

2016

OHIO CASINO
CONTROL COMMISSION

ANNUAL REPORT



MISSION STATEMENT:

The Ohio Casino Control Commission has the responsibility to ensure the integrity of casino gaming by licensing, regulating, investigating and enforcing state laws.

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LETTER FROM THE CHAIR



Dear Governor Kasich, President of the Senate Faber, Minority Leader of the Senate Schiavoni, Speaker of the House Rosenberger, Minority Leader of the House Strahorn, members of the Joint Committee on Gaming and Wagering and fellow Ohioans,

I am pleased to provide you the Commission's annual report for fiscal year 2016. In many ways, the past year presented the same challenges and opportunities the Commission faced when first opening casinos. The Cleveland and Cincinnati casinos completed their transition to the new JACK brand this spring, an undertaking that involved not only switching over all cards, chips, dice and other gaming-related equipment, but reviewing and in some instances re-writing each casino's internal controls.

Following the announcement in late 2015 that JACK Entertainment would be taking over day-to-day operations at the two facilities from Caesars Entertainment, the Commission worked closely with casino personnel to ensure the proper policies and procedures were in place. The transition – which went smoothly at both casinos – was the result of months of preparation by Commission staff to ensure all regulatory requirements were met and critical systems such as accounting, data management and surveillance were operating correctly. Only after the Commission was satisfied that the casinos were in compliance were they permitted to reopen to the public.

Additionally, this past fiscal year included the licensing renewal cycle related to the opening of the Columbus and Cincinnati casinos, requiring the various entities and personnel associated with each property to submit new license applications and undergo thorough background checks.

In the midst of all this activity, the Commission also unveiled its first set of draft rules for skill games. Our Gaming Agents have conducted numerous investigations of establishments that claim to offer skill games, but in reality are operating illegal slot machines. We appreciate the help of the General Assembly in giving the Commission additional tools to help us validate those businesses that are following the law and shut down those that are illegal casinos.

This fiscal year also saw total casino revenue tax collections since the casinos first opened in 2012 cross the \$1 billion mark. These funds are distributed to all of Ohio's counties and school districts, as well as cities, law enforcement training programs, problem gambling prevention and treatment services. A portion is also used to support the Commission's operation and the work of the State Racing Commission.

While the gaming industry continues to evolve, the Commission remains steadfast in its efforts to maintain the integrity of casino gaming and protect the interests of all Ohioans. I am grateful for the opportunity to have chaired the Commission for the past five years, and pledge our unwavering commitment to holding the casino industry in our state to a high standard.

Sincerely,

A handwritten signature in black ink that reads "Jo Ann Davidson". The signature is written in a cursive, flowing style.

Jo Ann Davidson
Chair, Ohio Casino Control Commission



LETTER FROM THE EXECUTIVE DIRECTOR



Dear Governor Kasich, President of the Senate Faber, Minority Leader of the Senate Schiavoni, Speaker of the House Rosenberger, Minority Leader of the House Strahorn, and members of the Joint Committee on Gaming and Wagering,

It has been an exciting and eventful year for the Ohio Casino Control Commission. This past spring, the diligent work by our staff resulted in the successful transition of the Cleveland and Cincinnati casinos to the new JACK brand. This transition – which was similar in many ways to opening a brand new casino – involved staff from all the Commission’s divisions, and highlights the team approach that enables us to successfully fulfill our mission.

In addition, the Commission secured its first conviction – along with several additional indictments – against illegal casinos masquerading as legal skill games arcades. Our agency has received voluminous complaints about businesses that purport to have skill games, but in fact are operating illegal slot machines. Our investigations of these establishments have resulted in search warrants being served on 12 locations and more than 700 illegal machines being seized or disabled, along with cash and other equipment.

Although we are grateful for the assistance we have received from local law enforcement agencies and prosecutors in these cases, pursuing illegal casinos on a case-by-case basis is a very slow process and demonstrates the need for a comprehensive system to address this problem statewide. The Commission thanks the General Assembly for responding to this need by giving our agency full regulatory authority with respect to skill games.

The goal now before us is to validate those businesses operating correctly and identify and shut down those running illegal casinos in violation of Ohio law. To accomplish this, the Commission has established a Skill Games Division tasked with establishing an efficient regulatory framework for skill-based amusement machines. The first set of rules is currently working through the rule-making process.

The Commission is appreciative of the trust and responsibilities given to us, and will continually strive to meet the high expectations of both the General Assembly and the public as we continue to uphold our mission to ensure the integrity of gaming in Ohio.

Sincerely,

A handwritten signature in black ink that reads "Matthew T. Schuler". The signature is written in a cursive, flowing style.

Matthew T. Schuler
Executive Director



ABOUT THE COMMISSION

The bipartisan Ohio Casino Control Commission was created to provide oversight of casino gaming. The Chair and six Commissioners are appointed by the Governor. No more than four Commissioners can be members of the same political party and all must be Ohio residents. At least one Commissioner must have experience in each of the following areas: law enforcement and criminal investigation, certified public accounting with auditing, or hold an Ohio law license. In addition, at least one Commission member must reside in a county with a casino.

OHIO CASINO CONTROL COMMISSION CHAIR & COMMISSIONERS



Jo Ann Davidson (*term expires February 21, 2018*)

Jo Ann Davidson was appointed Chair of the Ohio Casino Control Commission by Governor John Kasich for her extensive leadership in local and state government as well as her track record of being a strong advocate for the people of Ohio. Davidson came to public service in 1967 after winning a seat on the Reynoldsburg City Council. In 1980, she was elected to the Ohio House of Representatives.

In 1995, Davidson's fellow representatives selected her as the Speaker of the Ohio House. She was the first woman to hold this position and remained as speaker until leaving the House of Representatives at the end of 2000.

Over the past decade, Davidson has formed her own consulting firm, JAD and Associates, advising on a broad range of issues involving public policy development and analysis, strategic planning and political campaigns. In January 2005, she was elected Co-Chair of the Republican National Committee and served in this position until 2009. She also remains active with various board positions.



June E. Taylor (*term expires February 21, 2019*)

June Taylor serves as Vice Chair of the Ohio Casino Control Commission and brings a rich background in business, strategic planning and leadership. Taylor is president of MAC Installations & Consulting, LLC, a Cleveland-based technology firm providing low-voltage cabling, security, access control, media and sound masking systems. The firm's capabilities include offering solutions that consider the latest technology trends in order to provide superior service to the hospitality, education and medical institutions in Northeast Ohio and throughout the Midwest.

Taylor's solid background in business, acquisitions, strategy and talent selection gave rise to her appointment to Cleveland State University's Board of Trustees, where she is chair of the Honorary Degree & Recognition Committee, and a member of the Audit Committee.

Taylor holds two degrees from Northwestern University: a Bachelor of Science in industrial engineering and a Master of Management from the Kellogg Graduate School of Management, with concentrations in finance and marketing.



McKinley E. Brown (*term expires February 21, 2019*)

McKinley E. Brown is a retired police officer who currently serves as Chief of Detectives in the Hamilton County Prosecutor's Office. He also assists and advises local police agencies with investigations and is a member of the Cold Case Squad.

Brown began his career in law enforcement in 1981 as a patrol officer with the Cincinnati Police Department. He also served as a school resource officer and as a member of the criminal investigation and internal investigations section. His dedication and professionalism led to additional duties such as teaching at the Police Academy and to his promotion to Detective Sergeant of the Homicide Unit. He retired in 1998 to join the Hamilton County Prosecutor's Office.

