been in contact with Assemblyman Matthews' office, and it seems like now they are not giving out any information. This was prior. That was one of the responses that they had gotten from Trenton. I think it is very frustrating to people, especially when they come out to all these meetings. I have contacted attorneys. No one is willing to actually go into this, because everyone is afraid. Everyone is afraid. It is almost like Mc Carthyism, where no one wants to say anything, because they want their jobs.

ASSEMBLYMAN GEWERTZ: Do I have a form signed by you?

MR. GREEN: No, and you will not receive one for the simple fact that I don't think it is going to do any good. That is my personal opinion.

ASSEMBLYMAN GEWERTZ: If you give me the courtesy of trying, I will give it my best shot. If you don't wish to sign a form, maybe you can speak to the gentleman with Mr. Martinez.

What is the problem with this fellow's license? Do you have any personal information on this?

MR. GREEN: I was told by Mr. Williams, or Williamson, in Mr. Gushin's office that I should have received a letter. I received nothing.

MR. GELARDI: I don't know if he is talking about Mr. Williamson, but if he was told by Mr. Gushin that he received a letter, if he will give me his name, I will personally see that either it is in the mail right now---

ASSEMBLYMAN GEWERTZ: Can you give him some response so he knows what is happening.

MR. GELARDI: I believe you spoke at the last Commission meeting.

MR. GREEN: And the one before that also, and I will speak at the next one if I don't ---

MR. MARTINEZ: Mr. Chairman, Mr. Gelardi has produced a copy of a letter that was sent to Mr. Lordi regarding this individual, with a copy to him at One Evergreen Avenue in Mc Kee City, New Jersey. We will have a copy of it made for him right now. It was dated October 15th.

ASSEMBLYMAN GEWERTZ: You see, what a miracle, you came in, and now letters come forth.

MR. GREEN: Praise God. Thank you.

ASSEMBLYMAN GEWERTZ: If there is a problem from that point on, feel free to call me.

MR. GREEN: Yes, thank you.

ASSEMBLYMAN GEWERTZ: Is there anyone further?

R O B E R T I A C O N I: I wasn't aware that there was a meeting today. In fact, I just took a walk on the boardwalk, to be perfectly honest with you. I am kind of depressed because I have not been licensed yet, and I have not complained, because nobody was discourteous to me, and I understand the way the system operates. There is a backlog and they are understaffed and so forth and so on.

In the interim, I was one of the people who was employed by Ceasar's and subsequently laid off in September. My son is going to be laid off next, because he is in the hard count room. I just, through rumor, heard it. He is number two. My wife is a key employee and I don't know how much longer it is going to be for her. I guess she probably will be number three. On the assumption that we were going to get licensed, I took the initiative to try to buy a house, and with the mortgage situation being what it is today, we entered into a contract which the Division of Gaming Enforcement has photocopies of every single document that we signed, and they know where we stand as far as our own personal lives. I don't want to get too personal here.

But, the thing is to try to make something of ourselves. I am married to the same girl for nineteen years, and I feel like myself, as well as everyone else in this room has some little skeleton in their closet, so to speak, so I am not complaining. I am just wondering if there was any way I could be reassured in some way that I have half a chance to get a license, or at least to be told

where I stand. I have been investigated, and the investigator told me that I was about to go to legal and the only reason I am coming up here is because I have been told four to six weeks on two different occasions. And, I understand what the problem is. I suppose this is my last stand, more or less. I am not normally a person who complains, but since everyone else came up, I felt I should say something.

ASSEMBLYMAN GEWERTZ: Mr. Gelardi, would you do me a personal courtesy, please? Would you spend a minute of your time, maybe in the back, with this gentleman. He wants to go over something with you. You may be able to give him some advice.

MR. GELARDI: We are aware of Mr. Iaconi's position. He is being put on top of the list of people who have been placed. We know his case. Did you have a change of address or something?

MR. IACONI: We had a couple changes of address, because there was a misunderstanding. The investigator was not aware of this, but through one of our references they located us. But, since we were all employed at the hotel, I thought they would have contacted us at the hotel. That has been clarified.

MR. GELARDI: That was what the delay was. I will see you in the back.

MR. IACONI: Okay, fine. Thank you very much.

