CSI - Ohio
The Common Sense Initiative

Business Regulation Impact Analysis

Agency Name: **Ohio Casino Control Commission ("Commission")**

Regulation/Package Title: **Minimum Internal Control Standards 2014 (Minimum Licensure Requirements, Transportation of Electronic Gaming Equipment to and from a Casino Facility, Movement of Electronic Gaming Equipment within a Casino Facility, Complimentaries, Personal Check Cashing, Table Drop Boxes and Slot Bill Validator Canisters: Physical Requirements and Transportation, Key Controls, Application for Voluntary Exclusion, Inventory of Chips, Counterfeit Chips, Dice; Receipt, Storage, Inspections, and Removal from Use, Minimum and Maximum Table Game Wagers, Poker Room; General, Poker Room; Banks and Transactions, Minimum Surveillance Requirements, Surveillance, Surveillance Plan, Required Surveillance System, Commission Surveillance Room and On-Site Facilities, Casino Surveillance Room, Surveillance Department, Required Surveillance Coverage, Surveillance Retention, Surveillance Logs and Incident Reports, Maintenance and Malfunctions)**

Rule Number(s): **3772-1-06 (New), 3772-9-05 (Amended), 3772-9-08 (Amended), 3772-10-09 (Amended), 3772-10-10 (Amended), 3772-10-18 (Amended), 3772-10-26 (Amended), 3772-11-15 (Amended), 3772-11-17 (Amended), 3772-11-21 (Amended), 3772-11-37 (Amended). 3772-11-40 (Amended), 3772-11-42 (Amended), 3772-12-02 (Amended), 3772-19-01 (Amended), 3772-19-02 (New), 3772-19-03 (New), 3772-19-04 (New), 3772-19-05 (New), 3772-19-06 (New), 3772-19-07 (New), 3772-19-08 (New), 3772-19-09 (New), 3772-19-10 (New).**

Date: **January 27, 2014**

Rule Type:

- X New
- X Amended
- ☐ 5-Year Review
- ☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Regulatory Intent

1. **Please briefly describe the draft regulation in plain language.**
   Please include the key provisions of the regulation as well as any proposed amendments.

   The rules and amendments contained within this package relate directly to the minimum internal control standards that casino operators must adhere to while conducting casino gaming. This package includes the minimum surveillance requirements, amendments to Ohio's Voluntary Exclusion Program application, and a rule prompted by the recent passage of HB 98. Many of these rules and amendments require implementation of and adherence to internal controls to protect the integrity of casino gaming and casino patrons.

   In addition to the items specifically listed below, many of the rules and amendments remove the terms "applicant" and "licensee" after "casino operator" in an effort to streamline Ohio Adm. Code 3772 in its entirety. This is accomplished, in part, by use of the newly defined term "casino operator" that became effective on December 21, 2013. *See* Ohio Adm. Code 3772-1-01(B)(2), eff. 12-21-13.

   - **Rule 3772-1-06 (New)**, titled "Minimum licensure requirements." The rule was drafted in response to the recent passage of HB 98, which requires all licensing agencies to adopt rules, no later than June 30, 2014, regarding which military programs of training, military primary specialties, and lengths of service are substantially equivalent to or exceed the educational and experience requirements for each license that agency issues. The purpose of the rule is to state that no such educational or experience requirements exist in order to obtain a license issued under R.C. Chapter 3772.

   - **Rule 3772-9-05 (Amendment)**, titled "Transportation of electronic gaming equipment to and from a casino facility." The amendment replaces the term "slot machine" with the term "electronic gaming equipment." Presently, the existing language may be interpreted to describe the procedure by which only slot machines may be transported to and from a casino. However, this rule has already been interpreted to apply to the transportation of all electronic gaming equipment and has already been agreed to and accepted by the casino operators. The purpose of the amendment is to ensure the language accurately reflects accepted practice in Ohio.

     Rule 3772-9-08 (Amendment), titled "Movement of electronic gaming equipment within a casino facility." The amendment removes two items from the log that records the movement of all electronic gaming equipment within a casino. The purpose of the amendment is to streamline the log requirements, prevent redundant reporting, and to promote more efficient record-keeping by the casinos.

   - **Rule 3772-10-09 (Amendment)**, titled "Complimentaries." The amendment is a technical change that allows each casino to efficiently maintain a daily log of each complimentary issued. Presently, the language requires the log to include the issuing employee's license number. The amendment replaces the license number requirement with a unique identifier requirement, affording enough flexibility for the casinos to remain

in compliance with the rule while still providing sufficient information to the Commission.

- **Rule 3772-10-10 (Amendment)**, titled "Personal check cashing." The amendment describes the process by which the casinos may electronically convert personal checks. The purpose of this amendment is to clarify that a casino may electronically cash personal checks, so long as it does so according to Commission-approved internal controls.

- **Rule 3772-10-18 (Amendment)**, titled "Table drop boxes and slot bill validator canisters: physical requirements and transportation." The amendment prohibits licensed employees who are authorized to remove bill validator canisters from having simultaneous access to the bill validator contents keys and release keys. The purpose of this amendment is to provide an added layer of security to the bill validator canisters and requires at least one additional individual in order to access the contents of the canisters. Further, this amendment mirrors existing language in table game drops, maintaining consistency throughout all drop procedures.

- **Rule 3772-10-26 (Amendment)**, titled "Key controls." The amendment removes the key for each progressive game's reset switch from the list of keys that must be designated as sensitive. The purpose of this amendment is to remove an unnecessary and potentially burdensome regulatory requirement by removing that key from the sensitive key list.

- **Rule 3772-11-15 (Amendment)**, titled "Inventory of chips." The amendment allows the casinos to choose which departments are responsible for transporting chips to or from the reserve chip inventory or the secondary set of chips. Presently, the language requires the licensed employees to be from the table games department and from the security department. The purpose of the amendment is to allow casinos some freedom in choosing which departments should handle this responsibility, so long as the two licensed employees are from different departments and are designated as such in the Commission-approved internal controls.

- **Rule 3772-11-17 (Amendment)**, titled "Counterfeit chips." The amendment removes the requirement that the casinos record certain information and destroy a counterfeit chip. This requirement cannot be reconciled with the additional requirement that the casino deliver the counterfeit chip to Commission gaming agents. The purpose of this amendment is to eliminate all record-keeping and destruction by the casino regarding counterfeit chips and to require them to instead immediately deliver the counterfeit chip to Commission gaming agents.

- **Rule 3772-11-21 (Amendment)**, titled "Dice; receipt, storage, inspections, and removal from use." The amendment describes the departments that may be responsible for maintaining the dice inventory ledger. The existing language requires a member of the casino's security department and a member of the casino's accounting department to maintain the dice inventory ledger. In practice, however, a member of the table games department may also perform this task. The purpose of this amendment is to allow for

someone from either the accounting department, security department, or table games department to do so, as long as properly designated so in the Commission-approved internal controls.

- **Rule 3772-11-37 (Amendment)**, titled "Minimum and maximum table game wagers." The amendment allows patrons to aggregate current bets to satisfy a table game minimum unless the casino posts that aggregation is not permitted. The purpose of this amendment is clarify how a patron may wager in order to satisfy the posted minimum wager while still affording the casinos the freedom to decide whether to allow aggregation or not.

- **Rule 3772-11-40 (Amendment)**, titled "Poker room; general." The amendment removes confusing language that distinguishes traditional poker from carnival-type poker games. The purpose of the amendment is to clarify that only poker games from which a rake is taken must be conducted in a designated poker room.

- **Rule 3772-11-42 (Amendment)**, titled "Poker room; banks and transactions." The amendment allows for the casinos to use a lammer or sign, while still having the option to use a transfer slip for any transfer between a poker table bank and the poker room bank. The existing language permits the casinos to only use transfer slips. The purpose of this amendment is to clarify that the use of a lammer or sign, as specified in each casino's Commission-approved internal controls, is also permissible under Ohio law.

- **Rule 3772-12-02 (Amendment to Appendix)**, titled "Application for voluntary exclusion." The amended application is designed to streamline the application process. Signature requirements and pages were reduced, largely by removing redundant questions. The purpose of the amended application is to provide a more efficient application process in order to reduce participant confusion.

- **Rule 3772-19-01 (Amendment)**, titled "Surveillance." The amendment describes the requirement for each casino to have a surveillance system that must operate under Commission approval. The amended rule still allows for a casino to seek a waiver from a Commission surveillance rule. The purpose of this amendment is to remove items that were duplicated in a subsequent rule while clarifying the casinos' responsibilities with respect to casino surveillance.

- **Rule 3772-19-02 (New)**, titled "Surveillance plan." The rule converts the minimum requirements for each casino's surveillance plan into rule format. The purpose of the rule is to detail the baseline requirements for the surveillance plan that each casino must submit to the Commission for approval including, but not limited to, a description of the surveillance equipment, staffing plan, and the surveillance retention plan.

- **Rule 3772-19-03 (New)**, titled "Required Surveillance system." The rule converts the minimum requirements for each casino's surveillance system into rule format. The

purpose of the rule is to detail the baseline requirements for the each casino's surveillance system including, but not limited to, video camera quality, video monitor capability, and image capturing utility.

- **Rule 3772-19-04 (New)**, titled "Commission surveillance room and on-site facilities." The rule converts the requirement that each casino facility have a Commission surveillance room into rule format. The purpose of the rule is to detail the minimum specifications for the Commission surveillance room including, but not limited to, how room location and size are to be determined, workstation capabilities, and telephone and internet communication systems.

- **Rule 3772-19-05 (New)**, titled "Casino surveillance room." The rule converts the requirement that each casino facility have a casino surveillance room into rule format. The purpose of the rule is to detail minimum specifications for the casino surveillance room including, but not limited to, location of the entrance, limits on access, and minimum surveillance room staff requirements.

- **Rule 3772-19-06 (New)**, titled "Surveillance department." The rule converts the minimum operating requirements for each casino's surveillance department into rule format. The purpose of the rule is to detail minimum operating requirements for each casino's surveillance department including, but not limited to, the responsibilities of the director of surveillance, surveillance employee training, and permitted use of surveillance resources.