Brown, who served in the U.S. Army before entering law enforcement, has received countless awards, citations and commendations for his work with children and school programs and his excellent investigatory skills. Most recently, Brown was a 2010 inductee into the Greater Cincinnati Police Museum's prestigious 1132 Living Legends.



Martin R. Hoke (*term expires February 21, 2017*)

Northeast Ohio is home to Martin Hoke who is an attorney and former member of the U.S. House of Representatives, serving the 10th District from 1992 to 1996.

In addition to being a member of the Ohio Bar, Hoke has an impressive record as an entrepreneur. He most recently founded RhinoSystems, Inc., a medical device company that manufactures and markets the Naväge Nasal Hygiene System, an innovative ENT device he also invented.

Hoke has been a board member for various non-profit institutions, including the John F. Kennedy Center for the Performing Arts in Washington, D.C., the Emmanuel Promise of Hope Shelter in Cleveland and the Rock and Roll Hall of Fame and Museum.

Hoke graduated magna cum laude from Amherst College and received his law degree from the Case Western Reserve University School of Law.



Will Lucas (*term expires February 21, 2017*)

Will Lucas is a native of Toledo and an entrepreneur focusing on education and marketing technologies. He is founder and CEO of Classana, an educational resource discovery engine, and Creadio, a marketing technology firm supporting brands nationally.

Lucas earned an Bachelors Degree in Business from the University of Toledo. He is also founder and curator of TEDxToledo, and previously served on the Boards of Directors for Ohio Council of Community Schools, Kid's Unlimited, and Lucas County Court Appointed Special Advocate (CASA).



Ranjan Manoranjan (*term expires February 21, 2018*)

Ranjan Manoranjan, Principal of PRIME AE Group, leads business development in the Midwest region. Manoranjan holds Accounting degrees from the Institute of Chartered Accountants in Colombo, Sri Lanka and the Institute of Cost and Management in London, England. He received his CPA designation from the Accountancy Board of Ohio in 1980.

Manoranjan was appointed to the Commission in 2011 as the CPA representative and reappointed in 2014. He also currently serves on the World of Children Board of Governors, an organization comprised of 16 international business executives who contribute their executive skills to improving the lives of children worldwide. Manoranjan currently serves on the Ohio Society of CPAs' Political Action Committee and has served on the Executive Board of the Ohio Society of CPAs, the Ohio Board of Tax Appeals, Columbus-Franklin County Finance Authority and Governmental Affairs Advisory Council.

Manoranjan was awarded the distinguished Ellis Island Medal of Honor in 2005 by the National Ethnic Coalition of Organizations (NECO) for his dedication to his ethnic heritage through American Society.



John S. Steinhauer (*term expires February 21, 2019*)

John Steinhauer is a private practice attorney in Akron, Ohio. His areas of expertise include mergers and acquisitions, corporate, finance and real estate law. He specializes in managing complex interstate and multiple-jurisdiction litigation, labor, administrative agencies, regulatory matters and business transactions. He is licensed to practice in Ohio and the District of Columbia.

Steinhauer has extensive governmental experience at the state and local level. He worked for the Ohio General Assembly Legislative Reference Bureau, as an assistant city attorney and assistant prosecutor in Columbus and as special counsel for the Ohio Attorney General. He has also served as a trustee for The University of Akron where he has been the chairman and the vice chairman and also served on the university's foundation executive committee.

Steinhauer graduated from Cuyahoga Falls High School, and then attended The Ohio State University where he earned three degrees including his law degree. He also holds an Honorary Doctor of Law degree from The University of Akron.

**OHIO CASINO CONTROL
COMMISSION CHAIR &
COMMISSIONERS**



OHIO LAW

Historical Summary of Constitutional Amendment and Casino Control Law

Ohio's entrance into the world of casino gaming was somewhat unique with the approval of a constitutional amendment proposed by initiative petition that was backed by the parties that would become the owners/operators of Ohio's four casinos. The amendment was approved by 52 percent of voters in November 2009. It authorized casino gaming at facilities located at specific locations in Cincinnati, Cleveland, Columbus and Toledo and required the properties to be operated by licensed casino operators.

In addition to the customary fees and taxes imposed on Ohio businesses, the amendment levied a 33 percent tax on gross casino revenue and specified how proceeds of the tax are distributed (see Casino Revenue Distribution). The constitutional amendment also required each licensed casino operator to pay an upfront license fee of \$50 million per casino dedicated to workforce development and to make an initial capital investment of \$250 million for the development of each casino facility.

The amendment also created the Ohio Casino Control Commission to license and regulate casino operators, management companies, key employees, casino gaming employees and gaming-related vendors. The Commission is comprised of seven members who are appointed by the Governor with the advice and consent of the Senate. The Commission is a law enforcement agency and may inspect the accounts and records of, or examine under oath, any person subject to the Commission's regulation.

The constitutional amendment also required the General Assembly to pass laws to facilitate the operation of the casino gaming amendment.

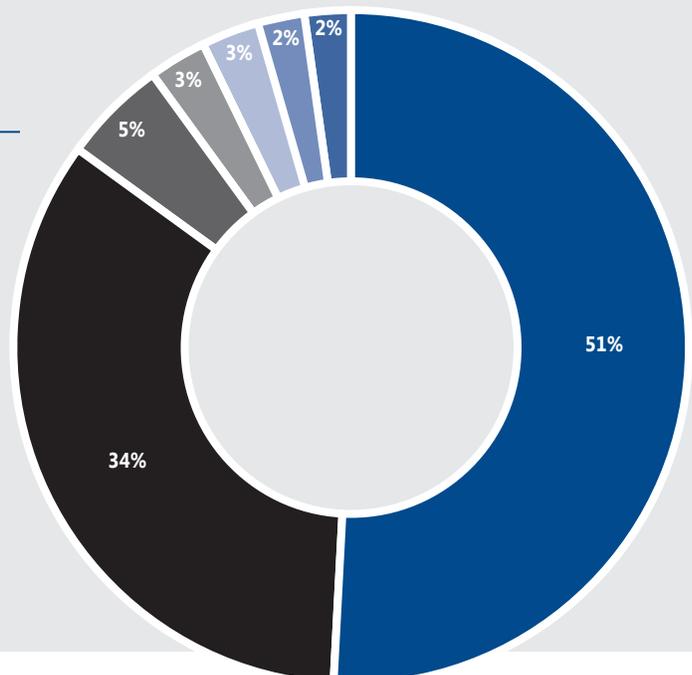
In a bipartisan effort, the 128th General Assembly passed House Bill 519, known as Ohio's Casino Control Law, which became effective on September 10, 2010, implementing Article XV, Section 6(C) of the Ohio Constitution. In general, the Act entrusts the Commission with the responsibility of ensuring the integrity of casino gaming in Ohio by authorizing the Commission to license, regulate, investigate and exercise jurisdiction over all persons participating in casino gaming.

In February 2011, Governor John Kasich appointed seven individuals to serve as commissioners for the newly created Commission. Commission Chair Jo Ann Davidson convened the first meeting in March 2011. By October, the Commission hired Executive Director Matthew T. Schuler and then built out the Commission staff to conduct the regulatory work surrounding the first two casino openings in May 2012.

The Casino Control Act also established the Joint Committee on Gaming and Wagering, which reviews the laws and rules governing the operation and administration of casino gaming activities. Additionally, the Committee is tasked with recommending any changes to the General Assembly. The Committee has a total of six members with three chosen by the Speaker of the House and three by the Senate President.