ASSEMBLYMAN GEWERTZ: All right, my pleasure. I have a question, just out of curiosity, is there a form--- Let's assume that someone is in the process of investigation and, for whatever reason, they move; is there a form or is there something to indicate--- I know it is going to sound a little silly, but you have to understand some people's thinking or method of doing something, to notify you as to a change of address, to make sure that it gets to the form, so that when you go back to look for someone you are able to locate them.

MR. GELARDI: That is done through the Commission, Mr. Chairman, and they then notify us as to change of address.

ASSEMBLYMAN GEWERTZ: How would the Commission get it? Does the Commission have a form for change of address, et cetera, change of telephone, or change of any information that was on the original application?

MR. MARTINEZ: Mr. Chairman, there is a change of address, name, phone number form which is available, and at the same time we take handwritten notes, or any note that shows an intent to change one of these, or that something has happened. It is forwarded to the Division of Gaming Enforcement.

ASSEMBLYMAN GEWERTZ: Might I make a suggestion that maybe some place on the form prior to the release, or with the release possibly there be a notation if there should be any change of address, any change of any information that is contained in the application you submit that you should notify the Commission immediately, because I can see that there could be a little bit of a problem between the time the application is submitted and the investigator actually goes out and says, "Well, look, this is not adequate, or you made a mistake, whatever the case may be." That is only a suggestion to make it a little simpler for people. There should be an address where this can be sent, whatever the log number is, which I hope we will straighten out by the notification upon receipt to the applicant of their log number, et cetera, through a self-addressed envelope, postcard, whatever it might be.

MR. MARTINEZ: I think that change may help with the form.

ASSEMBLYMAN GEWERTZ: Mrs. Craig.



V I O L A      C R A I G:      Assemblyman Gewertz, I am going to bring out something here that I have never brought out before. If I were to go into this gaming school business tomorrow and know what I have had to go through in order to keep the doors open, and doing an honest business, I think I would change my mind.

Number one, I am going to tell you what these investigators do. I was given a call when I was under investigation at ten o'clock in the morning. I was told to report at one o'clock at Independence Mall in Hamilton Township. I arrived at Independence Mall in Hamilton Township myself in my car, and I was put in a room with a tape recorder, a deputy attorney general and two detectives. I never brought this out before, because this is the fear that people have with what is going on in the Division. Now, maybe the heads of the Division do not know what is happening.

I put my investigation in, I believe, in January. Unfortunately, my husband had passed away December 22 of 1977. There was an investigator across the table, and he was looking over my file and he said to me, "Oh, my, isn't this amazing, one of the men you put down on your disclosure form as a personal reference is the same doctor that signed your death certificate," and me, you know, I don't get afraid of anything; I said, "Well, what the hell do you mean by that?" He said, "Well---"

Meanwhile there is another investigator going over my income tax reports. On my income tax, I have been audited. It was on there that I was audited, and he said to me, "Well, well, well, you didn't have too much coming in." And I said, "Well, it satisfied Internal Revenue." I mean, I may have given some smart answers. If you would know what the doctor who signed my husband's death certificate went through, the doctor happens to live next door to me. My husband started to have a heart attack. The doctor happens to be a personal friend. Do I get on the telephone on a Saturday night and try to find a doctor to save my husband's life, or do I yell out the window and get one in a hurry? But, these were all things that were done. I hear things.

The other day when Mr. Gelardi was in my establishment with six people, there was a young lady who had a tape recorder in her handbag. Unfortunately she dropped the tape recorder and it fell on the floor. Students were called out. My own daughter was called out of class and you know what one of your investigators said to my daughter, Mr. Gelardi - "You are a nice looking young lady. You must have a lot of friends that would pay your mother over and above to get in this school ahead of time." And I do think that is entrapment. The students you called out and asked questions of, they came to me later and they were annoyed. They are paying good money and they are disrupted in class to ask questions.

