CHAIRMAN JAMES: I should go ahead and let the public know that it is our intention to go through our business section very quickly and then to suspend the rest of the meeting agenda for the rest of the day.

We do have three commissioners who are planning to be here overnight, and what we're going to do is to take a vote to suspend the rules -- is that correct?

MR. TERWILLIGER: Yes.

CHAIRMAN JAMES: -- suspend the rules so that those three commissioners can receive testimony while the other commissioners are trying to make travel arrangements and make sure that they can get their cars out, and that sort of thing. That testimony will be made available to the entire Commission and any member of the public who would like to hear that testimony. But I think in the interest of public safety, it would not be wise for us to hold people in this room today when they need to be making arrangements.

COMMISSIONER WILHELM: Kay?

CHAIRMAN JAMES: Yes.

COMMISSIONER WILHELM: If I could just ask the Chair, for the benefit of the small group left, was it your intention that those of who remain should hear all of the scheduled testimony or just testimony that individuals wish to go ahead and give today?

CHAIRMAN JAMES: I would say any of the testimony that individuals wish to give today, and what I mean by that is if someone, even on a panel, has traveled, wants to present that testimony, that they should have the opportunity to do that, so
we would be operating with a smaller Commission than we normally would.

And we're going to take a break and then give the staff the opportunity to try to figure out exactly what that is and who that is and what that would look like.

COMMISSIONER WILHELM: Thank you.

CHAIRMAN JAMES: But anyone who wants to have the opportunity to go ahead today, I want them to have the privilege of doing that.

COMMISSIONER DOBSON: For the record, I think it should be noted that the written testimony, though, will be included.

CHAIRMAN JAMES: The written testimony will be -- several things will happen: one, it will be mailed to all of the commissioners; it will be entered into the public record; and would be made available to any member of the press or the public who would like to see it. In other words, it would be as open a process as we can possibly make it.

Any other questions about that?

(No response.)

CHAIRMAN JAMES: I just want to go through a few quick business items. If I could get you to look at the minutes, are there any corrections or additions or changes that need to be made to the minutes?

COMMISSIONER WILHELM: I move approval.

COMMISSIONER LANNI: Second.

CHAIRMAN JAMES: All in favor?

(A chorus of ayes.)
CHAIRMAN JAMES: Thank you.

I am going to ask the executive director if he can give a very amended -- if there's anything that you'd like to say Tim, stay where you are, don't move -- amended executive director's report.

Before you do that, I'd like to go ahead and bring Dr. Kelly's name before the Commission to be confirmed as the executive director of the Gambling Commission, and to take us through the final part of this process. Can I get a motion?

COMMISSIONER LANNI: I'll second that motion.

CHAIRMAN JAMES: Thank you. All in favor?

(A chorus of ayes.)

CHAIRMAN JAMES: Any opposed?

(No response.)

CHAIRMAN JAMES: Thank you.

Congratulations -- I think.

(Laughter.)

CHAIRMAN JAMES: With that, Dr. Kelly, would you give an abbreviated executive director's report, but anything that the Commission members want to ask questions about or see, feel free to contact him directly and we can take care of that.

COMMISSIONER LEONE: Very abbreviated if you want to keep us dry.

(Laughter.)

DR. KELLY: This could be a brief high water moment for me. I will be quick.

I did want to call your attention to the fact that we are moving into preparation for our final site hearing in Nevada,
as you know. We will be finalizing arrangements in the coming
weeks.

The panel topics that have been proposed so far are
five. Let me just remind you what those are for our final site
hearing in Las Vegas: Sports Gambling; Youth and Adolescent
Gambling; Convenience/Neighborhood Gambling; Credit Availability;
and Slot Clubs.

If there is a desire on anybody's part to add or
subtract to that, this would be a good time to have that
discussion. Beyond that, staff will be contacting you in the
week to come and we hope to have your feedback for suggested
panelists for our final site hearing in Vegas within a week, if
at all possible. Now, that is by Friday, September 18.

COMMISSIONER WILHELM: On the subject of the Las
Vegas agenda, since it's our last site visit, I would just ask
the Chair -- we don't need to decide this now, but to consider,
in formulating and finalizing the agenda, whether there might be
some subjects that should be addressed by way of clean-up or
finalization, even though they may not be on that list of topics.

CHAIRMAN JAMES: Absolutely. And I am going to be
sending to your offices next week a suggested meeting schedule
for the rest of 1999. Along with that will come a request that
any topics that you would like to discuss that we have not
discussed can be a part of that process as well.

DR. KELLY: Anything else on that topic?