CASINO REVENUE DISTRIBUTION

- County Fund (51%)
- Student Fund (34%)
- Host City Fund (5%)
- Ohio State Racing Commission Fund (3%)
- Casino Control Commission Fund (3%)
- Law Enforcement Training Fund (2%)
- Problem Gambling & Addictions Fund (2%)



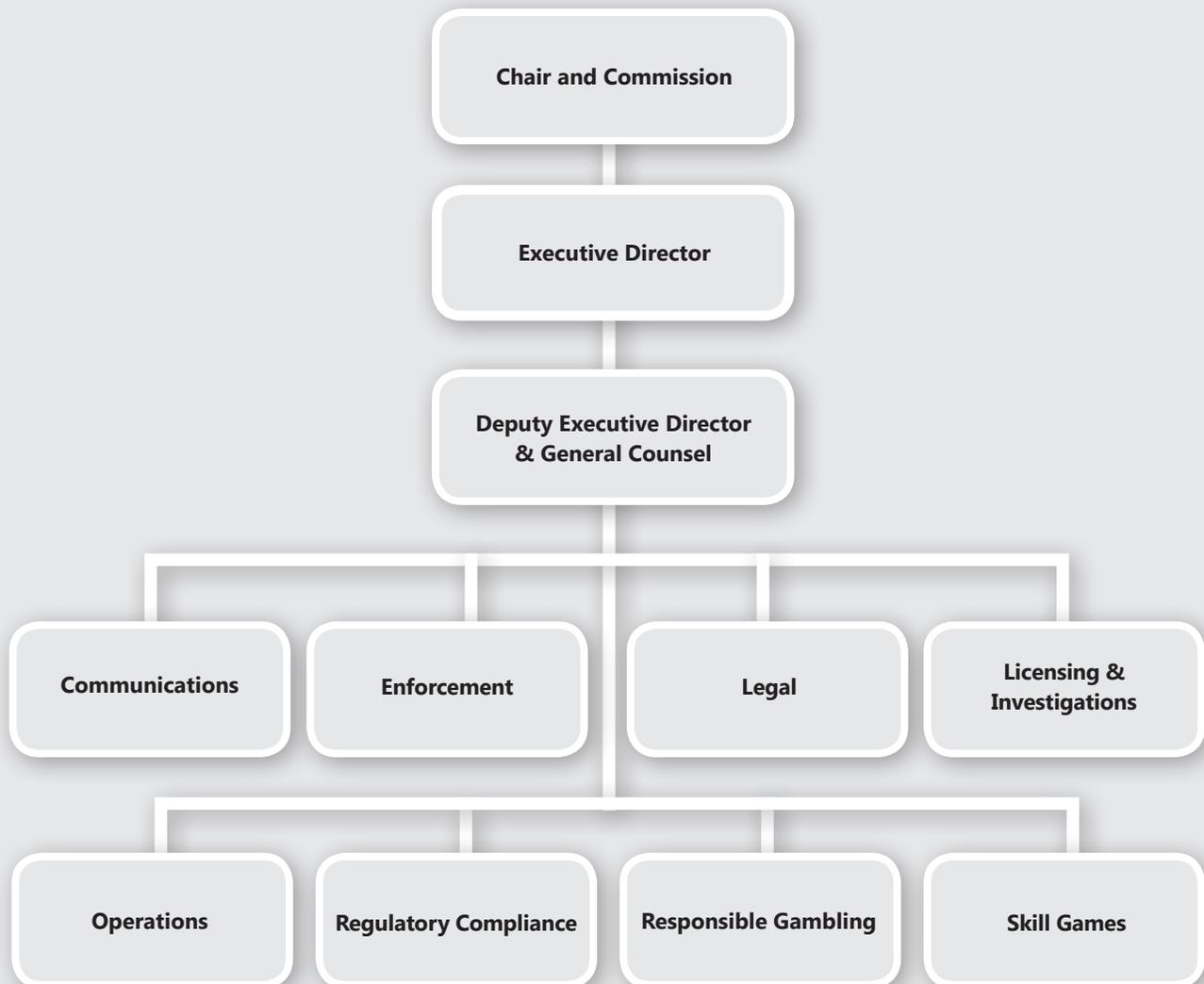
COMMISSION OVERVIEW

The Casino Control Law authorizes the Commission to license, regulate, investigate and penalize casino operators, management companies, holding companies, key employees, casino gaming employees and gaming-related vendors. The Commission also has jurisdiction over all persons participating in casino gaming authorized by Article XV, Section 6(C) of the Ohio Constitution, Revised Code Chapter 3772 and the adopted rules.

Commission staff members are assigned among eight divisions. All employees work to fulfill the mission and responsibilities of ensuring the integrity of Ohio's casino gaming industry. Along with the essential support divisions of legal, communications and operations, the Commission's regulatory responsibilities center on the specialized intertwined tasks of licensing and investigations, regulatory compliance and enforcement.

Currently, the Commission employs about 100 individuals spread across five office locations - including 24-7 coverage at the four casinos. The Commission maintains an office at each casino property as well as the agency's main office, located across from the Ohio Statehouse. While staff size has remained relatively small, the experience and expertise has grown exponentially since the Commission's creation in 2011.

OHIO CASINO CONTROL COMMISSION ORGANIZATIONAL CHART



COMMISSION DIVISIONS

Legal Division

The Legal Division serves as legal counsel for the Commission's members and staff on issues of law, policy and procedure and is comprised of attorneys and a paralegal, who also serves as the Commission secretary and hearing administrator. The division is uniquely positioned to participate in nearly every aspect of the Commission's work, helping to establish policy and strong precedent as gaming grows in the State of Ohio. Specifically, the division develops internal agency policies, assists in employment matters, responds to all public records requests submitted to the Commission and drafts proposed legislation and administrative rules.

As part of its duties, the division advises and assists the Licensing and Investigations Division with the licensing process and manages the administrative hearing process to provide applicants and licensees the opportunity for a hearing on any administrative action regarding licensure or regulatory sanctions. The administrative hearing process also applies when the Commission intends to place an individual on the Involuntary Exclusion List. To date, the Commission has used its authority to place 10 individuals who pose a threat to the integrity of casino gaming on the list.

The division also works closely with the Regulatory Compliance Division to develop, interpret and enforce the regulations to which all licensees, but specifically the casinos, must adhere. These two divisions have also facilitated settlement agreements with the four casinos in the state as the result of various regulatory compliance issues that have arisen.

Together with the Enforcement Division, the Legal Division works diligently to prepare subpoenas and court orders for its criminal cases, and regularly communicates with local prosecutors to continue to develop a strong foundation and sound precedent for the state's gaming offenses.

Finally, the division also provides training and counsel regarding Ohio's ethics laws, which is especially important because Commission members and staff are bound by specific mandates and prohibitions, requiring caution and vigilance in both their professional and personal lives.

Licensing & Investigations Division

The Casino Control Law requires every person conducting or participating in casino gaming to be licensed. The Licensing and Investigations Division conducts suitability investigations of each applicant to determine eligibility for licensure to ensure only suitable persons are involved in Ohio's casino business.

License applicants include casino operators, management companies, gaming-related vendors, key employees, and casino gaming employees. All suitability investigations result in a recommendation to the Commission to grant or deny a license. These recommendations are made following an extensive background check. Applicants also receive a thorough review of financial integrity, regulatory history in other gaming jurisdictions, professional license verification, tax record examination, credit history analysis, database checks for bankruptcies and outstanding liens or judgments, and retrieval of court records.