I don't do anything that I would not put all my books, all my records, everything I have into your hands. You can microscope them; you can do anything, but now I have detectives seated in my school. I will give you an example. I had an appointment at one o'clock with Mr. Joseph Fusco, Mr. Joe Hoffman, right in this very room, and I walk in at nine o'clock in the morning to get my papers together to make sure I had everything they wanted, and they keep asking me who is licensed and who is hired. I don't give the licenses out. They should have a list of who is licensed. I try to keep up with it. I had to put extra staff on to find out who is licensed and where they are, where they live, what they are doing. They have no obligation to me, unless they come back on a relative basis

to practice like they do. So, when I said to them, "Gee, I have to have all this same information for the Casino Control Commission at one o'clock." And they said, "Too bad, we are already here." I made a call and I tried to get a hold of Mr. Lordi. I think he was at a Governor's Committee meeting. I was able to get a hold of Mr. Fusco, and Mr. Fusco said, "I don't care, you have an appointment at one o'clock." At great expense to me I Xeroxed a lot of things and I left some with them and I took some to the Commission. I do wish, though, and I asked the Detective, or investigator, "Will you at least give me a call, I will set up a room for you and you can have all these things, but you are disrupting a private business." My money does not come from State and Federal coffers; it is mine.

My finances I have to work on a shoestring. Everybody thinks Viola Craig is a millionaire because she has a school. My money is in the Casino Control Commission. I cannot collect one nickel until that student graduates. When that student graduates, if I did take in \$42,000 I have another nine to twelve weeks to worry about before another graduation and I can take it out. I have to have money to pay my utilities. I have to have money to pay my rent. My bank account is no damn different than it was before I opened the school. In fact, I think I had more in it when I was a waitress.

But, what I am saying is, this feeling of priority with jobs. First of all, I do believe that Mr. Martinez would like to have all schools out. I feel this way because of the way he has discouraged people in the newspapers saying there are no jobs. For one school, I am in contact at all times with Mr. Dan Sullivan of the vocational education in Trenton asking what I can do to make my school better.

Now, first of all they are saying that everyone that comes out of the dealing school is going to be a dealer. That is not true. There are a lot of people who go to dealer school because they simply want to know the games and they have the money, and they want to play. A lot of them have told me they don't want that. But, there are also a lot who are putting their license in their pockets, because they hear about the casinos, such as Golden Nugget and everybody was enamoured by Ceasar's how marvelous they are. Everybody wanted to work for Ceasar's. They want to work for Great Bay. They think if they stay on their jobs long, keep their job, and get their license in, they will be ready to go to work when these establishments open. They are recognizing these jobs are stable industries. They are not stable industry - demand positions. You should be considered to be higher demanding in occupation, and I am going to tell you the reasons why.

The first five years the turnover is going to be great. We have a lot of them who worked in Resorts, and they worked in there long enough to get the college money together when Resorts opened, and they are in college now; they are not dealing.

Second, the constant turnover because of emotional and physical demands on the individuals which means a great deal of pressure. The same young lady who thinks she is going out to a party at seven o'clock at night still has to face that child of hers at six o'clock in the morning and go on with the day, getting the children off to school and everything besides going to work at night.

Housewives and other females will train as dealers for the money involved. They never had so much money in their life. This town has always been a minimum wage town. Now right away they are making big money. So, they

will pay the cost of training to earn \$22,000 to \$26,000 a year for three years. And they can get the money they need. Maybe they only want a downpayment on a house.

Now, you come to social pressure involved. I am down in the casino four, five, six o'clock in the morning and the dealers getting off are going out. They are drinking, and overspending, buying all this gold because they think a dealer has to be surrounded by gold. They are going into condominiums. They are going into brand new cars. This overspending and all--- They are going to have to have areas where they are going to have to rehabilitate themselves, because every night is not going to be New Year's Eve when all the casinos that we have on the paper are open. Any person who continues as a dealer, after five years has extreme energy and emotional strength. They have to be good at dealing and they are also going to have to take a little time off each year, because dealers in Las Vegas, their life span is about five years. Here it will be about two and a half because of the constant pressure. You can go in any casino in Las Vegas and you can sit down at a blackjack table; you can go in any casino in Las Vegas and you can walk up to a crap table and there might only be two of you playing. But, here there is never a space empty on a blackjack table. There is never a space empty and the constant wear and tear that it will do to your nervous system besides the people in front of you and the people behind you, if you happen to have a lucky person on the table winning money, the pressure is very high.

Now we say we want to do for the minorities. And we want a certain amount of minorities employed. Well, the licensing procedure stops an awful lot of minorities from going into this. Let me tell you why. A lot of the people who have lived in this area, it has been an area that was down, will not fill out that disclosure form because they may find it to be self-incriminating.