- **Rule 3772-19-07 (New)**, titled "Required surveillance coverage." The rule converts the required surveillance coverage in each casino into rule format. The purpose of the rule is to detail the required surveillance coverage in each casino including, but not limited to, the monitoring of table game play, activities occurring at slot machines, and cage activity.

- **Rule 3772-19-08 (New)**, titled "Surveillance retention." The rule converts the surveillance retention requirements into rule format. Of note, the rule requires all recording to be retained for a minimum of thirty days. The purpose of the rule is to detail the surveillance retention requirements and to detail how law enforcement agencies may obtain copies of surveillance from each casino.

- **Rule 3772-19-09 (New)**, titled "Surveillance logs and incident reports." The rule converts the minimum surveillance log and incident report requirements into rule format. The purpose of the rule is to detail the minimum surveillance log and incident report requirements including, but not limited to, events that must be recorded in the surveillance log, surveillance room visitor log requirements, and the retention period for surveillance logs, incident reports, and visitor logs.

- **Rule 3772-19-10 (New)**, titled "Maintenance and malfunctions." The rule converts the

maintenance and malfunction requirements into rule format. The purpose of the rule is to detail, among other things, what actions must be taken if a surveillance malfunction occurs and how routine maintenance of surveillance equipment should be conducted.

2. **Please list the Ohio statute authorizing the Agency to adopt this regulation.**

   R.C. 3772.03, 3772.033 and 5903.03.

3. **Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**
   If yes, please briefly explain the source and substance of the federal requirement.

   Not applicable.

4. **If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

   This question does not apply to these rules and amendments because the federal government does not regulate casino gaming in this state. Rather, casino gaming is permitted pursuant to Article XV, Section 6(C) of the Ohio Constitution and is controlled by Ohio's Casino Control Act (i.e., R.C. Chapter 3772).

5. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

   Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming and to prescribe rules for how casino gaming should be conducted (i.e., minimum internal control standards). To that end, it is imperative to protect casino patrons and to maintain the integrity of casino gaming equipment. These rules and amendments are designed to effectuate this constitutional and statutory mandate by establishing minimum internal control standards for conducting casino gaming, minimum surveillance and licensure requirements, and amending the application to participate in Ohio's Voluntary Exclusion Program.

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

   Overall, the Commission will measure the success of these rules and amendments in terms of whether they help to ensure the integrity of casino gaming and protect the casino patrons. This can be done in two ways: First, through evaluating whether the administrative cost of implementing and enforcing the rules and amendments outweighs their public benefit. Second, through analyzing the regulated community's comments about requests for waivers or variances from these rules and amendments once they are implemented.

Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**
   If applicable, please include the date and medium by which the stakeholders were initially contacted.

Casino Operators

- Penn National Gaming, Inc. (Hollywood Casinos Columbus & Toledo)
- Rock Ohio Caesars – joint venture between Rock Gaming and Caesars Entertainment (Horseshoe Casinos Cleveland & Cincinnati)

First, Commission staff reached out to the directors of surveillance at two of the casinos during the initial process of converting the existing surveillance standards into rule format. This was to obtain their feedback for the existing standards and any suggested changes they may have for the new rules. Both of them provided feedback that was considered during the initial drafting process. (Exhibit 1.)

Second, the regulatory compliance officers of each of the four casinos were contacted via email with the rules and amendments on December 18, 2013 at 2:32 P.M. Notably, the casino operators were permitted to review and comment on the rules and amendments before submission to the members of the Commission for consideration of initial filing, at the January 15, 2014 Commission Meeting. (Exhibit 2.)

Finally, Commission staff reached out to the regulatory compliance officers at two of the casinos and one poker room manager to aid in collecting data used to determine the potential economic impact from each of the rules and amendments contained in this package via telephone on January 10, 2014 and through subsequent email correspondence. The communications received as a result are referenced throughout this Business Regulation Impact Analysis and are attached as exhibits.

8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

After sending all of the above-listed stakeholders an email on December 18, 2013 with the rules and amendments, the Commission staff received feedback, all of which was considered before submitting them to the Commissioners for approval at the January 14, 2014 Commission Meeting. (Exhibit 3.) Correspondence received from one regulatory compliance officer prompted Commission staff to make an additional change Ohio Adm. Code 3772-19-09. The input received in response to the telephone calls and email sent on January 10, 2014 quantified the potential economic impact of the rules and amendments and is referenced throughout this Business Regulation Impact Analysis and is attached in various exhibits.

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

This question does not apply to these rules and amendments because no scientific data was necessary to develop or measure their outcomes. Instead, Commission staff reviewed how other jurisdictions approached establishing minimum internal control standards. Further, Commission staff considered whether existing rules were the most efficient means by which to maintain the integrity of casino gaming and whether any waivers or variances had been requested and granted to the regulated community. In so doing, the Commission was able to use, as much as possible, rules the regulated community is accustomed to, with minor adaptations to remain in compliance with Ohio law.

10. **What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

    The Commission staff reviewed the rules adopted in other jurisdictions, including Kansas and New Jersey. Further, the Commission staff considered any waivers or variances to existing rules that had been requested and granted. The rules and amendments are a conglomeration of the rules used in other jurisdictions with adaptations made for Ohio and are, in some cases, the result of Commission audits and/or discussions between Commission staff and the regulated community.

11. **Did the Agency specifically consider a performance-based regulation? Please explain. *Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

    The rules include a performance-based component wherein they set the floor for compliance but do not completely dictate how to achieve compliance. Additionally, Ohio Adm. Code 3772-1-04 allows the casino operators and gaming related vendors to seek waivers and variances from these rules, which the Commission will evaluate on a case-by-case basis and may grant as long as it determines that doing so is in the public's best interest. The rules, however, are not entirely performance-based in that they establish a protocol whereby the casino operators must submit their internal control standards to the Commission for approval before implementation.

12. **What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

    This question does not apply to these rules because no regulations in this area currently exist with respect to casino gaming in this state. To the extent that this package amends existing administrative rules, several within the package resolve conflicts between R.C. Chapter 3772 and Ohio Adm. Code 3772 and between existing rules contained within Ohio Adm. Code 3772 and/or to clarify Commission expectations.

13. **Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

    At each casino facility, there are gaming agents and financial auditors observing, evaluating, and investigating the operations. In addition, the Commission's Regulatory Compliance personnel consistently visit the facilities to perform various operational audits, including table game and electronic gaming equipment audits. Any issues that arise in the gaming process (i.e., from manufacturing to the actual conducting of casino games) will be funneled to the Commission's central office in Columbus, Ohio, where the Executive Director and division directors can coordinate a consistent response and conduct outreach to the regulated community.

Adverse Impact to Business

14. **Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

a. **Identify the scope of the impacted business community;**
The casino operators, management companies, and gaming-related vendor licensees or applicants are the impacted business community with respect to these rules and amendments.

b. **Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**
The nature of the potential adverse impact from the rules and amendments includes fines for noncompliance, costs for employer time and payroll, and the potential for other monetary costs to the operators.

c. **Quantify the expected adverse impact from the regulation.**
The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative business." Please include the source for your information/estimated impact.

Rule 3772-1-06 (New), titled "Minimum licensure requirements." As described above, this rule was drafted in response to the recent passage of HB 98 by the 130th General Assembly. The rule states that no such educational or experience requirements exist in order to obtain a license issued under R.C. Chapter 3772. The Commission does not anticipate any adverse impact to business or added cost of compliance as a result of this rule.

Rule 3772-9-05 (Amendment), titled "Transportation of electronic gaming equipment to and from a casino facility." This amendment replaces the term "slot machine" to "electronic gaming equipment," which is defined in Ohio Adm. Code 3772-9-01(B). There is no anticipated adverse impact on business or cost of compliance related to this amendment because the Commission has already interpreted, and the casino operators have already accepted, that the transportation requirements listed in this rule apply to all electronic gaming equipment and not only to slot machines. The amendment unambiguously reflects present practice in Ohio and does not require anything new from casino operators.

Rule 3772-9-08 (Amendment), titled "Movement of electronic gaming equipment within a casino facility." The amendment reduces the items that must be recorded when a slot machine is moved within a casino facility. First, no slot machine used in Ohio is equipped for tokenization. Therefore, the requirement that each casino operator note whether it moved a machine that was so equipped is unnecessary and irrelevant.

Second, the existing language requires that each individual involved in moving the electronic gaming equipment be listed and that the log contain his or her signature. However, according to Ohio Adm. Code 3772-10-24(D), the signature, at a minimum, must include the signer's first initial, last name, and Commission license number. It must be immediately adjacent to or above the legibly printed or preprinted title of the signer and signal that the signer has prepared the forms, records, and documents

and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the casino operator's Commission-approved internal controls. Further, the Commission is able to ascertain who moved a machine in a different required logbook, rendering this requirement superfluous. Eliminating the signature requirement is not detrimental to the integrity of casino gaming in the State of Ohio.

The amendment still requires casino operators to maintain the log described in the rule, but it removes each of the requirements described above. Therefore, the Commission expects that this amendment will result in no adverse impact on business and no additional costs of compliance. In fact, the amendment may result in some reductions of time and resources spent towards compliance (i.e., supplies and storage) largely because the removal of the signature requirement, as described above, will allow casino operators to maintain this log electronically.

Rule 3772-10-09 (Amendment), titled "Complimentaries." The amendment is a technical change that allows each casino operator to efficiently maintain a daily log of complimentaries issued. Presently, the language requires the log to include the issuing employee's Commission license number. However, the casino operators' computer systems are configured to produce this report in compliance with the existing language. The amendment replaces the license number requirement with a unique identifier requirement, affording enough flexibility for the casinos to remain in compliance with the rule while still providing sufficient information to the Commission.

The Commission does not expect this amendment to adversely impact business. In fact, the change actually reduces costs associated with the previously existing reporting requirement. As described above, the reporting systems used by the casino operators do not allow for the license number of the employee issuing the complimentary to be automatically included in complimentary reporting. However, these systems do record a unique identifier that may be used to trace back to a Commission license number. A consequence of the existing language is that the casino operators must manually transcribe the license numbers on the report in order to comply with the rule.