The licensing process doesn't end once a license is issued. Suitability is an ongoing requirement for all licensees and

Initial/New Licenses Granted July 1, 2015 - June 30, 2016	
Casino Gaming Employees	906
Key Employees	21
Management Companies	0
Operators	0
Operator Key Employees	12
Vendors	1
Vendor Key Employees	15
Total Licenses Granted	
Casino Gaming Employees	8,276
Key Employees	129
Management Companies	3
Operators	5
Operator Key Employees	88
Vendors	38
Vendor Key Employees	301

COMMISSION DIVISIONS (continued)

the Commission has the authority to reopen a licensing investigation at any time. License holders have a duty to update the Commission regarding changes in personal information including change of address, criminal charges, and bankruptcies. All license holders are required to file for renewal every three years and the division must conduct a new suitability investigation. The renewal cycle for casino operators, management companies, gaming-related vendors, key and casino gaming employees originally licensed by the Commission in 2013 began in late 2015.

Regulatory Compliance Division

The Regulatory Compliance Division ensures that the Commission's licensees comply with O.R.C. 3772, the related administrative code, and applicable internal control systems. To test that compliance, the division examines slot machine and table game operations, financial transactions and conducts process audits. Those specialized tasks require the Commission to employ individuals with specialized knowledge in accounting, auditing and electronic gaming equipment (EGE), such as software and slot machines. Excluding daily, monthly and annual financial reviews, the division performed more than 260 compliance audits in FY 16.

The division also works with two important partners. First, the division coordinates the state's three Certified Testing Laboratories, which examine EGE to ensure they satisfy Ohio law and Commission regulations before those items are allowed to enter the state. Commission Agents verify the software to ensure it is identical to the tested game and seal all slot machines before they are entered into play.

Second, the division works with the Department of Taxation to ensure the casinos are filing accurate tax return data with the state. In addition to making sure that all casinos' finances are being correctly reported, the division works to make sure that the revenue is being generated according to approved processes, which are grounded in each casino's detailed internal controls. These internal controls average around 750 pages. All changes to a casino's internal controls require Commission approval.

Finally, and in very few instances, the Commission issues sanctions on a casino to encourage future compliance. Revenue from sanctions is deposited into the state's General Revenue Fund.

Enforcement Division

The Enforcement Division is responsible for enforcing the Casino Control Law. The Commission is a law enforcement agency as defined in O.R.C. 109.71. Gaming Agents are certified peace officers in the State of Ohio and have arrest authority on all casino property as well as outside of the casino when enforcing the criminal section of the Casino Control Act.



The division is comprised of Gaming Agents, investigators, and criminal intelligence analysts, who are headquartered at their respective casinos and staff a 24-7 operation. Their responsibilities include enforcement of statutes that can impact the integrity of casino gaming as well as criminal gaming statutes described in O.R.C. 3772.99, created to ensure a fair and safe gaming environment for casino patrons. Agents work collaboratively on joint investigations with federal, state and local agencies as well as with county and municipal prosecutor's offices. Due to these strong relationships, a large number of cases have progressed through the criminal justice system. During this fiscal year, 817 charges for felonies and misdemeanors occurring at Ohio casinos were presented to prosecutors. The total number of individuals charged statewide totaled 497.

In addition, the Enforcement Division has a robust intelligence system to collect, organize and disseminate information for both internal and external purposes. The division works closely with federal, state and local intelligence units, as well as other gaming jurisdictions, to coordinate and develop casino-focused intelligence tracking. Intelligence analysts work with other agencies to track large and suspicious money transactions.

Gaming Agents also investigate illegal casino gaming operations outside of Ohio's four licensed casinos. The partnerships Gaming Agents have cultivated with local sheriffs, police departments and county prosecutors have

COMMISSION DIVISIONS (continued)

Ohio Casino Control Commission - Criminal Statistics Fiscal Year 2016 (July 1, 2015 - June 30, 2016)

	Cleveland	Toledo	Columbus	Cincinnati	Total of Each Type of Charge Statewide	
Assault	3	1	0	0	4	0.49%
Aggravated Menacing	1	1	0	0	2	0.24%
Breaking and Entering	1	0	2	0	3	0.37%
Casino Cheat/Attempted Casino Cheat	68	24	46	6	144	17.63%
Complicity	2	0	0	0	2	0.24%
Consumption in a Motor Vehicle	0	0	1	0	1	0.12%
Contributing to the Delinquency of a Minor	1	0	0	0	1	0.12%
Counterfeit (Criminal Simulation)	0	1	0	0	1	0.12%
Criminal Mischief	0	2	0	0	2	0.24%
Disorderly and/or Intoxicated	1	20	4	5	30	3.67%
Driving Under Suspension	0	0	1	0	1	0.12%
Drug Trafficking	1	0	0	0	1	0.12%
Endangering Children	0	0	1	0	1	0.12%
Falsification (Various)	7	0	3	0	10	1.22%
Fake ID/ False ID (Prohibitions)	50	0	8	30	88	10.77%
Forgery	4	5	0	1	10	1.22%
Fraud	7	8	0	0	15	1.84%
Identity Theft	0	0	0	1	1	0.12%
Misuse of Credit Card	0	5	0	0	5	0.61%
Narcotics/Drugs	8	0	2	3	13	1.59%
Obstructing Official Business	12	5	2	3	22	2.69%
Possession of Criminal Tools	1	0	0	0	1	0.12%
Possession of Drug Paraphernalia	3	0	0	0	3	0.37%
Public Indecency	3	1	0	0	4	0.49%
Receiving Stolen Property	0	1	1	0	2	0.12%
Resisting Arrest	2	2	1	1	6	0.73%
Safecracking	3	0	0	0	3	0.37%
Tampering with Records/Evidence	2	0	1	0	3	0.37%
Theft/Attempted Theft/Grand Theft	45	16	22	20	103	12.61%
Trespassing, Criminal/Complicity to Trsps.	39	65	60	35	199	24.36%
Unauthorized Use of Property/Vehicle	1	0	0	0	1	0.12%
Underage Consumption	3	2	0	1	6	0.73%
Underage Entry/Attempted Entry	31	13	6	31	81	9.91%
Underage Gambling	0	2	0	0	2	0.24%
Underage, Permit Wager	0	1	0	0	1	0.12%
Underage, Aids Entry	11	6	2	1	20	2.45%
Vandalism/Criminal Damaging	14	3	3	5	25	3.06%
Total of All Charges Per Casino	324	184	166	197		
Total of All Charges Statewide					817	100%

* Statistics represent charges as presented to prosecutor including felonies and misdemeanors.

* Statistics reflect date on which incident occurred (NOT date filed with prosecutor).

* Number of individuals charged statewide: 497

COMMISSION DIVISIONS (continued)

proven invaluable in these investigations – which have resulted in the seizure of illegal gaming machines and equipment among other items. In February 2016, the Commission announced a plea deal in one of its first illegal casino investigations. Stephen Cline plead guilty to one felony count each of money laundering and operating an illegal casino, and was sentenced to 5 years of probation, fined \$10,000 and was ordered to sell his gaming machines.

Skill Games Division

When the Casino Control Law was enacted, it vested the Commission with jurisdiction over the regulation of skill-based amusement machines. However, its authority was limited to a single sentence. Over the last several years, the Commission has received many complaints about locations that have marketed themselves as skill-based game establishments offering merchandise prizes, but in fact are operating slot machines and/or are paying cash prizes in violation of current law.