Number two, we have CETA. I have worked with CETA in twenty-one counties. In fact, I spent last Saturday, my day off, at the Veterans' Hospital in East Orange at a job fair, trying to explain to the veterans what this job is about. I really think the veterans are being highly cheated on getting in on this industry, because the school has not been opened more than two years, they cannot go under the G. I. Bill of Rights. But, I have the head of the Veterans' Administration, Mr. La Porta, in my school, and I have been approved for 10% or more disabled, and veterans with extenuating circumstances. I work with CETA throughout twenty-one counties, but apparently, I don't know whether Mr. Martinez knows about CETA or not, or how it operates, but CETA gives me the student and pays them \$2.90 an hour while they are going to school, and they go, they give this slot to John Jones today, we would expect within ninety days by Federal law if this person is not licensed, then money is not refunded for that slot for another person. So, CETA is backing away from training for casinos because of the licensing procedure.

In other words, if they send me nineteen dealers in three or four different categories, if the nineteen dealers are not at least licensed within ninety days when they give their report to the Federal Government and the Federal Government don't want to hear about any kind of licensing procedure, if they don't at least have a license, then they cannot get the money for that slot to send another person. And, another thing, you cannot dictate to CETA on percentages. Legislative law so states that if a person is qualified, he or she cannot be



denied the right to train. Now, when I listen to Mr. Martinez, I have to say to myself, with a school running and an establishment, how can I turn people away when they are warned when they come there that there may not be jobs for many, many months there. When they are warned of this, how can I tell them that I cannot take you into school and they still insist on going because they have a right. There is nobody out there saying how many hairdressers there should be, how many licensed practical nurses there should be, how many clerical people who are sitting with no jobs whatsoever and will never get one.

I cannot promise employment. This depends on licensing and casino audition. All we do is help prepare the student for the job. I think my record has been a pretty fair one, as far as I have been able to find out. I have close to 400 in Resorts International and about 110 in Caesar's. Now, I agree, the minorities should be trained, because they have been at a disadvantage, and I have to impress again on the Gaming Division that they cannot be trained, they do not have the money, and if they are not licensed within ninety days, CETA cannot give them the money to go. There is a lot of Federal money there that can train them. They can train them not only in that, but they can train them in different aspects of the casino where they can work.

When I started my school, the requirements for employment was - and I must say, I have to give Resorts International a lot of credit for this - if you had successful completion with a certificate from a New Jersey licensed school, or previous experience from a gambling casino as a professional dealer from the State of Nevada. That was one requirement.

Number two, your licensing for employment by the New Jersey Casino Control Commission.

Number three, your investigation by licensing under the New Jersey Gaming and Law Enforcement Commission under the direction of the State Attorney General's Office, but the most important criteria which you are missing on these priority lists are then successfully passing the audition at the casino which is done in the casino room and dealing to public players.

What has happened here, we have a priority list, and I have lived in Atlantic City long enough, God knows - Mr. Matthews was here and he knows, and I go before freeholders and everywhere for the little guy. But, if we are going to have a priority list, then let's all just close down, go out of business, and let the list be sent in from wherever and let them go to work, because they are not getting put--- How can you put - like Bally did - 400 licenses in, and not even know whether they were going to get a school or not, and their school was not opened as big as they wanted it. They had seventeen instructors they brought in from heaven only knows where, and they did not get through in order to open the school.

So, if we would take this, license the people who come--- You know, we do something in the licensing--- I have an automobile license. Do you know that makes me a potential killer? Anybody in the State of New Jersey with an automobile license is a potential killer. You could go out, and you never know who you are going to hit on the street or what kind of an accident you are going to get into. And, yet, you can walk in and get a license like that. You can go to Nevada, and you go to the sheriff's office, and you get a work permit that shows that you reside in the State of Nevada, and you can go out that

afternoon and go to the Golden Nugget or Four Queens, or anywhere down town and you can get a job and go back the same afternoon and they give you a license, and then they decide to investigate you. If anything comes up in the investigation they will come up and tell you and you will be relieved from the job at a penalty for lying, or whatever. We are going to have such a turnover on this, I don't know, it is just not a job where you go in and it is easy come, easy go. It looks easy. It looks like a party every night, but the social aspects of it are horrible. I thank you for listening to me.