Next year's meetings, staff will also be contacting
you to begin finalizing dates for next year's meetings -- that
is, as we roll into 1999; so we'll be contacting you shortly and turn our attention to that final part of our scheduling.

Report sub-committee. I was just going to mention that the report sub-committee, of course, held its second meeting this morning and has begun preparing for this final phase of the Commission -- that is, the report writing phase. And I guess we'll be hearing on that soon here.

As far as research issues are concerned, as you will hear during the research progress report -- if we're going to do that -- or perhaps we could just call everybody's attention to the progress report that's in there under Tab 6. All major contracts have been let, all contractors are proceeding apace. In fact, you will soon hear the results -- would have soon heard the results from the first of our completed work. That is Dr. Adam Rose, who is here to give us a report. Basically, our first results are in and we had planned to report on those today.

I did want to let you know that the packet that I distributed to you came from FINCEN. This was on the table yesterday. That's the Financial Crime Enforcement Network. Basically, in preparing for the Gambling and Crime panel, we came across several sources of information that I think are going to be very interesting for you. The packet I left you yesterday resulted from one of those sources -- which FINCEN is actually a Treasury Department.

We also received a packet yesterday from the Federal Casino Crimes Task Force which is located in Pascagoula, Mississippi, and they sent us a packet which I will be photocopying and sending to you once we get back to the office.
CHAIRMAN JAMES: I've asked staff not to sort through that stuff, just copy it and send it so that you will have the benefit of all of the information.

DR. KELLY: Right. I was going to mention the Native American sub-committee meeting. Is that still scheduled for tomorrow?

CHAIRMAN JAMES: Dr. Moore?

COMMISSIONER MOORE: It's still scheduled, but if no one shows up, we won't. The only reason it's still scheduled, I think, is because the three of us on the sub-committee are going to be here overnight anyway.

CHAIRMAN JAMES: Thank you.

COMMISSIONER McCARTHY: Madame Chair, I spoke to Dr. Kelly about including on the Las Vegas agenda, because we've been touching so much on regional economy, some kind of -- at least a relatively short presentation on the California-Nevada dynamic back and forth between the two. I mean, when we were in Mississippi, 75 percent of their gamblers come from out of state; that's a little more complicated. But I thought we could at least try to touch on that in the Las Vegas hearing with a few speakers.

CHAIRMAN JAMES: Certainly.

DR. KELLY: So we will add that to the list? Okay.

I was just going to introduce everyone to our newest staff person, who is, I guess, probably outside helping right now arranging a bus. The budget is in the book. Really, that's it. I was going to mention that we've had an amazing number of hits
on our website, over 27,000 in July alone. And I'll just stop there. If there are any questions, I'll be glad to answer them.

CHAIRMAN JAMES: Thank you.

What I want to do at this point is to put us in recess. I do need a vote on suspending the rules. I will let our general counsel explain how that legally works, and then I would be happy to entertain a motion.

MR. TERWILLIGER: We operate under Roberts Rules of Order, and if someone were to make a motion to suspend the rules to permit a Commission meeting of less than the quorum this afternoon for the sole purpose of taking further testimony, that motion would be in order. It's not a debatable motion; it can be made once and voted up or down.

COMMISSIONER McCARTHY: So moved.

COMMISSIONER WILHELM: Second.

CHAIRMAN JAMES: All in favor?

(A chorus of ayes.)

CHAIRMAN JAMES: Thank you. And we are going to take about a 15-minute break. And I want to announce to the commissioners that the sheriff of Jefferson Parish is here and working on getting a county bus that will take commissioners to the airport.

COMMISSIONER WILHELM: I call what's left of the Commission to order. For the record, prior to this last recess, the Chair advised all in attendance that in the interest of public safety that the rest of the agenda for today would be suspended, and a motion was made and passed to suspend the rules of the Commission; and myself -- my name is John Wilhelm --
Commissioner Loescher and Commissioner Moore were delegated by the Chair to continue the hearing for the purpose of receiving testimony from any of those who were scheduled to speak with the Commission this afternoon who still wish to go forward with your testimony.

We very much appreciate the fact that some of you have come from a considerable distance to present information and testimony to the Commission, and we're certainly willing to stay just as long as needed this afternoon to receive the testimony from all of you who are still interested in doing that.

I don't want you to feel that your testimony is reduced in value because of the fact that some of the commissioners, along with others in the public, have left. Your testimony will be made a part of the record and transcript of the Commission. To the extent that you have any written testimony that you have already submitted or that you do submit today, it will be made a part of the record, and copies of your written testimony will be distributed to all of the commissioners and to anyone else in the public who is interested.

So we very much appreciate several of you being here, and I want you to be confident that your testimony will be just as valuable and given just as much weight as if the entire Commission was here.