In 2015, the General Assembly approved legislation that provided the Commission with specific regulatory authority with respect to skill-based amusement machines. The Skill Games Division was subsequently created and tasked with establishing the comprehensive system needed to properly regulate the skill games industry.

The division is currently drafting a regulatory scheme that involves licensing the various entities and individuals involved in the industry as well as rules for ensuring licensees comply with the law. The Commission's goal is to craft rules that will enable it to validate those businesses that are operating within the law and screen out Ohio's voluminous illegal casinos.

The initial set of rules will come before the Commission for its approval later this year. Similar to other agency rules, those pertaining to skill games will go through the Common Sense Initiative Office and the Joint Committee on Agency Rule Review process.

Responsible Gambling Division

The Responsible Gambling Division coordinates with state and local partners to provide education materials, prevention programs and treatment options under the umbrella of Ohio for Responsible Gambling (ORG). The

initiative involves the Ohio Department of Mental Health and Addiction Services (OhioMHAS), the Ohio Lottery Commission, the Ohio State Racing Commission and the Ohio Casino Control Commission. Ours is the first state to bring the resources of multiple agencies together to help those seeking treatment for a gambling addiction. One of the shared resources provided is Ohio's 24-hour Problem Gambling Helpline (1-800-589-9966).

The importance of providing resources for Ohioans with a gambling addiction was clearly highlighted in the constitutional amendment that authorized casino gaming in the state. The amendment earmarks 2 percent of the gross casino revenue tax to fund gambling and addiction treatment services. To date, more than \$21 million has been directed to the fund to support education and prevention efforts and to provide counseling. The money is allocated through an agreement between OhioMHAS and the Commission's Executive Director, and is distributed on a per capita basis to local Alcohol, Drug Addiction and Mental Health (ADAMH) Boards with 60 percent dedicated to prevention and 40 percent identified for treatment.



In FY 16, The Commission also received the results of a review of the state's problem gambling services system of care that was undertaken by OhioMHAS. The evaluation found that Ohio's system was ahead of expectations, with opportunities to further engage local communities in problem gambling prevention.

ORG is also fielding a statewide survey to track the impact

COMMISSION DIVISIONS (continued)

of expanded gambling options in Ohio. Similar to the survey conducted in 2012, this update is expected to help local ADAMH Boards and the state determine trends in problem gambling and ensure prevention and treatment resources align with current needs. The survey is expected to be completed in the next fiscal year.

Additionally, ORG launched a new statewide campaign in FY 16 designed to prevent problem gambling and raise awareness of the resources available to those affected by gambling addiction. ‘Be the 95%’ is based on public health science and aims to reach the “influencers” of problem gamblers – such as spouses, family members and friends. It also seeks to encourage dialogue at the community level and create a positive approach to educating people about safe gambling practices.

The campaign is featured on billboards, radio spots and social media - along with a website that features tips on low-risk gambling, provides warning signs of problem gambling, and offers a problem gambling screening feature. ‘Be the 95%’ has garnered interest from across the globe, and won the Social Media, Website, Public Awareness and

Best in Showcase Awards from the National Council on Problem Gambling.

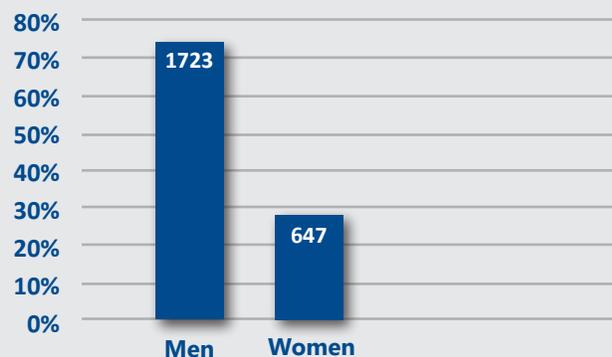
Another resource available to problem gamblers is the Voluntary Exclusion Program (VEP). Administered by the Commission, the program offers individuals the ability to ban themselves from a casino facility for one year, five years or their lifetime. Participants complete the Request for Voluntary Exclusion form in the presence of trained Commission staff. Once enrolled, the individual is not permitted to enter any Ohio casino facility during the length of their self-imposed ban. The Commission provides a confidential list of participants to casino operators for purposes of enforcement. In addition, casino operators are required to cease direct marketing efforts and deny check cashing or extending credit to exclusion participants. Ohio operators extend the exclusion to cover all their casinos nationwide. Participants who violate the voluntary ban can be charged with criminal trespassing and forfeit any casino winning or things of value converted into a wagering instrument. The total number of participants in the VEP has grown to 2,370, with enrollment including individuals from 18 states and one Canadian province.

CASINO RESPONSIBLE GAMING PLANS

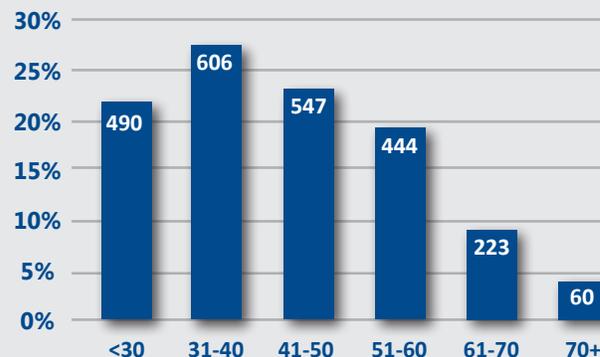
Casino owners and operators are required to create, update and maintain Responsible Gaming Plans. The casino plans require Commission approval and outline and establish standards to address problem gambling, underage gambling, improper use of alcohol, responsible marketing and advertising and the prevention of gambling by minors. Each casino is required to prominently display the Problem Gambling Helpline number on all collateral materials, player cards and ATMs on property. The helpline number must also appear in all print, broadcast and electronic advertising and marketing. All promotional materials are reviewed and approved by the Commission’s Responsible Gambling Division to ensure the problem gambling message is consistent.

Voluntary Exclusion Program As of June 30, 2016 Total Number of Enrollees: 2,370

By Gender

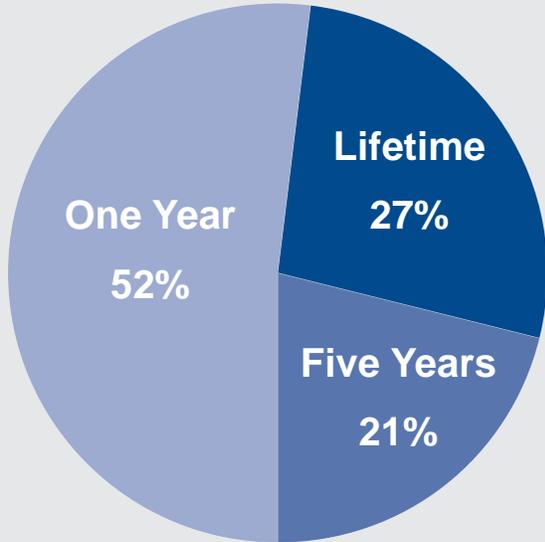


By Age



Voluntary Exclusion Program Through June 30, 2016

The Ohio Casino Control Commission has accepted 2,370 applications from residents in 18 states and one Canadian Province for the Voluntary Exclusion Program.



Length of Time of Exclusion by Applicants

- Lifetime 629
- Five Years 507
- One Year 1,234

Note: 496 participants have been removed from the program at the expiration of their exclusion period, and 101 have since asked to be reinstated.