ASSEMBLYMAN GEWERTZ: One point that you made, I think it got a little mixed up. You say people come into your place of business and disrupt. What are you referring to?

MS. CRAIG: I am talking about Gaming Division coming in on a Monday morning, which happens to be my tuition collecting day, and we are pulling out people, asking them questions, and you have one girl who is trying to hide a tape recorder in her handbag who is with Gaming Division and she drops her pocketbook and the tape recorder falls on the floor. Mr. Gelardi knows. I wasn't supposed to know it.

ASSEMBLYMAN GEWERTZ: Listen, I think the point that Mrs. Craig alludes to, again, has to go back to attitude and the way of handling the public. I have not personally witnessed people storming into someone's place of business looking for records, whatever. But, again, everything has to be done with some tactfulness and some spirit of cooperation, because people should not be working with such adversities. If you need information, or whatever it is, fine. But the point is, if we tell somebody we want records for such and such, it seems like you think they are going to burn the records or something. That kind of concept is---

You know, what I think she is saying is, I am in business---

MS. CRAIG: If they only give me fifteen minutes' notice, I can have a room set up for them, where it can be done. But as it was - and you must admit this - I had to take my secretaries and everything, between collecting money, and talking to you people, and getting this and that, it was just a horrible mixed up thing. I do have people there who are paying \$80 a week to go to school.

ASSEMBLYMAN GEWERTZ: I don't think that is unreasonable. I know that as we are progressing and learning these little problems and people's feelings, everybody will understand that those are your investigators and they have to be treated in a courteous manner, and just because the law says you can go in, you go in any time you feel it is appropriate because someone has signed a slip of paper.

MS. CRAIG: Anything I have, they can have, but it is just the point of coming in and not letting me know. If they give me fifteen minutes' notice, so I can assign a girl to work with you, but it happens to be tuition day, and the girl has to keep records for my accountant, because if I get one thing wrong, he is going to crown me.

ASSEMBLYMAN GEWERTZ: The other thing I wanted to clarify, it is your opinion, as you are training these people, when you say life expectancy, I don't understand that.

MS. CRAIG: I don't mean that. I mean as a dealer.

ASSEMBLYMAN GEWERTZ: You mean in the business as such through attrition and such, that the continual training of people does not create an

adversity to either the industry or the individual, assuming that is what they wish to do.

MS. CRAIG: Well, I don't believe it does for the simple reason that what is happening, the ones that are in the casinos working are spending every dollar they make as fast as they make it.

Now, at one point in time, we are going to have--- I don't know how to put it. Let's see, you take a floor man or a pit boss in Nevada. He works 21 straight days and has a week off. That is how--- It is an industry that is not like producing a box of candy or something. Do you understand what I mean?

ASSEMBLYMAN GEWERTZ: I understand.

MS. CRAIG: It is mental and physical. And, it is terrible.

ASSEMBLYMAN GEWERTZ: Okay, it is almost like being in the Legislature. Mr. Green, did you have something further?

A N T H O N Y G R E E N: Yes. I am back again. It is a good thing I did receive this letter today from the Division of Gaming Enforcement. Here we go back to the point that they can influence whether or not you get a license. I was reading down at the bottom of the first page, and I was quite shocked at what I read. I will read it out to you, "Based upon the information received, and the personal history and disclosure form, filled out by this applicant, the Division does not interpose an objection to this individual's licensure as a casino employee." But, it goes on further, and I will explain this after I have read it. "This decision of this office, notwithstanding the Commission, should be aware of certain other information to aid it in researching its final decisions relative to this application, more particularly, Mr. Green disclosed he was arrested for contempt of court" - which I was - "According to Mr. Green a bench warrant was issued after he failed to appear before the Atlantic City Municipal Court for issuing a bad check. On June 29th, the case was dismissed for lack of prosecution."

Now, I want to address the later part of that. I think the Division of Enforcement has their issues confused, as my attorney would have told them, if they had contacted him. The Division seems to just go on court record. It was explained to me that the case was dismissed for the simple fact that it had been a mistake. It was the bank's error, and I don't feel that I personally should have to forfeit my future career for a mistake of someone at the bank. The amount of the check was \$2.10. Thank you, Mr. Chairman.