According to Robert Wamsley, Horseshoe Casino Cincinnati Regulatory Compliance Officer, the estimated time savings that is expected as a result of this amendment is approximately 1.5 hours per month. Often, a regulatory compliance officer is responsible for manually transcribing the license numbers to ensure the reports remain compliant. While the actual cost to operators of the regulatory compliance officer position is proprietary and based on qualifications and experience, the Commission has historically estimated that the cost of the Regulatory Compliance Officer position at approximately $100,000. Using this cost estimate, Commission staff would expect that the cost savings realized through the amendment to this rule to be approximately $865 per casino. (Exhibit 4.)

Rule 3772-10-10 (Amendment), titled "Personal check cashing." The amendment describes the process by which the casinos may electronically convert personal checks. Casino operators may expand the services provided to patrons as a result of this amendment, as long as they do so according to Commission-approved internal controls. The Commission does not expect the amendment to have an adverse impact on business. Rather, this amendment affords casino operators the opportunity to potentially improve business by expanding the services provided to patrons.

Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls. Notably, a casino operator will incur these costs only if it chooses to expand its personal check cashing services.

Rule 3772-10-18 (Amendment), titled "Table drop boxes and slot bill validator canisters: physical requirements and transportation." The amendment prohibits licensed employees who are authorized to remove bill validator canisters from having simultaneous access to the bill validator contents keys and release keys. The purpose of this amendment is to provide an added layer of security to the bill validator canisters and requires at least one additional individual in order to access the contents of the canisters. Further, this amendment mirrors existing language in table game drops, maintaining consistency throughout all drop procedures.

The result of this amendment is a potential change for casino operators that would require two keys that may have been previously stored together in the key system as a part of one single key ring to now be stored separately in two different key rings. Based on the setup of the key systems in Ohio, this would require the use of additional key system capacity. Notably, the amendment to Ohio Adm. Code 3772-10-26 in this package reduces the number of keys that would be required to be treated as sensitive and stored in a secure key system. Therefore, the net effect of these two amendments will likely offset each other.

Nonetheless, Commission staff contacted Alistair Cameron, Hollywood Casino Columbus Regulatory Compliance Officer. According to Mr. Cameron, the average cost of a key system setup is $10,000 and the average number of keys that could be held in such a system is 88. Based on this cost information, the average estimated additional cost of housing the bill validator release and contents keys separately is $114 per key. (Exhibit 5.) This is the estimated cost that would be incurred assuming that the keys had previously been stored together, as described above, and would now be required to be stored separately as a result of this amendment. Again, most of the casino operators will likely already have the capacity to store additional sensitive keys, certainly as a result of the amendment to Ohio Adm. Code 3772-10-26, and would not be compelled to purchase additional key system setups in order to comply with the amendment.

Rule 3772-10-26 (Amendment), titled "Key controls." The amendment removes the key for each progressive game's reset switch from the list of keys that must be

designated as sensitive keys. In practice, this key is mass produced and can be used to access other pieces of information within a casino facility. Further, the key does nothing more than reset the progressive signs. All relevant data remains intact after the progressive game is reset. The purpose of this amendment is to remove an unnecessary and potentially burdensome regulatory requirement by removing that key from the sensitive key list.

Implementation of this amendment will not negatively impact business in Ohio. In fact, the change actually reduces costs associated with the previously existing sensitive key requirement. The amendment removes the key for each progressive game's reset switch from the list of keys that are considered sensitive. As a result, the casino must store and care for one less sensitive key. As noted previously in the analysis of the amendment to Ohio Adm. Code 3772-10-18 (above), per the cost information provided by Mr. Cameron, the approximate initial cost of storing a sensitive key is estimated to be $114 per key. (Exhibit 5.)

Rule 3772-11-15 (Amendment), titled "Inventory of chips." The existing language in this rule requires casino operators to designate, in their Commission-approved internal controls, which members of the table games department and security department are permitted to transport chips to or from the reserve chip inventory or secondary set of chips. In practice, however, a casino operator may wish to designate individuals from other departments to complete this task. In fact, casino operators have already been granted waivers in order to do so. The amendment affords casino operators some freedom in choosing which departments should handle this responsibility, so long as the two licensed employees are from different departments and designated in the Commission-approved internal controls. The Commission does not anticipate any adverse impact on business or added cost of compliance. Rather, this amendment reduces the burden on casino operators by allowing them to select the most accessible department for this function, which helps with compliance.

Rule 3772-11-17 (Amendment), titled "Counterfeit chips." The amendment removes the requirement that the casinos record certain information and destroy a counterfeit chip. This requirement cannot be reconciled with the additional requirement that the casino deliver the counterfeit chip to Commission gaming agents. The purpose of this rule is to eliminate all record-keeping and destruction by the casino regarding counterfeit chips and to require them to instead immediately deliver the counterfeit chip to Commission gaming agents.

This amendment only affects the order in which tasks will be completed, and will likely have no quantifiable effect on casino operators. Under the amendment, casino operators would immediately deliver counterfeit chips to a Commission gaming agent instead of recording various pieces of information and destroying the chip immediately after initial discovery. Then casino operators would assist with the subsequent investigation, under the direction of the gaming agents.

Rule 3772-11-21 (Amendment), titled "Dice; receipt, storage, inspections, and removal from use." The existing language in this rule requires that a licensed member of security department or accounting department maintain the dice inventory ledger. In practice, however, it is likely that a member of the table games department would perform this task. In fact, two casino operators have already been granted waivers in order to do so. The amendment allows for someone from the security department, accounting department, or table games department to maintain the dice inventory ledger, as long as they are properly designated in the Commission-approved internal controls. This affords the casinos the ability to select the most sensible and efficient controls for their property. The Commission does not anticipate any adverse impact on business or added cost of compliance. Rather, this reduces the burden on the casino operators by allowing them to select the most accessible department for this function, which helps with compliance.

Rule 3772-11-37 (Amendment), titled "Minimum and maximum table game wagers." The amendment allows patrons to aggregate current bets to satisfy a table game minimum unless the casino posts that aggregation is not permitted. The purpose of this amendment is clarify how a patron may wager in order to satisfy the posted minimum wager while still affording the casinos the freedom to decide whether to allow aggregation or not.

This amendment does not prohibit the casinos from making the decision on whether aggregation is allowed. Instead, this amendment will require only that the decision on aggregation be clearly marked so that patrons are aware of the rules. Commission staff expects that this rule will serve to better inform patrons of the rules of the game, and as such, limit any potential confusion that might occur or extra accommodations made if a casino operator attempted to enforce a limit on aggregation without appropriate signage.

There are two potential manners in which the Commission expects that the requirements of this rule will be met. The first is through the use of electronic table minimum/maximum signs that are displayed at the casino and already installed at each table. These have the capability of displaying additional information such as the aggregation information that would be required by this amendment. Since these signs are already in place, no additional expense would be required.

Second, through the use of traditional printed placards that might be placed at each table. According to Alistair Cameron, Hollywood Casino Columbus Regulatory Compliance Officer, the cost of a traditional printed placard is approximately $2. This cost, extrapolated across the total population of table games at the casino, would be a one-time expense of approximately $230 and would likely be a similar cost for the other three casinos. (Exhibit 6.)

Rule 3772-11-40 (Amendment), titled "Poker room; general." The amendment is a technical change that removes confusing language that distinguishes between traditional poker from carnival-type poker games. The amended rule reflects the original intent and actual interpretation of the rule, which is to designate a specific

area within a casino facility wherein poker games in which a rake is collected must be played. As such, no adverse impact on business or added cost of compliance is expected because no operational changes by the casino operators are required.

Rule 3772-11-42 (Amendment), titled "Poker room; banks and transactions." The amendment allows for the casinos to use a lammer or sign, while still having the option to use a transfer slip for any transfer between a poker table bank and the poker room bank. The existing language permits the casinos to only use transfer slips. The purpose of this amendment is to clarify that the use of a lammer or sign, as specified in each casino's Commission-approved internal controls, is also permissible under Ohio law.

Based on the information received from Mr. Newman, and Commission staff's industry knowledge on poker exchanges, the amendment will provide significant economic benefit to the operators. In fact, Commission staff contacted Horseshoe Casino Cincinnati Poker Room Manager Jason Newman. Mr. Newman provided the following analysis of the positive impact that the amendment would have on the poker room in Cincinnati:

"Running chips for players and facilitating even exchanges between the poker tables and the cage are vital operational needs to keep poker games running efficiently. Players see this as top notch customer service not only because they need not leave their seats to buy chips but also because of the expeditious nature of the even exchanges in comparison to a Table Games style fill.

An average even exchange takes less than 30 seconds with the use of lammers and only two employees are necessary while the game is halted. Looking at the Table Games style fill from the point the chips are brought to the table is on average a 3 minute process and requires a minimum of three employees. Another key point is that a poker table is likely to get a fill once an hour while a Black Jack table gets maybe two-three fills in a 24 hour period of time.

I estimate using lammers in lieu of a form keeps the chip running process at about 1/3rd the time for each transaction regarding employee to employee transactions. I'm uncertain how to estimate the time if a form would be used for transactions with players but suffice to say it would add more time compared to the employee to employee transaction. In fact, if a form was needed for player transactions I would recommend not running their chips as it is counterproductive and would be unaccepted by the players.

Lammers are THE key component facilitating running chips in a poker room to ensure the games are running efficiently as possible." (Exhibit 7.)

Rule 3772-12-02 (Amendment to Appendix), titled "Application for voluntary exclusion." The amended application is designed to streamline the application process. Casino operators do not handle this application; only Commission staff and program applicants do. The Commission expects no adverse impact on business or

added cost of compliance for this amendment because no operational changes by the casino operators are required as a result of the amended application.

Rule 3772-19 (Amendment and New Rules), titled "Minimum Surveillance Requirements." Each casino operator in Ohio already has a comprehensive surveillance system and staff in place to monitor casino gaming. Further, these surveillance programs are already expected to be nearly entirely compliant with the rules, with the exception of a few changes. The amendment and new rules represent, most significantly, the codification of existing industry standard equipment and resource requirements.