Voluntary Exclusion Program Through June 30, 2016

By Participant Residence



CASINO PROPERTY SUMMARY



Hollywood Casino Columbus 200 Georgesville Road, Columbus, Ohio

General Manager: Himbert Sinopoli
Date Licensed: September 12, 2012
Date Opened: October 8, 2012
Gaming Space: 160,000 square feet
Certified Capital Investment: \$350.2 million

Slots: 2,249
Table Games: 70 gaming tables, 36 poker tables
Total Employment: 1,006
Licensed Employees: 655
Non-Licensed Employees: 351

Annual Revenue FY 2016

Table Games	Units at Year End	Table Promo Spend	Table Drop	Table AGR	Actual Hold %	Payout %
	106	\$2,265,170	\$290,716,559	\$64,864,859	22.31%	77.69%
Slots	Units at Year End	Slot Promo Spend	"Coin In"	Slot AGR	Actual Hold %	Payout %
	2,249	\$32,101,432	\$1,800,983,528	\$147,739,113	8.20%	91.80%

Total AGR For FY 2016 \$212,603,972

Notes:

1. The listed payout percentage for slots is not the theoretical hold, but the actual payout average for the period.
2. Promotional play is included in "coin in" and "table drop" figures.
3. "AGR" is adjusted gross revenue and means the money received by the casino operator less winnings paid to patrons and less promotional spend.
4. Non-licensed employees include non-gaming positions such as food and beverage staff as well as custodial personnel.

CASINO PROPERTY SUMMARY



Hollywood Casino Toledo 777 Hollywood Boulevard, Toledo, Ohio

General Manager: Rafael Verde

Date Licensed: May 9, 2012

Date Opened: May 29, 2012

Gaming Space: 125,000 square feet

Certified Capital Investment: \$260 million

Slots: 2,044

Table Games: 59 gaming tables, 19 poker tables

Total Employment: 927

Licensed Employees: 508

Non-Licensed Employees: 419

Annual Revenue FY 2016

Table Games	Units at Year End	Table Promo Spend	Table Drop	Table AGR	Actual Hold %	Payout %
	78	\$847,250	\$157,021,079	\$34,011,519	21.66%	78.34%
Slots	Units at Year End	Slot Promo Spend	"Coin In"	Slot AGR	Actual Hold %	Payout %
	2,044	\$12,130,038	\$1,768,239,956	\$162,652,563	9.20%	90.80%

Total AGR For FY 2016 \$196,664,082

Notes:

1. The listed payout percentage for slots is not the theoretical hold, but the actual payout average for the period.
2. Promotional play is included in "coin in" and "table drop" figures.
3. "AGR" is adjusted gross revenue and means the money received by the casino operator less winnings paid to patrons and less promotional spend.
4. Non-licensed employees include non-gaming positions such as food and beverage staff as well as custodial personnel.

CASINO PROPERTY SUMMARY



JACK Cincinnati Casino 1000 Broadway Street, Cincinnati, Ohio

General Manager: Chad Barnhill
Date Licensed: February 13, 2013
Date Opened: March 4, 2013
Gaming Space: 100,000 square feet
Certified Capital Investment: \$455 million

Slots: 1,954
Table Games: 92 gaming tables, 31 poker tables
Total Employment: 1,231
Licensed Employees: 809
Non-Licensed Employees: 422

Annual Revenue FY 2016

Table Games	Units at Year End	Table Promo Spend	Table Drop	Table AGR	Actual Hold %	Payout %
	123	\$6,122,526	\$367,125,173	\$69,023,385	18.80%	81.20%
Slots	Units at Year End	Slot Promo Spend	"Coin In"	Slot AGR	Actual Hold %	Payout %
	1,954	\$26,364,027	\$1,531,072,975	\$128,436,707	8.38%	91.62%

Total AGR For FY 2016 \$197,460,092

Notes:

1. The listed payout percentage for slots is not the theoretical hold, but the actual payout average for the period.
2. Promotional play is included in "coin in" and "table drop" figures.
3. "AGR" is adjusted gross revenue and means the money received by the casino operator less winnings paid to patrons and less promotional spend.
4. Non-licensed employees include non-gaming positions such as food and beverage staff as well as custodial personnel.
5. Horseshoe Cincinnati became JACK Cincinnati Casino on June 8. The casino closed for approximately 40 hours during the transition.

CASINO PROPERTY SUMMARY



JACK Cleveland Casino 100 Public Square, Cleveland, Ohio

General Manager: Mark Tricano

Date Licensed: May 2, 2012

Date Opened: May 14, 2012

Gaming Space: 96,000 square feet

Certified Capital Investment: \$354 million

Slots: 1,683

Table Games: 95 gaming tables, 30 poker tables

Total Employment: 1,507

Licensed Employees: 1,090

Non-Licensed Employees: 417

Annual Revenue FY 2016

Table Games	Units at Year End	Table Promo Spend	Table Drop	Table AGR	Actual Hold %	Payout %
	125	\$5,299,520	\$499,772,026	\$96,336,143	19.28%	80.72%
Slots	Units at Year End	Slot Promo Spend	"Coin In"	Slot AGR	Actual Hold %	Payout %
	1,683	\$23,636,509	\$1,471,947,531	\$114,114,033	7.75%	92.25%

Total AGR For FY 2016 \$210,450,176

Notes:

1. The listed payout percentage for slots is not the theoretical hold, but the actual payout average for the period.
2. Promotional play is included in "coin in" and "table drop" figures.
3. "AGR" is adjusted gross revenue and means the money received by the casino operator less winnings paid to patrons and less promotional spend.
4. Non-licensed employees include non-gaming positions such as food and beverage staff as well as custodial personnel.
5. Horseshoe Cleveland became JACK Cleveland Casino on May 11. The casino closed for approximately 40 hours during the transition.

**GROSS CASINO REVENUE FISCAL YEAR 2016
(JULY 1, 2015 - JUNE 30, 2016)**

STATEWIDE TOTALS				
Table Game	Table Promo Spend	Table Drop	Table AGR	
	\$14,534,466	\$1,314,634,836	\$264,235,906	
Slots	Slot Promo Spend	"Coin In"	Slot AGR	
	\$94,232,006	\$6,572,243,990	\$552,942,415	

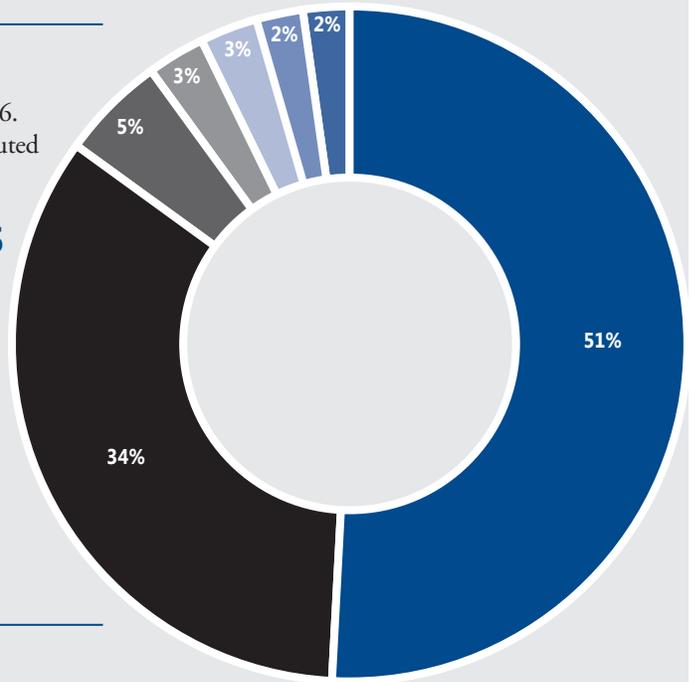
Total Statewide For FY 2016: \$817,178,322