ASSEMBLYMAN GEWERTZ: Now, just in reference, Mr. Green, I can understand your situation. I can sympathize with you, but I think what the Division is doing is only saying they have looked into this, and there is really nothing to preclude you from having a license, but we want to let you know that this has happened, just for your own--- And there is nothing in it. That is done because - wisely or unwisely - in the Casino Control Act it states by law, "Commission by the applicant or any person who is required to be qualified under this act as a condition of a casino license, any act or acts which would constitute any offense under subsection C of this section, even if such conduct has not or may not be prosecuted under the criminal laws of New Jersey."

So, what this really says is that they can deny you a license if they have some information as to some happening, even though you were never charged with anything, even though you were never prosecuted for anything.

MR. GREEN: Do you think that is fair, in your own opinion?



ASSEMBLYMAN GEWERTZ: No, I don't. But, in order to conform to that subsection all that they are saying is, there was this situation. It does not disqualify this person, and we do recommend that he be licensed, but we would like to make you aware of the fact that this was a situation. But, oddly enough, the way this was written is, if you were never charged with anything, never did anything, but you were involved in something, even though you were not charged, conceivably that could - depending upon what it was - disqualify you.

MR. GREEN: But now it seems that my integrity has been questioned.

ASSEMBLYMAN GEWERTZ: Well, now there is another point which is raised as a matter of procedure. What happens, excluding his specific set of circumstances, for a moment, let's assume that someone shows on their form this had happened, but it wasn't their fault, really. They were improperly charged; they were not prosecuted, et cetera, et cetera, because of someone else's mistake. Does that necessarily constitute some type of an enclosure, I mean, just that happening? Because the report doesn't go on to say in that particular paragraph and this is the reason I question it, not the fact that you are notifying them, but the fact that if what he is saying is so --- And, with all due deference, I am not reviewing the files, but shouldn't, likewise, that last sentence contain, "But we found out it was not his fault. It was in fact a mistake of the bank."

I mean, it is not the notification. If I read that, and I really didn't get any explanation other than that letter, I wouldn't really know whether he did anything wrong. And, I am going on the assumption that he didn't. Do you understand my train of thought?

MR. MARTINEZ: I understand what you are saying. You know, I have no comment on his specific situation, but it is not infrequent that you will hit an investigative situation such as that where it is simply impossible to pin down or adduce enough facts to decide what precisely occurred. And, in a situation like that, we record what we know, including the applicant's version of it, which I believe was done in that particular case. And, simply report the fact which is a fact, that the thing was dismissed, and not object.

ASSEMBLYMAN GEWERTZ: Did that statement include the fact that it was a a mistake of the bank, et cetera?

MR. GREEN: It has nothing on there to that effect, or that it had been dismissed, or anything about the case, other than the---

MR. MARTINEZ: I think he just aread a letter that quoted what his explanation was, and noted the fact that the thing---

ASSEMBLYMAN GEWERTZ: No, no, he didn't quote what the letter said, after he finished that section, he went on to explain himself personally, not included in the letter.

MR. MARTINEZ: I would be happy to look at the letter afterwards.

ASSEMBLYMAN GEWERTZ: I understand. I would appreciate it if after the meeting you look at this and go back into your system and see if that fact was verified and if it was, why it was not included as a matter of a letter to the Commission, which is important just in your internal kinds of processes.

MR. MARTINEZ: Sure.

MR. GREEN: One other thing, Mr. Chairman. It says that I did say these things. I had put on my disclosure form - and this might get me into trouble - that I had been arrested for contempt of court. I did not go into the specific charge, because I had not actually been charged with this.

ASSEMBLYMAN GEWERTZ: I understand.

MR. GREEN: Now, it says on here, more particularly, "Mr. Green disclosed he was arrested for contempt of court. According to Mr. Green, a bench warrant was issued after he failed to appear before Atlantic City Municipal Court for issuing a bad check."

I made no such statement. None at all. An investigator contacted me, came to my home, and he asked me what it was about. I said that it was a bad debt which I had paid, and it was not my fault. I repaid it, okay. It had not been paid out by the bank. It is complicated. But, anyhow, it is a misstatement, and I feel that it should be corrected in some way, shape or form through another letter or something else. Because I made no such statement.