One notable aspect of this change, the requirement that casinos employ a director of surveillance, is already required by Ohio Adm. Code 3772-10-03. To further understand the personnel costs behind maintaining the surveillance program required by the rules, Commission staff inquired with Mr. Wamsley as to the costs incurred by employing the remaining surveillance employees. According to Mr. Wamsley, the average salary of a surveillance supervisor is $43,000. Based on industry standards, Commission staff estimates that the casinos employ, on average, approximately two supervisors. In addition, surveillance agents, depending on experience and title, earn on average between $15.37 and $16.38 per hour. Based on observed industry standards, Commission staff estimates that the casinos employ, on average, approximately 14 agents, with between two and four agents working at any one time.

One new requirement included in these rules that may affect two Ohio casinos is the increase in the retention requirement for a limited population of surveillance recordings in Ohio Adm. Code 3772-19-08. Presently, two casino operators have the retention period set at seven days for that limited population. The new rules would require all recordings to be retained for a minimum of thirty days. In a discussion with the Director of Surveillance at Horseshoe Casino Cleveland, Mike Barbato, Commission staff learned that this change would likely result in a one-time expense of approximately $45,000.00 for that property. (Exhibit 3.)

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

Each of the rules and amendments in this package is needed to correct current issues, such as conflicting provisions of law, to clarify the Commission's interpretation of a particular rule, or specifically required to be adopted by a provision of the Revised Code.

Additionally, the regulatory intent justifies any adverse impact because Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming. To do so, the Commission is charged with the responsibility of requiring the casinos to establish and implement internal control standards.

Casino gaming is a highly regulated industry. Unregulated gaming poses a threat to the public welfare and raises the potential for fraud and abuse. To mitigate these threats, the

Commission, like other gaming regulatory bodies, is using its regulatory authority to establish a best practice framework for the regulated community.

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

Yes (indirectly), though it is unlikely this will be necessary since these regulations only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business. Further, these rules and amendments indirectly provide exemption or alternative means of compliance through Ohio Adm. Code 3772-1-04, which permits the Commission, upon written request, to grant waivers and variances from the rules adopted under R.C. Chapter 3772, including these rules, if doing so is in the best interest of the public and will maintain the integrity of casino gaming in the State of Ohio.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

Though it is unlikely R.C. 119.14 will apply to these rules and amendments because the rules only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business, the Commission will adhere to the statutory requirements thereunder, if applicable.

To the extent R.C. 119.14 would apply to a violation of these rules and amendments, the Commission will provide verbal and written notification to the small business in an attempt to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No further action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

18. What resources are available to assist small businesses with compliance of the regulation?

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate casino gaming in this state. As a result, the following resources are available:

- Commission's mailing address:
  10 W. Broad Street, 6th Floor
  Columbus, Ohio 43215
- Commission's toll free telephone number: (855) 800-0058
- Commission's fax number: (614) 485-1007
- Commission's website: http://www.casinocontrol.ohio.gov/
- Commission's email: info@casinocontrol.ohio.gov

Also, all members of the regulated community may, in accordance with rule 3772-2-04, request to address the Commission during a public meeting. Finally, all members of the regulated community may, pursuant to rule 3772-1-04, request waivers and variances from Commission regulations.

EXHIBIT 1

Siba, Michelle

From: Donahue, Craig
Sent: Thursday, October 31, 2013 4:38 PM
To: Siba, Michelle
Subject: Ohio Surveillance Standards
Attachments: RE: Ohio Surveillance Standards; FW: Ohio Surveillance Standards

FYI and for CSI – I've contacted both Dahm and Barbato. They've both agreed to give us some feedback.

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

Siba, Michelle

From: Donahue, Craig
Sent: Thursday, October 31, 2013 3:41 PM
To: Martin, Patrick D
Subject: FW: Ohio Surveillance Standards
Attachments: Final Surveillance Standards Approved 9-7-2011.doc

Spoke with Barbato – here's the email with the attachment.

From: Donahue, Craig
Sent: Thursday, October 31, 2013 3:41 PM
To: 'mbarbato@Caesars.com'
Cc: McMillan, Doug; Guarino, Michael
Subject: Ohio Surveillance Standards

Mike,

Thanks very much for your input on our surveillance standards. Your high level review would be appreciated - anything that jumps out that you see as being a potential issue. I've attached a word version of the current standards. Please feel free to make any comments or suggestions in this document.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

Siba, Michelle

From: Donahue, Craig
Sent: Tuesday, November 05, 2013 12:58 PM
To: Fleenor, Chris; Martin, Patrick D; Siba, Michelle
Subject: FW: Ohio Surveillance Standards
Attachments: Final Surveillance Standards Approved 9-7-2011.doc

FYI – Mike Barbato's response.

From: Michael Barbato [mailto:mbarbato@Caesars.com]
Sent: Tuesday, November 05, 2013 11:36 AM
To: Donahue, Craig
Cc: McMillan, Doug; Guarino, Michael
Subject: FW: Ohio Surveillance Standards

Thanks Craig for the opportunity to share feedback regarding the Ohio Surveillance Regulations.

In summary, I believe that the Ohio Surveillance System requirements are in line with industry standards and do not feel that any adjustments should be considered on the equipment side.
Video retention (30 days) for gaming activity is high in comparison to other jurisdictions. However, I simply point this out as this is the only significant Ohio requirement that could be considered to be stringent vs. industry standards.

Few suggestions worthy of consideration:

Standard 8 #8
"Transfers of photos and recordings from the Casino Surveillance Room must include a receipt"….
This requirement seems outdated as it is very common for security to ask for photos (via email) of guests that have been 24 hour evicted from the property. Photos that are requested are time sensitive as security wants to ensure that their incoming supervisors are aware of any guest is unwelcomed on property. This could be revised or modified in a way since when a surveillance department does give out a photo via email, a record is kept in the surveillance teams email account.

A physical evidence receipt is impractical at times. To frame this better, Horseshoe Cleveland gave out 20-24 hr evictions between 6PM and AM Saturday night. For the surveillance team to fill out 20 physical receipts would take us away from monitoring the property for at least 40 minutes between this time period alone.

I believe that the 'spirit' of this regulation is written to capture other photo requests that may be distributed from the surveillance department, not including security requests though.

Standard 10 #5
'If a surveillance manager chooses to install a video camera in the Casino Surveillance Room to monitor surveillance employees, only the surveillance manager, his or her corporate supervisors or the Commission's agents shall have access to operate the video camera and view images from the video camera".
--Suggestion is to include the Surveillance Technician to have access to this camera since the Tech is responsible for assigning system 'camera authority'.
This regulation is basically stating that Surveillance Managers have to manage surveillance system access. Reg's do call for two people to have this authority—which would typically rest with the Surveillance Technicians as well.

Standard 15 #2

"Alterations to the Surveillance Plan, including system changes and upgrades shall be submitted to the Commission for approval at least seven days before institution of the alterations".
At this time Karen Huey is approving all camera adds we make to the system. I personally feel that this would be easier for Surveillance to get with local OCCC to get any camera additions approved. While I understand why system changes should be shared and approved, this responsibility should fall on local OCCC who is in a better position to approve/reject changes due to them being more familiar with the property surveillance plan.

Thanks again for the opportunity to share feedback. If you have any questions or wish to discuss in more detail, please get back with me.

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Thursday, October 31, 2013 3:41 PM
To: Michael Barbato
Cc: McMillan, Doug; Guarino, Michael
Subject: Ohio Surveillance Standards

Mike,

Thanks very much for your input on our surveillance standards. Your high level review would be appreciated - anything that jumps out that you see as being a potential issue. I've attached a word version of the current standards. Please feel free to make any comments or suggestions in this document.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

Siba, Michelle

From: Steven Dahm <Steven.Dahm@pngaming.com>
Sent: Thursday, October 31, 2013 4:12 PM
To: Donahue, Craig
Subject: RE: Ohio Surveillance Standards

I will be here tomorrow just let me know when you have time.

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Thursday, October 31, 2013 2:43 PM
To: Steven Dahm
Cc: Miller, Brian A
Subject: Ohio Surveillance Standards

Steve,

We are starting to revise our rules and I was wondering if I could get your input on our current surveillance standards. I know that you will be transitioning soon but I'd still like to get your expert opinion on if any major changes should be made. Your high level review would be appreciated - anything that jumps out that you see as being a potential issue. I'll be in Toledo tomorrow (Friday) if you would be available to discuss these, or if not, please feel free to leave any comments or suggestions in the word document.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

Siba, Michelle

From: Donahue, Craig
Sent: Wednesday, November 13, 2013 8:11 AM
To: Martin, Patrick D; Fleenor, Chris; Siba, Michelle
Subject: FW: Ohio Surveillance Standards

FYI – Steve Dahm asking for more time on the surveillance standard review. Hopefully we get it from him soon.

From: Donahue, Craig
Sent: Tuesday, November 12, 2013 10:56 PM
To: Steven Dahm
Subject: Re: Ohio Surveillance Standards

Absolutely- thanks for your help.

T-Mobile. America's First Nationwide 4G Network.

------ Original message ------
From: Steven Dahm
Date: 11/12/2013 10:25 PM
To: Donahue, Craig;
Subject:RE: Ohio Surveillance Standards

Yes sir can you give me just a few more days?

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Tuesday, November 12, 2013 07:27
To: Steven Dahm
Cc: Miller, Brian A
Subject: RE: Ohio Surveillance Standards

Steve,

Just wanted to check in to see if you have had an opportunity to take a look at the standards. Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

From: Donahue, Craig
Sent: Thursday, October 31, 2013 4:17 PM
To: 'Steven Dahm'
Subject: RE: Ohio Surveillance Standards

Excellent, thanks. We should be getting in around 11:00. I'll stop by around then if that works.

From: Steven Dahm [mailto:Steven.Dahm@pngaming.com]
Sent: Thursday, October 31, 2013 4:12 PM
To: Donahue, Craig
Subject: RE: Ohio Surveillance Standards

I will be here tomorrow just let me know when you have time.