DISTRIBUTION OF GROSS TAX RECEIPTS

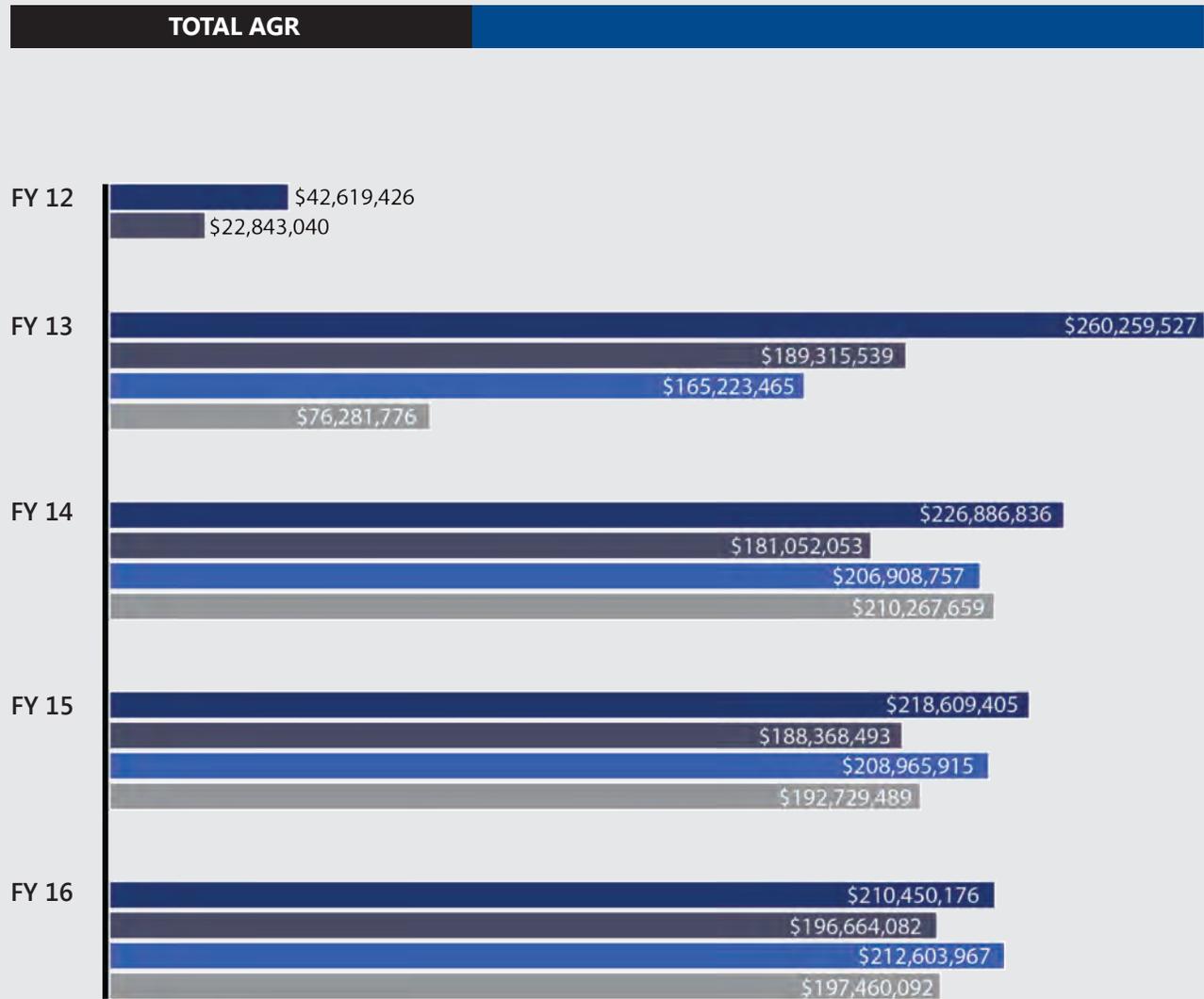
Gross casino revenue is taxed at 33 percent. The total allocated amount is based on tax collections received during fiscal year 2016. However, the tax collections from the fourth quarter were distributed in July 2016, after the close of the fiscal year.

Total Deposits for FY 16: \$270,376,945

- County Fund (51%): \$137,892,242
- Student Fund (34%): \$91,928,161
- Host City Fund (5%): \$13,518,847
- Ohio State Racing Commission Fund (3%): \$8,111,308
- Casino Control Commission Fund (3%): \$8,111,308
- Law Enforcement Training Fund (2%): \$5,407,538
- Problem Gaming & Addictions Fund (2%): \$5,407,538