MR. MARTINEZ: Mr. Chairman, we will take that issue under advisement, but I will find out this, the letter said that Mr. Green disclosed that he was arrested for contempt. The question that an investigator would normally put to any applicant based on such a disclosure is, "Well, why were you arrested." And, he said, "Well, they gave me a warrant when I didn't show up in Municipal Court for a debt that wasn't mine." That is noted here, and then we go on to note that the case was dismissed for lack of prosecution.

MR. GREEN: Yes, but that is not what the letter says.

ASSEMBLYMAN GEWERTZ: The point is, if his version is correct, and it was someone else's mistake, not the fact that it was dismissed for lack of prosecution, because if you analyze that - and I am a police officer from way back - what is lack of prosecution? Whoever signed the complaint didn't show up. That doesn't mean that the guy who was charged with something really didn't commit it, just that nobody showed up and the judge just happened to dismiss it.

MR. MARTINEZ: Exactly.

ASSEMBLYMAN GEWERTZ: But if in fact it was a mistake of the bank in levying this charge, or whoever it was, then it should be noted that he was mistakenly charged - not that the case was just dismissed.

MR. MARTINEZ: And that is exactly the point I made before, that in this type of case, if it was a check for \$2.10, we would not bother to go to the bank.

ASSEMBLYMAN GEWERTZ: But, then the statement should not reflect that kind of---

MR. GREEN: The statement shouldn't be there.

MR. MARTINEZ: The statement simply reflects what is on the official court records.

ASSEMBLYMAN GEWERTZ: We are assuming that is what it reflects. We are assuming that---

MR. MARTINEZ: If someone were arrested for contempt of court, that is on the court record.

ASSEMBLYMAN GEWERTZ: Okay.

MR. MARTINEZ: His explanation was that it was a bad check situation, okay. We simply note, without trying to decide whether in fact the check was bad, that the case was dismissed, and we are not objecting to his license.

Let me just add this: Procedurally, any applicant - and this is the reason that we take the time to give them a copy of this - has the right to write to the Commission and further expound on something like that, if they feel the need to.

ASSEMBLYMAN GEWERTZ: But now let me go through this process just for one second. Again, we don't want to constantly deal with the negative side of everybody, and the point is, if the man was improperly charged and he tells you he is improperly charged, then that fact should be verified, whether it is \$2.53 or \$837,000. It makes a difference as to his credibility as a person and your report to the Commission noting that we have no objection but the negative aspect is, he was arrested and was dismissed for lack of prosecution.

Now, somebody reading that on the Commission, and looking at his application for a license, they may say, even though you my friend recommend he be licensed, I don't think he should be licensed because he had this contempt of court.

MR. MARTINEZ: That happens from time to time. What they tell us to do at that point is to go back and reinvestigate it, because they want more facts.

ASSEMBLYMAN GEWERTZ: Bob, Bob, you know---

MR. MARTINEZ: If we checked every \$2.10 check---

ASSEMBLYMAN GEWERTZ: Bob, you sent two investigators to New York City for a \$7 bank account. There was no charge, or anything else. It was a child's bank account. Now, if you are going to include in the report the fact that someone was arrested and the case dismissed, then, likewise include the man was improperly charged, if you can ascertain that. But, what does it take, a call?

MR. MARTINEZ: It takes more than a call frequently.

ASSEMBLYMAN GEWERTZ: Bob, do you know how many of these things I have been through?

MR. MARTINEZ: Well, I know how many you have been through, and I know how many I have been through. I will tell you right now that if you want me to take every \$2.10 check and chase it down - which is what you are telling me to do--- I need fifteen more men. It is as simple as that.

ASSEMBLYMAN GEWERTZ: Bob, your report noted the fact that you verified--- Because he had that on the record that you verified to see if he was arrested---

MR. MARTINEZ: We asked him.

ASSEMBLYMAN GEWERTZ: Okay, you asked him and he said, "Yes, it is true."

MR. MARTINEZ: We accepted his explanation.

ASSEMBLYMAN GEWERTZ: I guarantee you you checked the court record to see it was dismissed.

MR. MARTINEZ: I said that we checked the court record and asked his explanation and simply reported it.

ASSEMBLYMAN GEWERTZ: Well, what does it take, another phone call? Why was it dismissed for lack of prosecution?