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Thursday, October 31, 2013 2:43 PM
To: Steven Dahm
Cc: Miller, Brian A
Subject: Ohio Surveillance Standards

Steve,

We are starting to revise our rules and I was wondering if I could get your input on our current surveillance standards. I know that you will be transitioning soon but I'd still like to get your expert opinion on if any major changes should be made. Your high level review would be appreciated - anything that jumps out that you see as being a potential issue. I'll be in Toledo tomorrow (Friday) if you would be available to discuss these, or if not, please feel free to leave any comments or suggestions in the word document.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

Siba, Michelle

From: Donahue, Craig
Sent: Thursday, December 05, 2013 8:30 AM
To: Martin, Patrick D; Siba, Michelle; Fleenor, Chris
Subject: FW: Ohio Surveillance Standards
Attachments: Final Surveillance Standards Approved 9-7-2011.doc

FYI Steve Dahm's response.

From: Steven Dahm [mailto:Steven.Dahm@pngaming.com]
Sent: Wednesday, December 04, 2013 11:09 AM
To: Donahue, Craig
Cc: Miller, Brian A
Subject: RE: Ohio Surveillance Standards

Sorry for the delay sir we have had some issues here. I highlighted the areas to change stating the following:

Page 7: Anyway we can change that to 6 months or even take It out? Most places allow it at my previous some would leave surveillance to security not sure what your thought is. Its usually when there is a chance for a promotion is when they want to do it.

Page 9:
The logs are electronic so no signatures.

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Thursday, October 31, 2013 14:43
To: Steven Dahm
Cc: Miller, Brian A
Subject: Ohio Surveillance Standards

Steve,

We are starting to revise our rules and I was wondering if I could get your input on our current surveillance standards. I know that you will be transitioning soon but I'd still like to get your expert opinion on if any major changes should be made. Your high level review would be appreciated - anything that jumps out that you see as being a potential issue. I'll be in Toledo tomorrow (Friday) if you would be available to discuss these, or if not, please feel free to leave any comments or suggestions in the word document.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

MINIMUM SURVEILLANCE STANDARDS FOR CASINO OPERATORS, MANAGEMENT COMPANIES OR HOLDING COMPANIES

These standards establish the minimum requirements that must be followed by a licensed casino operator, management company or holding company (herinafter "Licensee") with respect to a casino surveillance system. The Commission may require a Licensee to comply with casino surveillance system requirements that are more stringent than those set forth by these standards based upon electronic equipment improvements or the necessity to protect the integrity of the industry.

Standard One
Required Surveillance System

1. The Licensee shall install in the Casino Facility a closed circuit television system complying with the specifications herein and shall provide access and override access for the system to the Commission's agents.

2. Each video camera required by these standards must possess the capability of having its picture displayed on a video monitor and recorded and installed in a manner that will prevent it from being readily obstructed, tampered with or disabled.

3. The closed-circuit television system must include the following components that meet or exceed the following:

    a. Video cameras that have solid-state circuitry and have color capability with minimum 704X240 pixels. Video cameras must be installed in fixed positions with matrix control or with pan, tilt and zoom capabilities, or a combination of them, secreted from public and non-surveillance personnel and view augmented with appropriate color corrected lighting;

    b. Video monitors that meet or exceed the pixel requirements for video cameras. Video monitors must have solid-state circuitry and time and date insertion capabilities for recording the images viewed by any video camera in the system. Each video monitor screen must be of such a size that all images depicted are clearly discernible by the surveillance operator, provided that every monitor screen must measure diagonally at least twelve inches and all controls should be accessible regardless of the method used to mount, display, and power the units. The Licensee shall have at least sixteen video monitors in the Casino Surveillance Room;

    c. Video printers that are capable of adjustment and able to generate instantaneously, upon command, a clear, color copy of the image depicted on the digital recording;

d. Wiring installed in a way that will prevent tampering;

e. A back-up gas/diesel generator (or equivalent battery generator) uninterrupted power source which is automatically engaged in case of a power outage and capable of returning full power to the Casino Surveillance System and full lighting to the Casino Facility within seven to ten seconds;

f. An additional uninterrupted power supply system so that time and date generators remain active and accurate;

g. Video switchers capable of both manual and automatic sequential switching for the appropriate video cameras;

h. Date and time generators based on a synchronized, central or master clock, recorded on all digital recordings and visible on any monitor when recorded;

i. A central processor whereby all closed-circuit video cameras must be routed before reaching recorders; and

j. Digital Video Recording (DVR) equipment that record at a minimum of 60 interlaced frames per second (30 complete frames per second), all images obtained from the video cameras, with a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system and with a simultaneous playback and live viewing capability while recording live images. Digital recordings that are dubbed or clipped and saved off the main recording system must be watermarked and in a non-editable format.

4. The surveillance system, including servers used to store surveillance recordings and data, must be secure and separated from other casino systems, including casino information technology, ticket vouchering technology, and electronic gaming device and network systems, except that the surveillance system may interface with point of sale, slot data or table games systems so that point of sale, slot data or table games systems may feed information to the surveillance system and sufficient firewalls prevent information from the surveillance system from feeding to those other systems. The surveillance system must be at all times under the jurisdiction of the Commission and subject to regulatory oversight.

5. The surveillance system must have a failure notification system that provides an audible, as well as a visual notification of any failure in the surveillance system or the DVR media storage system.

6. The Casino Facility must have adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear digitally recorded and still picture production.

7. Any failure of a DVR storage media system must be repaired or replaced within eight hours of the failure.

8. Access to devices and software controlling the surveillance system must be limited only to surveillance employees and by use of a user identification and confidential password. Passwords must be specific to each surveillance employee and shall be changed every thirty days or sooner if the surveillance manager or employee has reason to believe that the password may be compromised.

9. The surveillance system must include a system log to capture all activities of persons accessing the surveillance system.

10. Reformat and erase capabilities of the surveillance system must either be de-activated or password protected. Only two authorized users may implement reformat or erase functions.

11. Cameras capable of movement must be programmed to turn to the site of activated facility alarms.

Standard Two
Required Surveillance Coverage: Table Games

1. The surveillance system of all licensed casino facilities operating table games must possess the capability to monitor and record:

    a. Each table game area, with sufficient clarity to identify patrons and dealers; and

    b. Each table game surface, with sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values and game outcome.

2. Each progressive table game with a potential progressive jackpot of $25,000 or more must be recorded and monitored by dedicated cameras that provide coverage of the table surface, sufficient that the card values and card suits can be clearly identified, and coverage of the entire table with sufficient clarity to identify the patrons and dealer.

3. Each table game area used for craps and roulette must be recorded and monitored by dedicated cameras that provide coverage of the table surface, sufficient that the dice, roulette wheel and value of wagers can be clearly identified, and coverage of the entire table with sufficient clarity to identify the patrons and dealer.

Standard Three
Required Surveillance Coverage: Slot Machines

1. The surveillance system of all licensed casino facilities must possess the capability to monitor and record a general overview of the activities occurring at slot machines

and the casino floor area surrounding and containing slot machines in the Casino Facility.

2. The surveillance system of all licensed casino facilities must possess the capability to monitor and record each slot machine, sufficient to distinguish the values of payout lines (reel strips) and (credit) meters.

3. The surveillance system of all licensed casino facilities must monitor and record with a dedicated camera each slot machine offering a payout of more than $250,000 including all patrons and employees at the slot machine and the face of the slot machine with sufficient clarity to identify the payout line(s) of the machine. This paragraph does not apply to any slot machine offering a payout of less than $3,000,000 and monitored by a linked progressive computer system which has been approved by the Commission.

Standard Four
Required Surveillance Coverage: Casino Cage and Vault

1. The surveillance system of licensed casino facilities must possess the capability to monitor and record a general overview of activities occurring in each casino cage and vault area, with sufficient clarity to identify employees within the cage and patrons and employees at the counter areas including a facial view of the patrons.

2. The casino cage or vault area in which fills and credits are transacted must be monitored by a dedicated video camera or motion-activated dedicated video camera that provides coverage with sufficient clarity to identify chip values and the amounts on the fill and credit slips.

Standard Five
Required Surveillance Coverage: Count Rooms

1. The surveillance system of all licensed casino facilities must possess the capability to monitor and record all areas where coin and currency may be stored or counted, including the hard count room. The surveillance system must monitor and record with a dedicated camera, in both audio and video, the hard count room, all doors to the hard count room, all scales and wrapping machines, safes and counting surfaces and all count team personnel. Coverage of scales must be sufficiently clear to view any attempted manipulation of the recorded data. A notice must be posted in the hard count room advising all persons that the area is under video and audio surveillance.

2. The surveillance system of all licensed casino facilities must monitor and record with a dedicated camera, in both audio and video, the soft count room, including all doors to the room, all drop boxes, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored by a dedicated video camera during the soft count. A notice must be posted in the soft count room advising all persons that the area is under video and audio surveillance.

3. For count rooms utilizing currency counters and currency sorters, the surveillance system must monitor and record all areas where currency is sorted, stacked, counted, verified or stored during the count process. Coverage of the currency counting machines and currency sorting machines must be sufficiently clear to view the currency input, output and reject areas.

4. All counting surfaces must be transparent so that activity occurring under the table can be observed.

Standard Six
Required Surveillance Coverage: Casino Security Offices

1. The surveillance system of all licensed casino facilities must monitor and record, in both audio and video, the area of any security office or other room in which persons may be detained by casino security personnel. A notice must be posted in the security office or other room advising all persons that the area is under video and audio surveillance.

2. When a person is detained by casino security personnel in the casino security office, the detention and any questioning must be recorded. A person is considered to be detained when the person has been confined in the casino security office in such a manner as to deprive him of the ability to leave voluntarily.

Standard Seven
Required Surveillance Coverage: Parking Areas

The surveillance system of all licensed casino facilities must monitor and record all entrances and exits to the casino facility and parking areas surrounding the casino facility.

