

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – July 18, 2012
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission was called to order at 10:10 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Ranjan Manoranjan, Peter Silverman, John Steinhauer, and June Taylor were also in attendance. Commissioner Martin Hoke had an excused absence. The minutes of the June 20, 2012 meeting were approved following a motion by Commissioner Steinhauer and seconded by Commissioner Taylor.

A progress report on the Horseshoe Casino Cincinnati was given by Kevin Kline, General Manager. Mr. Kline introduced Chris Albrecht, Assistant General Manager, and Lisa Rexroat Steele, Vice President of Human Resources. The Horseshoe Cincinnati is on schedule to open in the Spring of 2013, and the first employment applications will be accepted in September.

Executive Director Matt Schuler began his report with the introduction of the newly appointed Director of Communications, Tama Davis, who will commence employment with the Commission on July 23. Mr. Schuler reported on a Memorandum of Understanding with the Ohio Racing Commission and the Ohio Lottery Commission for the sharing of information that both agencies need for their licensing functions.

Chris Storcella, OCCC staff, reviewed licensing statistics, reporting 2,307 gaming employee licenses issued to date, and 13 gaming related vendor licenses. Additional licenses are pending. Applications for gaming employee licenses for the Columbus Hollywood Casino have been received as well. Chair Davidson and Executive Director Schuler gave brief remarks thanking Mr. Storcella for his service to the OCCC, as he is leaving the OCCC to return to New Jersey.

Patrick Martin, OCCC staff, outlined how revenue information is received, reviewed, and verified by the Division of Regulatory Compliance's financial auditors. He also reported that slot machine deliveries are occurring in Columbus and the oversight and review of that procedure is ongoing. Mr. Martin explained that reconciliations are performed on a daily basis by the casinos and the OCCC on-site staff. Chair Davidson reminded Commissioners that distribution of revenue by the Department of Taxation to some entities will occur thirty days after the end of each calendar quarter.

Commissioner Silverman said that although he is not interested in monthly profit and loss statements from the casinos, he is interested in a "red flag" if something occurs that may threaten the long-term financial viability of a casino. Mr. Martin stated that OCCC is comfortable that the best practices of forensic auditing are being used. In addition to ongoing monitoring of the casinos, they are required to be independently audited and submit that information to the OCCC.

Karen Huey, OCCC staff, provided an update on the activities of the Enforcement Division. Cases involving seven individuals who were indicted for cheating in Cleveland, are working their way through the judicial system. Notices of available gaming agent positions at the Columbus casino have been posted and hundreds of applications are being reviewed. Training for the new agents will begin in September. A case management system is being developed to coordinate all enforcement incidents.

Laura Clemens, OCCC staff, reviewed statistics for the Problem Gambling program Hotline and reported that 55 applications have been received for the Voluntary Exclusion Program. A Memorandum of Understanding has been adopted by OCCC and the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) regarding their collaboration on the use of revenue in the Problem Gambling and Addictions Fund.

Noah Browning, OCCC staff reviewed the FY 2012 agency budget and estimates for FY 2013. It was noted that agency budget proposals for the 2014-2015 biennium are due to the Office of Budget and Management in mid-September. Chair Davidson expressed the need for the OCCC to budget cautiously because casino application fees were a one-time income, casino revenue is not yet predictable, and renewals will not be made for three years.

Commission Rules for Initial Filing were presented to the Commission by Patrick Martin. A motion to approve new OAC rules 3772-9-12 Game Authentication, and 3772-9-13 Redemption Kiosks, for initial filing, was made by Commissioner Taylor, seconded by Commissioner Brown and approved.

Commissioner Manoranjan made a motion to approve the filing of revisions to the following OAC Rules:

- 3772-9-05 Transportation of slot machines to and from a casino facility.
- 3772-10-05 Forms, records, and documents.
- 3772-10-18 Table drop boxes and slot bill validator canisters: physical requirements and transportation.
- 3772-10-28 Amendments to internal control plans.
- 3772-11-11 Chip specifications.
- 3772-11-13 Primary, secondary, and reserve sets of gaming chips.
- 3772-1-42 Poker room; banks and transactions.

The motion was seconded by Commissioner Taylor and approved.

Commissioner Taylor made a motion to approve Commission Resolution 2012-65, granting plenary licenses to eleven key employees of Hollywood Casino Toledo. These employees had been granted provisional licenses on May 23, 2012. Commissioner Brown seconded the motion and the Resolution was approved.

Commissioner Taylor made a motion to approve Commission Resolution 2012-66, granting plenary licenses to seven key employees of Tech Art Inc. These employees had been granted

provisional licenses on May 9, 2012. Commissioner Brown seconded the motion and the Resolution was approved.

Commissioner Taylor made a motion to approve Commission Resolution 2012-68, granting plenary licenses to two key employees who were recently hired. They had been granted provisional licenses through the delegated authority of the Executive Director. Commissioner Brown seconded the motion and the Resolution was approved.

Commissioner Brown made a motion to approve Commission Resolution 2012-67, granting a gaming-related vendor license to Atlantic City Coin and Slot Service Company, Inc. Embodied in the Resolution are plenary key employee licenses for seven ACS employees, and a provisional license for Sean Evans, a new employee, pending completion of a background investigation. Commissioner Taylor seconded the motion and the Resolution was approved.

Deputy Director John Barron reviewed numerous proposed Final Orders of the Commission, on actions involving gaming employee licenses. Commission approval was sought for final orders to deny licenses and close the files of ten individuals who chose not to ask for a hearing when issued notice of intent to deny. Commissioner Silverman made a motion to approve, seconded by Commissioner Taylor. The motion carried. Approval was also requested for a revocation order for an individual who had received a gaming employee license and was working, but upon notice of action by OCCC, chose not to request a hearing. Commissioner Silverman made a motion to approve the revocation order, seconded by Commissioner Manoranjan. The motion carried. Mr. Barron then asked for Commission approval of a settlement in a case involving a key employee license applicant. Commissioner Silverman made a motion to approve the settlement, seconded by Commissioner Brown. The motion carried.

Craig Donahue, OCCC staff, presented changes being proposed to the Internal Controls of Hollywood Casino Toledo. They include changes to the Key Control Plan, and the inclusion of the required Anti-Money Laundering Program. A motion to approve the proposed changes was made by Commissioner Silverman. The motion was seconded by Commissioner Brown and approved.

Executive Director Schuler made a recommendation to the Commission that the Hollywood Casino Columbus open October 8, 2012, with a controlled demonstration occurring during the week prior to October 8th. By a voice vote, the Commission agreed with the recommendation.

Chair Davidson noted that the next regular meeting of the Commission will be on Wednesday, August 15, 2012. The September meeting of the Commission will be held on Wednesday September 12, 2012. There being no further business before the Commission, the meeting was adjourned at 12:05 p.m.

Signed: Katherine L. Kelly
Commission Clerk