MR. MARTINEZ: Well, as I said, if you want us to do that----

ASSEMBLYMAN GEWERTZ: I am saying to you, Bob, I think you are missing what I said.

MR. MARTINEZ: I don't think so.

ASSEMBLYMAN GEWERTZ: If he gave an explanation that you saw fit not to verify, that included in the letter might be his statement that the applicant states that he was improperly charged. Include that one line, which is only two seconds more on the typewriter. You don't want to go to the bank or whoever it was and verify it, at least give him the benefit of stating his position on the letter that you sent - "The applicant stated he was improperly charged." I am saying to you that everything is in the negative, negative, negative. I mean,



there have to be positive things about people, good things. I mean, you know it is \$2, and he just told me it was \$2, but if I sat here and got a letter from you in your report to me as a member of the Legislature, that would denote something far more serious than a \$2.50--- Because I would have to say to myself, "Who the hell would charge somebody for contempt of court for a \$2 check?"

MR. MARTINEZ: The letter says, quote "The information compiled on this applicant verifies for the most part the individual's personal reputation for integrity, financial stability and responsibility." That is an affirmative statement from us about this applicant.

ASSEMBLYMAN GEWERTZ: But, the last shot, my friend, if it is too petty to check, then it should be too petty to note.

MR. MARTINEZ: Except that the Commission has insisted that we do that. I have suggested to the Commission that we do away with this form of letter altogether, but they have insisted that we keep continuing to send it.

ASSEMBLYMAN GEWERTZ: Do you understand? Why create ill feelings since you are not objecting to his license?

MR. MARTINEZ: Right, I understand that perfectly.

ASSEMBLYMAN GEWERTZ: Because he walked out of here honestly not very happy. Fine, you didn't stop his license, but you left him with a bad taste of government - not the benefit of him was a mistake, it wasn't my fault. It doesn't say the check was \$2.10 here. I am telling you, if I read that, I would have to think it was something more serious, personally. You know the circumstances, and he told us. Without that, some stranger sitting who looked at that---

MR. MARTINEZ: I understand your point about making friends, particularly.

ASSEMBLYMAN GEWERTZ: It is a people business. Okay, is there anyone else? If not, I really appreciate your staying through this.

MEMBER OF AUDIENCE: I would like to add one point.

ASSEMBLYMAN GEWERTZ: What is your name?

J I M H O G A N: I put my application in the last week of April and I lived in Atlantic City all my life. Two weeks later I got a phone call from the investigator. He said my license was being processed, and it is now October 29th and I have not heard a word.

ASSEMBLYMAN GEWERTZ: Did you sign a release?

MR. HOGAN: Not that I know of.

ASSEMBLYMAN GEWERTZ: Okay, sign one of those and fill it out with your social security number as well, and we will go to work on your problem.

MEMBER OF AUDIENCE: Exactly what is going to become of those forms?

ASSEMBLYMAN GEWERTZ: Those forms are going to be compiled into a list, which we will hand carry and I will go over them with Mr. Martinez personally. We will run each one down.

MEMBER OF AUDIENCE: Will we get some kind of response?

ASSEMBLYMAN GEWERTZ: Yes, you will, either from the Committee or from the Gaming Enforcement Division.

Bob, I want to thank you for spending the time here.

MR. MARTINEZ: My pleasure, any time.

MEMBER OF AUDIENCE: I have been calling the Casino Commission twice a week for the last three months, and I have been getting a different answer from each person I have called.

ASSEMBLYMAN GEWERTZ: What is your name, please?

D A V I D M C N A B B: My name is David Mc Nabb. I put in my disclosure form as of April 1st, and I got a call from the investigator who said it would be no more than four to six weeks, and it is now going on two months.

ASSEMBLYMAN GEWERTZ: Prior to your coming in, one of the things that the Division is going to emphasize is, don't tell people anything that you are not sure of. For example, the investigator doesn't have the capability to determine how much longer your license will take, and it makes you very upset when it doesn't happen in the time period that they gave you.

MR. MC NABB: I wouldn't mind, but I get different answers from everybody. I have a list of the names of those who I talk to and the different things they have been promising me.

ASSEMBLYMAN GEWERTZ: All right, sign one of these release forms and we will go to work on that.

Okay, there being no further business, I will adjourn the meeting.  
Thank you.

(Hearing Concluded)