Standard Eight
Required Surveillance Coverage: Records

1. All recordings of coverage provided by the dedicated video cameras or motion-activated dedicated video cameras required by these standards, including audio recordings, must be retained for a minimum of thirty days, except for recordings of detentions and questioning by security personnel, which must be retained for a minimum of ninety days.

2. All recordings of activities perceived by casino surveillance employees as unusual, illegal, in violation of Chapter 3772 or the rules promulgated thereunder, or recorded at the request of Commission agents must be retained for a minimum of ninety days.

3. All other recordings must be retained a minimum of seven days.

4. Upon request by any law enforcement agent or Commission agent, the Licensee shall retain recordings for a period identified by such law enforcement agent or Commission agent.

5. Each licensee must include in its surveillance system plan and comply with a procedure for the storage, index and identification of all recordings it is required to retain.

6. All recordings must be provided to the Commission or its agent upon request and to any law enforcement agent upon subpoena.

7. Licensees must have the capability to produce a still copy or photograph of the images depicted on a video recording, which must be provided to the Commission or its agent upon request and to any law enforcement agent upon subpoena. This may be accomplished using a video printer, still camera or other available means.

8. Transfers of photos and recordings from the Casino Surveillance Room must include a receipt. The receipt shall include the date and time of transfer, name of issuer, name of recipient, description of photos and recordings and signatures of both the issuer and recipient. The original receipt must be retained in the Surveillance Department and one copy of the receipt shall accompany the photo or recording.

Standard Nine
Casino Surveillance Room

1. The surveillance system for all licensed casino facilities shall be maintained and operated from the Casino Surveillance Room. All equipment that is utilized to monitor or record must remain solely accessible to the Casino Surveillance Room personnel and exclusively for Casino Facility surveillance, except when equipment is being repaired or replaced and except that the General Manager may have view-only capability of surveillance cameras limited to coverage of the casino floor, table games and slot machines in the General Manager's office. The General Manager shall not have control over any part of the surveillance system including the ability to manipulate PTZ features of cameras.

2. The entrance to the Casino Surveillance Room must be located so that it is not readily accessible by either casino employees who work primarily on the casino floor or the general public.

3. Access to the Casino Surveillance Room must be limited to surveillance personnel. Immediately upon request and presentation of proper identification presented to any authorized person, any agent of the Commission must be provided access. Other persons may only enter the Casino Surveillance Room after obtaining specific authorization by the Surveillance Manager and by the Commission or its agent.

4. The Casino Surveillance Room must be attended by at least two surveillance employees at all times. The Casino Surveillance Room may include increased staffing levels at the discretion of the Surveillance Manager.

Standard Ten
Casino Surveillance Department

1. The surveillance manager, the individual with direct responsibility and oversight of the casino surveillance department, must be subject only to the direct control of the licensed organization's senior corporate or organizational management, including, but not limited to, an appropriate board of directors or other executives within the Licensee's corporate or organizational structure. The surveillance manager must not be subject to the direct control of the general manager or other Casino Facility manager.

2. Surveillance employees shall be trained in surveillance techniques, operation of all surveillance equipment, requirements of Revised Code Chapter 3772, the rules promulgated thereunder, these standards, and the Licensee's internal control procedures.

3. Surveillance employees shall only perform tasks in the course of their employment that further the purpose of the surveillance operation.

4. A Licensee may not divert surveillance system resources or surveillance employees from their intended surveillance purposes or functions without the permission of the Commission or the Commission's agent. This prohibition does not forbid a Licensee from using existing surveillance recordings for operational or other legitimate purposes when necessary and at the ultimate discretion of the Commission or the Commission's agent. Additionally, surveillance employees are not permitted to transfer to casino floor positions, count room positions, cage positions, vault positions, or cash transfer related positions prior to one year after leaving the surveillance department.

5. If a surveillance manager chooses to install a video camera in the Casino Surveillance Room to monitor surveillance employees, only the surveillance manager, his or her corporate supervisors or the Commission's agents shall have access to operate the video camera and view images from the video camera.

6. All surveillance employees must be employees of the licensed casino operator or management company. Surveillance functions may not be outsourced to an unlicensed entity.

Standard Eleven
Surveillance Logs, Incident Reports & Visitor's Logs

1. The Licensee shall maintain surveillance logs that are continuously maintained by casino surveillance employees. Surveillance logs must be changed with each shift change of surveillance employees and present activities chronologically. Surveillance logs must contain (at minimum) the date and time of each entry, the identity of the employee making the entry, a summary of the activity recorded, a detail of whether

the activity was monitored, and a detail of the disposition of any copies of recordings of the activity.

2. Surveillance Logs must include entries for the following events and notifications received by surveillance employees about the following events, when they are known by the surveillance department:

    a. The identity of surveillance employees on duty;

    b. Any maintenance or repair of any gaming device or money handling equipment;

    c. Live table drop box exchanges;

    d. Electronic gaming device drop bucket exchanges;

    e. Movements or transfers of cash, cash equivalents, chips, tokens, cards or dice;

    f. Any detention or questioning of patrons or employees by the security department, including the identity of the patrons or employees and the security department personnel involved;

    g. The beginning, end and any interruptions of the soft count or hard count;

    h. Any observed procedural or control errors or criminal activity;

    i. Any pertinent telephone calls or radio transmissions;

    j. Any malfunctions or repair of surveillance equipment;

    k. Any emergencies;

    l. Any surveillance conducted on anyone or any activity that appears unusual, irregular, illegal or to violate Chapter 3772, the rules promulgated thereunder or these standards;

    m. Any surveillance specifically conducted at the request of a Licensee, Licensee's employee, Commission agent or law enforcement agent; and

    n. Any other notations deemed necessary by surveillance employees or the Commission or its agent to ensure compliance with Chapter 3772, the rules promulgated thereunder and these standards.

3. The Licensee shall maintain incident reports that detail any incident observed that involves unusual or criminal activity. Incident reports must be made by the person responsible for monitoring the activity.

4. The Licensee shall maintain a visitor's log that records access to the Casino Surveillance Room by persons other than casino surveillance employees. The visitor's log must include the signature of the visitor, identify the visitor, identify the department or agency the visitor represents, state the reason for access to the room and provide the date and time of arrival and departure from the room.

5. Surveillance logs, incident reports and visitor's logs must be retained for at least ninety days. Surveillance logs, incident reports and visitor's logs may be retained electronically, but must be retained in a manner that allows them to be easily retrieved by time, date, the location of activity and the type of activity. All logs must be provided to the Commission or its agent immediately upon request.

Standard Twelve
Maintenance & Malfunctions

1. Surveillance equipment that is critical to the conduct of the Surveillance Department's ability to meet its regulatory required or organizationally assigned obligations and that is out of service due to malfunction must be reported to the Commission or its agent within fifteen minutes after the Surveillance System reports a malfunction or the malfunction is observed by surveillance personnel whichever is earlier and either repaired or replaced with alternative camera coverage. If immediate replacement is not possible, alternative live monitoring must be provided by casino surveillance personnel. The live monitoring must meet the approval of the Commission's agent in order for casino gaming to continue in the affected surveillance area. If the Commission's agent deems the live monitoring by casino surveillance personnel to be inadequate, casino gaming in that area shall cease until the Licensee provides adequate monitoring.

2. Routine maintenance of surveillance equipment must be completed without compromising any of the surveillance coverage provided by the surveillance system.

Standard Thirteen
Commission Surveillance Room

1. The Licensee shall have a Commission Surveillance Room at the Casino Facility for the exclusive use of the Commission's agents to monitor and record casino gaming operations. The Commission shall designate and approve the location and size of the Commission Surveillance Room.

2. The Commission Surveillance Room shall have at least three video monitors and shall have appropriate switching capabilities to ensure that all surveillance cameras are accessible to monitors in the Commission Surveillance Room. The equipment in the Commission Surveillance Room must be able to monitor and record anything visible by monitor to casino surveillance employees. The Commission's agent shall have total control to determine what is visible on the monitors located in the Commission Surveillance Room.

3. The Licensee shall provide a separate telephone communication and internet access system for use by the Commission's agents in the Commission Surveillance Room.

Standard Fourteen
On-Site Commission Facilities

1. The Licensee shall provide On-Site Commission Facilities at the Casino Facility for the exclusive use of the Commission's agents. These rooms shall be separate and secure and be in addition to the Commission Surveillance Room. The Commission shall designate and approve the location and size of the On-Site Commission Facilities.

2. The Licensee shall provide a separate telephone communication and internet access system for use by the Commission's agents in the On-Site Commission Facilities.

Standard Fifteen
Surveillance Plan

1. A Licensee or an Applicant for a License must submit a Surveillance Plan to the Commission for approval at least sixty days before the commencement of casino gaming. The Surveillance Plan must include a floor plan of the Casino Facility that shows the placement of all surveillance equipment, a detailed description of the surveillance system, its equipment and the procedures utilized the operation of the casino surveillance system, staffing plans, plans for monitoring security detention rooms and a list of personnel authorized to access the Casino Surveillance Room. In addition, the plan may include other information that evidences compliance with Chapter 3772 of the Revised Code, the rules adopted thereunder and these standards.

2. Alterations to the Surveillance Plan, including system changes and upgrades shall be submitted to the Commission for approval at least seven days before institution of the alterations. The request to alter the Surveillance Plan must include details of the change, including a copy of the applicable areas of the Casino Facility floor plan and the reason for the change.

3. A Licensee shall not commence casino gaming until the surveillance plan or alterations are approved by the Commission and changes in coverage are examined and approved by the Commission or the Commission's agent.

4. A Licensee shall submit a complete updated copy of the Surveillance Plan by January 31 each year.

5. A Licensee shall maintain a copy of its current Surveillance Plan in the Casino Surveillance Department and make the plan immediately available to the Commission's agent upon request.

EXHIBIT 2

Siba, Michelle

From: Martin, Patrick D
Sent: Wednesday, December 18, 2013 2:32 PM
To: Alistair Cameron; Rick Galloway; Robert Wamsley; Tina Robinson (TiRobinson@caesars.com)
Cc: Siba, Michelle; Oyster, Matthew; Barron, John
Subject: OCCC rule revisions
Attachments: OCCC rules amendment packet for January meeting.docx; Final Surveillance Standards - Adopted 9-7-2011.pdf

RCOs:

I am attaching a Word document showing the next wave of potential Ohio Administrative Code (OAC) 3772 revisions. I'd like for you and your teams to review these within the next few weeks and let me know of any immediate comments you have. Of course, you can make formal comments as these changes flow through the permanency process.