COMPARISON OF ADJUSTED GROSS CASINO REVENUE BY FISCAL YEAR



● JACK Cleveland Casino

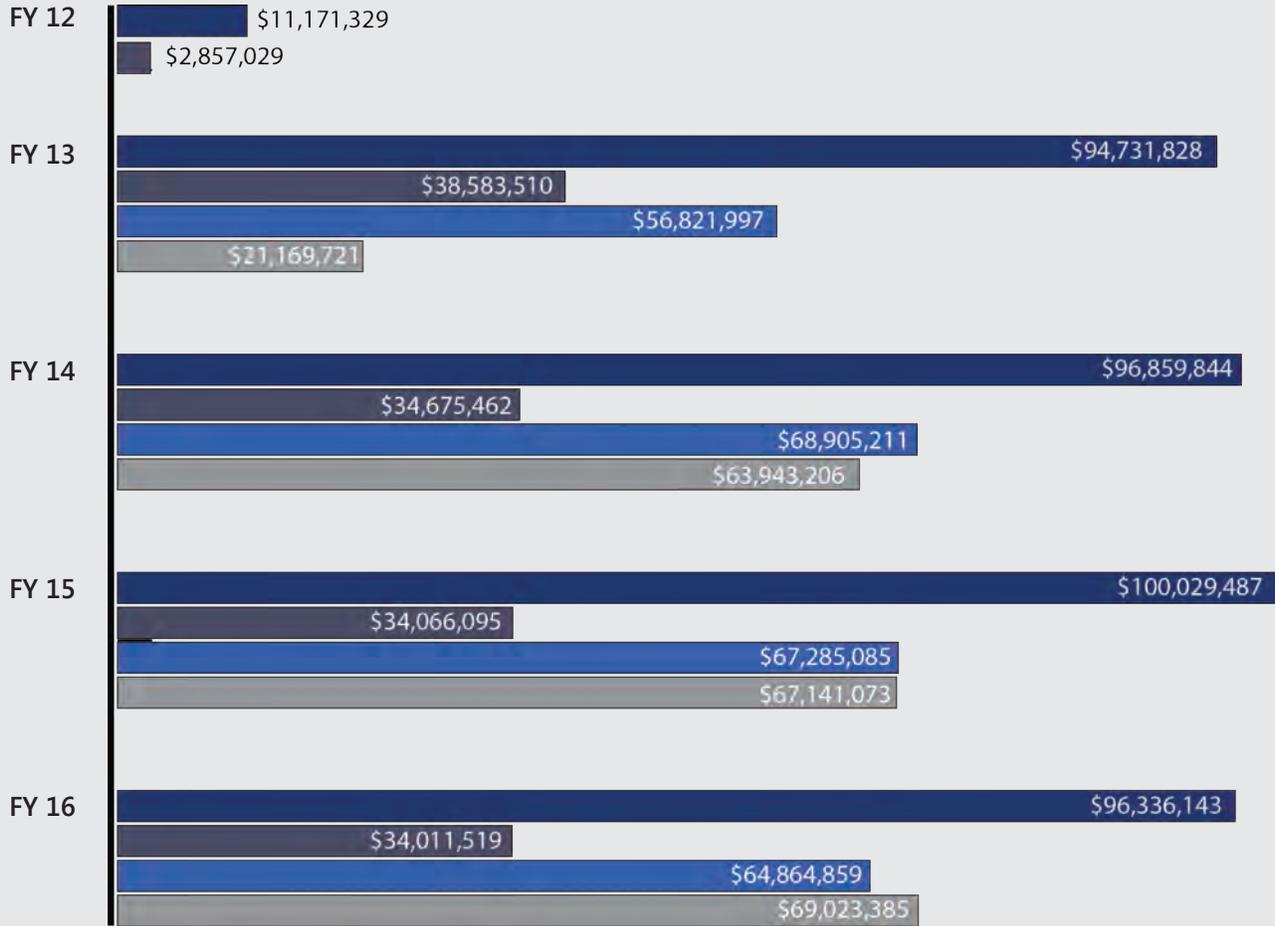
● Hollywood Casino Toledo

● Hollywood Casino Columbus

● JACK Cincinnati Casino

COMPARISON OF ADJUSTED GROSS CASINO REVENUE BY FISCAL YEAR

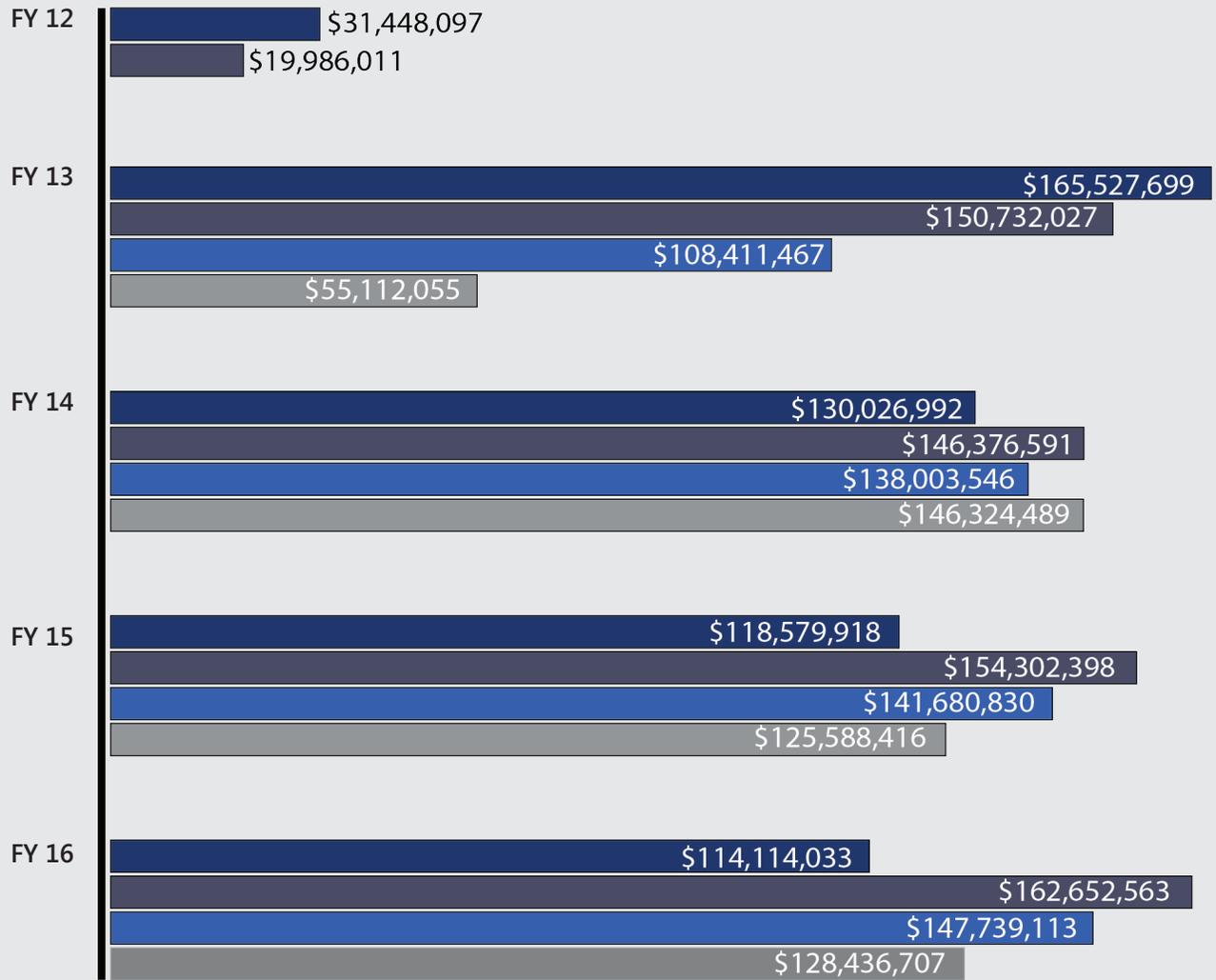
TABLE GAMES AGR



- JACK Cleveland Casino
- Hollywood Casino Toledo
- Hollywood Casino Columbus
- JACK Cincinnati Casino

COMPARISON OF ADJUSTED GROSS CASINO REVENUE BY FISCAL YEAR

SLOT MACHINES AGR



- JACK Cleveland Casino
- Hollywood Casino Toledo
- Hollywood Casino Columbus
- JACK Cincinnati Casino

**OHIO CASINO CONTROL COMMISSION FUND BALANCE REPORT
FISCAL YEAR 2016 ACTUAL**

REVENUE

TAX	ACTUAL
Gross Casino Tax	\$7,997,248
Total Tax*	\$7,997,248

LICENSE FEES	ACTUAL
Operators Fees	\$4,500,000
Vendors Fees	\$265,500
Key Employees Fees	\$434,513
Gaming Employees Fees	\$886,416
Total License Fees	\$6,086,429

TOTAL ALL REVENUE	\$14,083,677
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BEGINNING APPROPRIATION \$12,558,438

OCCC PERSONNEL EXPENSES	ACTUAL
Wages & Benefits	\$8,826,726
Total Personnel Expenditures	\$8,826,726

OCCC OPERATIONAL SUPPORT EXPENSES	ACTUAL
Administrative Hearings	\$152
Rent	\$237,064
Research and Investigations	\$0
Purchased Personal Services	\$109,609
Supplies	\$158,775
Equipment	\$190,755
Travel	\$145,156
Training	\$17,584
Total Operating Expenditures	\$859,095

OTHER EXPENSES AND TRANSFERS	ACTUAL
Intrastate Payments	\$558,555
Total Other Expenditures	\$558,555

TOTAL ALL EXPENSES AND TRANSFERS	\$10,244,376
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ENDING APPROPRIATION BALANCE	\$2,314,062
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*Gross Casino Tax Revenue Total does not include the FY 2016 fourth quarter disbursement.