You'll see that the bulk of the changes are in codifying the current Surveillance Standards into OAC format. (Those changes begin with OAC 3772-19-1 in the Word document, and I'm attaching the existing standards for your comparison.) The standards have been re-arranged but I assure you that the new version tracks closely to the content that you are familiar with. One change that I should highlight, however, is that we've removed the 7-day retention period for certain areas; there will now be a flat 30-day standard casino-wide. We very much appreciate the input that some surveillance directors already provided to us about these potential changes.

Again, please let me know of any comments or suggestions you have by no later than January 1. Questions are fine by phone, though I may have you reduce important ones to writing so that we can forward it to the Commission, Governor's office, and Legislature during those formal steps.

Thank you,

Patrick Martin
Director of Regulatory Compliance
Ohio Casino Control Commission
(614) 387-5860

Siba, Michelle

EXHIBIT 3

From: Martin, Patrick D
Sent: Friday, December 20, 2013 4:23 PM
To: Tina Robinson
Cc: Michael Barbato (mbarbato@Caesars.com); Siba, Michelle; Oyster, Matthew; Barron, John
Subject: RE: OCCC rule revisions

Tina,

1. That retention rule is at least six months from being effective.
    a. Ohio, like most states, has a thorough process that new administrative code provisions must pass. Staff hasn't even proposed these rules to our Commission yet, and the Commission's preliminary approval is required before we can start the long permanency process.
    b. We sent these rules to your Surveillance Director (Mike Barbato) for his review some time ago. We did that because respect Mike and value his opinions. He provided us written feedback on these rules and didn't have an objection to them. And when I ran into Mike at Thistledown and asked him specifically about the retention change, he thought he had the existing capacity to change the system settings for the cameras at issue. I just talked to Mike and understand that he double-checked the affected cameras, and has about double what he previously thought. So he'll have to purchase extra memory. Because of the system that Cleveland uses, the casino has to (1) buy proprietary memory and (2) buys equipment with redundant memory. Mike estimated that would cost him $45,000.
    c. Half of this state's casinos already have 30-day retention property-wide. That standard, along with instances where the casinos that don't have that retention are missing important footage and instances where we discover that critical areas have been set to 7-days, caused us to re-examine our rule.
2. There is no addition of the word "day" in 3772-10-18(E)(1). We've already approved your process.

Have a good weekend,

Patrick

From: Tina Robinson [mailto:TiRobinson@caesars.com]
Sent: Friday, December 20, 2013 11:25 AM
To: Martin, Patrick D
Subject: RE: OCCC rule revisions

Patrick,

I have met with operations and reviewed the proposed code revisions and two questions have come out, can you clarify for me?

1. With the upcoming mandate to boost video retention from 7 to 30 days on 'all' property cameras, will this change happen immediately or does the casino have a timeframe to ensure all camera equipment and programs are in place? This is the feedback I received from surveillance "To record these 106 cameras 23 more days each, we are looking at having to increase our recording capabilities an additional 75 terabyte's."
2. Looking for clarification as it relates to: (E) Each table game drop box shall have:(1) Permanently imprinted or impressed thereon, a number visible to the surveillance system that indicates the game,

table number and **day** and shall correspond to a permanent number on the gaming table except as provided for emergency drops in paragraph (J) of this rule; is the expectation to have the day on the box? Currently we have a color that references a day.

Thank you in advance,

Tina

From: Martin, Patrick D [mailto:Patrick.D.Martin@casinocontrol.ohio.gov]
Sent: Wednesday, December 18, 2013 2:32 PM
To: Alistair Cameron; Rick Galloway; Robert Wamsley; Tina Robinson
Cc: Siba, Michelle; Oyster, Matthew; Barron, John
Subject: OCCC rule revisions

RCOs:

I am attaching a Word document showing the next wave of potential Ohio Administrative Code (OAC) 3772 revisions. I'd like for you and your teams to review these within the next few weeks and let me know of any immediate comments you have. Of course, you can make formal comments as these changes flow through the permanency process.

You'll see that the bulk of the changes are in codifying the current Surveillance Standards into OAC format. (Those changes begin with OAC 3772-19-1 in the Word document, and I'm attaching the existing standards for your comparison.) The standards have been re-arranged but I assure you that the new version tracks closely to the content that you are familiar with. One change that I should highlight, however, is that we've removed the 7-day retention period for certain areas; there will now be a flat 30-day standard casino-wide. We very much appreciate the input that some surveillance directors already provided to us about these potential changes.

Again, please let me know of any comments or suggestions you have by no later than January 1. Questions are fine by phone, though I may have you reduce important ones to writing so that we can forward it to the Commission, Governor's office, and Legislature during those formal steps.

Thank you,

Patrick Martin
Director of Regulatory Compliance
Ohio Casino Control Commission
(614) 387-5860

Siba, Michelle

From: Siba, Michelle
Sent: Friday, January 03, 2014 3:01 PM
To: Martin, Patrick D
Subject: RE: OCCC Rule Revisions

Thanks. I'll add it to the file.

Michelle Siba
Assistant General Counsel
Ohio Casino Control Commission
(614) 387-0485

From: Martin, Patrick D
Sent: Friday, January 03, 2014 2:31 PM
To: Siba, Michelle
Subject: Fwd: OCCC Rule Revisions

FYI

Patrick
From my mobile device

Begin forwarded message:

> **From:** Rick Galloway <Rick.Galloway@pngaming.com>
> **Date:** January 3, 2014 at 11:56:22 AM EST
> **To:** <patrick.d.martin@casinocontrol.ohio.gov>
> **Cc:** Mike Galle <Mike.Galle@pngaming.com>, Brian Jenkins <Brian.Jenkins@pngaming.com>
> **Subject: OCCC Rule Revisions**
>
> Patrick,
>
> As a follow-up to our telephone conversation earlier today, we have no questions or comments concerning the forth coming Ohio Administrative Code 3772 revisions as provided by you on December 18, 2013.
>
> Thanks,.
>
> Rick Galloway, CPA, CIA | Compliance Manager | Hollywood Casino Toledo | 1968 Miami Street | Toledo, OH 43605 | ☎Direct: (419) 661-5304 |
> ✉E-mail: Rick.Galloway@pngaming.com | www.hollywoodcasinotoledo.com

Siba, Michelle

From: Siba, Michelle
Sent: Monday, January 06, 2014 10:39 AM
To: Martin, Patrick D
Cc: Donahue, Craig
Subject: RE: OCCC rule revisions

Ok. 3772-19-09(D) now reads:

"(D) The casino operator shall maintain a visitor's log that records access to the casino surveillance room by persons other than casino surveillance employees and commission agents. The visitor's log must identify the visitor, identify the department or agency the visitor represents, state the reason for access to the room and provide the date and time of arrival and departure from the room."

Good?

Michelle Siba
Assistant General Counsel
Ohio Casino Control Commission
(614) 387-0485

From: Martin, Patrick D
Sent: Monday, January 06, 2014 10:35 AM
To: Siba, Michelle
Cc: Donahue, Craig
Subject: Re: OCCC rule revisions

Yes, after talking with Craig, Keith, and Mark L, let's remove the signature requirement.

Patrick
From my mobile device

On Jan 3, 2014, at 3:32 PM, "Siba, Michelle" <Michelle.Siba@casinocontrol.ohio.gov> wrote:

> Patrick,
>
> Ohio Adm. Code 3772-19-09(D), (E), and (G) discuss the visitor's log. I've attached that rule for your review. Although (E) allows the casino to store the log electronically, (D) requires the log to contain the visitor's signature. The issue is how broadly we want interpret "signature," and whether it may be electronic, or whether that requirement is truly necessary. In my opinion, allowing an electronic log but requiring an electronic signature is redundant – the visitor must already be identified in the log and that identification, along with the other elements (identify the department or agency the visitor represents, state the reason for access to the room and provide the date and time of arrival and departure from the room) provides adequate detail of the visit, without a "signature."
>
> Let me know what you think.
>
> Michelle

<image001.png>

From: Martin, Patrick D
Sent: Friday, January 03, 2014 3:16 PM
To: Siba, Michelle
Subject: RE: OCCC rule revisions

Michelle,

Can you double-check that our new surveillance rules allow for a digital log for people reviewing surveillance in the guest rooms? Galloway mentioned that the rules seem to require a paper log since they involve a "signature," but I'm not sure he's reading it right.

Patrick

From: Thomas, Lara
Sent: Friday, January 03, 2014 11:43 AM
To: Siba, Michelle; Martin, Patrick D
Subject: RE: OCCC rule revisions

Thanks! You think these will definitely be on the January agenda?

From: Siba, Michelle
Sent: Friday, January 03, 2014 9:58 AM
To: Thomas, Lara
Subject: FW: OCCC rule revisions

FYI – the most up to date version is attached.

<image001.png>

From: Martin, Patrick D
Sent: Wednesday, December 18, 2013 2:32 PM
To: Alistair Cameron; Rick Galloway; Robert Wamsley; Tina Robinson (TiRobinson@caesars.com)
Cc: Siba, Michelle; Oyster, Matthew; Barron, John
Subject: OCCC rule revisions

RCOs:

I am attaching a Word document showing the next wave of potential Ohio Administrative Code (OAC) 3772 revisions. I'd like for you and your teams to review these within the next few weeks and let me know of any immediate comments you have. Of course, you can make formal comments as these changes flow through the permanency process.

You'll see that the bulk of the changes are in codifying the current Surveillance Standards into OAC format. (Those changes begin with OAC 3772-19-1 in the Word document, and I'm attaching the existing standards for your comparison.) The standards have been re-arranged but I assure you that the new version tracks closely to the content that you are familiar with. One change that I should highlight, however, is that we've removed the 7-day retention period for certain areas; there will now be a flat 30-day standard casino-wide. We very much appreciate the input that some surveillance directors already provided to us about these potential changes.

Again, please let me know of any comments or suggestions you have by no later than January 1. Questions are fine by phone, though I may have you reduce important ones to writing so that we can forward it to the Commission, Governor's office, and Legislature during those formal steps.

Thank you,

<image002.png>

<3772-19-09.pdf>

Siba, Michelle

From: Rick Galloway <Rick.Galloway@pngaming.com>
Sent: Tuesday, January 07, 2014 4:54 PM
To: Martin, Patrick D
Cc: Siba, Michelle; Donahue, Craig
Subject: RE: Electronic logs in surveillance visitor room

Thanks Patrick

-----Original Message-----
From: Martin, Patrick D [mailto:Patrick.D.Martin@casinocontrol.ohio.gov]

Sent: Monday, January 06, 2014 10:42 AM
To: Rick Galloway
Cc: Siba, Michelle; Donahue, Craig
Subject: Electronic logs in surveillance visitor room

Rick,

Thanks for highlighting the signature requirement on the proposed OAC surveillance changes. We're removing that reference so that electronic logs will be ok when these rules are in place.

Patrick
From my mobile device

Donahue, Craig

EXHIBIT 4

From: Robert Wamsley <rwamsley@Caesars.com>
Sent: Monday, January 13, 2014 12:06 PM
To: Donahue, Craig
Cc: Siba, Michelle; James Nasca
Subject: RE: Rule Change Analysis

Craig,

With regard to question two – amount of time to manually record license number of each employee - we believe it would be about 1 ½ hour per month. This is assuming an average number of 90 per month and about a min per comp. I am copying Jim Nasca on this as well in case there are any other questions. Hope this helps and let us know if you need anything else.

Robert

Robert Wamsley | Regulatory Compliance Officer
Horseshoe Cincinnati
1000 Broadway | Cincinnati, OH 45202
☎ 513-250.3117 | ✉ rwamsley@caesars.com

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Friday, January 10, 2014 11:55 AM
To: Robert Wamsley
Cc: Siba, Michelle
Subject: Rule Change Analysis

Robert,

Per our discussion yesterday, please provide your best estimate of the following items:

- The time required of poker room personnel if they would have to complete a paper even exchange form per 11-42 instead of through the use of a lammer/sign.
- The amount of time it would take to manually record the license number of each employee granting a comp over $600.
- The average pay rate of a the following positions: Surveillance Shift Supervisor, Dual Rate Officer, Surveillance Officer.

Thanks,

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

3772-10-09
Estimated Cost Savings

$ 100,000	Estimated Cost of a Casino Regulatory Compliance Officer (RCO)
52	Weeks in a Year
5	Days in a Week
8	Hours in a Work Day
2080	Total Estimated Work Hours Per Year
$ 48	RCO Hourly Rate
1.5	Estimated Monthly Hours Saved Per Horseshoe Cincinnati
12	Months in a Year
18	Estimated Annual Hours Saved
$ 865	Estimated Total Annual Cost Savings Per Casino

Donahue, Craig

EXHIBIT 5

From: Alistair Cameron <Alistair.Cameron@pngaming.com>
Sent: Friday, January 10, 2014 8:41 PM
To: Donahue, Craig
Cc: Siba, Michelle; Messer, Beti; Bush, Derrick C
Subject: RE: Rule Change Analysis

Craig,

Good talking with you on the phone today about the details of the costs below.

- The Keywatcher system is approximately $10,000. Depending on the configuration of the internal set-up the Keywatcher system can hold between 32 and 144 keys.
- Table game placards are quite inexpensive and some of them can be made in-house for about $2 each. The actual electronic limit sign that denotes game type, minimums and maximums are approximately $250. These can be reprogrammed for most games utilizing an 'sd' card and preloaded software.

Please let me know if you need more details or anything further on these items.

Regards,

Alistair

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Friday, January 10, 2014 1:38 PM
To: Alistair Cameron
Cc: Siba, Michelle; Messer, Beti; Bush, Derrick C
Subject: Rule Change Analysis

Alistair,

As I mentioned in the voice message this afternoon, we need your assistance in quantifying the effect that our rule changes have on the casino. Many of the rule changes in this package are potentially positive changes for the casino, but we still need to quantify each item. I'd like the casino's best estimate on the cost other details involved with the following questions:

- What is the cost of a Keywatcher box? How many keys can be held in this box?
- What is the cost of a purchasing a placard/sign that might be used on a table game?

Please feel free to call me with any questions or concerns.

Thanks!

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

3772-10-18
Estimated Economic Impact

$ 10,000	Average Estimated Cost of a Key System Setup
88	Average Estimated Number of Keys Held in a Key System Setup
$ 114	Average Estimated One-Time Initial Cost Per Key Held in a Key System

EXHIBIT 6

Donahue, Craig

From: Alistair Cameron <Alistair.Cameron@pngaming.com>
Sent: Friday, January 10, 2014 8:41 PM
To: Donahue, Craig
Cc: Siba, Michelle; Messer, Beti; Bush, Derrick C
Subject: RE: Rule Change Analysis

Craig,

Good talking with you on the phone today about the details of the costs below.

- The Keywatcher system is approximately $10,000. Depending on the configuration of the internal set-up the Keywatcher system can hold between 32 and 144 keys.
- Table game placards are quite inexpensive and some of them can be made in-house for about $2 each. The actual electronic limit sign that denotes game type, minimums and maximums are approximately $250. These can be reprogrammed for most games utilizing an 'sd' card and preloaded software.

Please let me know if you need more details or anything further on these items.

Regards,

Alistair

From: Donahue, Craig [mailto:Craig.Donahue@casinocontrol.ohio.gov]
Sent: Friday, January 10, 2014 1:38 PM
To: Alistair Cameron
Cc: Siba, Michelle; Messer, Beti; Bush, Derrick C
Subject: Rule Change Analysis

Alistair,

As I mentioned in the voice message this afternoon, we need your assistance in quantifying the effect that our rule changes have on the casino. Many of the rule changes in this package are potentially positive changes for the casino, but we still need to quantify each item. I'd like the casino's best estimate on the cost other details involved with the following questions:

- What is the cost of a Keywatcher box? How many keys can be held in this box?
- What is the cost of a purchasing a placard/sign that might be used on a table game?

Please feel free to call me with any questions or concerns.

Thanks!

Craig

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687 (office)
(614) 300-5687 (cell)

3772-11-37
Estimated Cost

Traditional Placard

	115	Number of Table Games at Hollywood Casino Columbus
$	2	Cost of a Placard Describing the Aggregation Rule
$	**230**	Total Estimated Cost if Placards are Used

Donahue, Craig

EXHIBIT 7

From: Robert Wamsley <rwamsley@Caesars.com>
Sent: Friday, January 10, 2014 4:57 PM
To: Donahue, Craig
Cc: Jason Newman
Subject: FW: Benefits of Lammers

Craig,

Please see Jason's input on the lammers question. I am gathering the other information and should have to you Monday latest.

Robert

Robert Wamsley | Regulatory Compliance Officer
Horseshoe Cincinnati
1000 Broadway | Cincinnati, OH 45202
☎ 513-250.3117 | ✉ rwamsley@caesars.com

From: Jason Newman
Sent: Friday, January 10, 2014 4:46 PM
To: Robert Wamsley
Subject: Benefits of Lammers

Craig,

Please read below for the information we discussed today regarding the use of lammers. Let me know if you have any questions or further information would be helpful.

Running chips for players and facilitating even exchanges between the poker tables and the cage are vital operational needs to keep poker games running efficiently. Players see this as top notch customer service not only because they need not leave their seats to buy chips but also because of the expeditious nature of the even exchanges in comparison to a Table Games style fill.
An average even exchange takes less than 30 seconds with the use of lammers and only two employees are necessary while the game is halted. Looking at the Table Games style fill from the point the chips are brought to the table is on average a 3 minute process and requires a minimum of three employees. Another key point is that a poker table is likely to get a fill once an hour while a Black Jack table gets maybe two-three fills in a 24 hour period of time.
I estimate using lammers in lieu of a form keeps the chip running process at about 1/3rd the time for each transaction regarding employee to employee transactions. I'm uncertain how to estimate the time if a form would be used for transactions with players but suffice to say it would add more time compared to the employee to employee transaction. In fact, if a form was needed for player transactions I would recommend not running their chips as it is counterproductive and would be unaccepted by the players.
*Lammers are **THE** key component facilitating running chips in a poker room to ensure the games are running efficiently as possible.*

Regards,

Jason Newman | Poker Manager
Horseshoe Cincinnati | 219.614.2063

EXHIBIT 8

Donahue, Craig

From: Robert Wamsley <rwamsley@Caesars.com>
Sent: Friday, January 10, 2014 7:23 PM
To: Donahue, Craig
Subject: FW: Surveillance Pay Rates for OCCC

Craig,

See Meaghan Ryan's comments below regarding the request on avg salary. Let me know if you need anything else regarding this information and we will be happy to provide. I will have the last information on question 2 on Monday. Sorry I could not get that today.

Robert

Robert Wamsley | Regulatory Compliance Officer
Horseshoe Cincinnati
1000 Broadway | Cincinnati, OH 45202
☎ 513-250.3117 | ✉ rwamsley@caesars.com

From: Meaghan Ryan
Sent: Friday, January 10, 2014 6:55 PM
To: Robert Wamsley
Cc: Gary Lenhof
Subject: Surveillance Pay Rates for OCCC

Here you go; let me know if you have any questions.

1. **Surveillance Supervisor** –
   a. Avg. Rate $43,000
   b. Starting at 42k
2. **Officer** –
   a. Avg. Rate - $15.39
   b. Starting pay based on experience
3. **Dual Rate –**
   a. Avg. Officer Rate – $15,37
   b. Avg. Supv. rate 16.38

Meaghan Ryan | Director, Human Resources
Horseshoe Cincinnati
Direct: 513-250-3120
Cell: 702-428-9326
Fax: 702-892-2709
meryan@caesars.com