

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – August 20, 2014
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 10:16 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. The minutes of the July 16, 2014 meeting were approved following a motion by Commissioner Taylor, seconded by Commissioner Lucas.

Executive Director Schuler began his report by noting that the purchasing and consolidation of licensed gaming-related vendors is continuing with the recently announced acquisition of Bally Gaming Inc. by Scientific Games Corporation.

Mr. Schuler acknowledged Derrick Bush and Beti Messer, OCCC Auditors at the Hollywood Columbus Casino, who will be leaving the OCCC at the end of the month. He then introduced Patrick Martin, OCCC Director of Regulatory Compliance to give an update on his division. Mr. Martin also noted the contributions of the departing auditors and told the Commission that Shane Johnson will be covering for those auditors, making certain daily tasks are completed while the OCCC works to fill the vacant positions. Due to scheduled gaming agent training, numerous OCCC Gaming Agents, Investigators and Supervisors were in attendance at the meeting. Mr. Schuler introduced those present.

Matt Oyster, OCCC Deputy General Counsel, gave the Commission an overview of the authority and obligation of the OCCC as it relates to illegal gaming operations. Mr. Oyster noted that much illegal gaming activity occurs in Ohio and the OCCC Gaming Agents have worked and continue working with local law enforcement agencies to complete criminal investigations regarding these operations. Ohio law prohibits the payout of any cash and cash equivalent prizes, so those operations making any such payments are in violation. The OCCC is collecting and compiling all information received regarding illegal gaming operations.

In reviewing the quarterly fiscal report for the Commission, Executive Director Schuler explained that revenue for the first month of Quarter 1 of fiscal year 2015 shows \$450,000 less in tax revenue than the OBM estimate. Because of this, spending growth is currently projected at zero. Any expenditure shortfall resulting from the lowered revenue to date has been covered by higher-than-expected licensing revenue. Original revenue estimates were made in September of 2012 with only two casinos and one racino open. Estimates developed with all four casinos open and in full operation and including numerous racinos are expected to be more accurate. Executive Director Schuler also reported that licensing fees have been held in reserve so that anticipated personnel costs can be covered. Executive Director Schuler will be presenting the FY 2016-2017 biennial budget request at the September Commission meeting, prior to its required submission to the Office of Budget and Management.

Chair Davidson noted that the Director of the Department of Mental Health and Addiction Services will be attending the September Commission meeting to discuss funding for treatment programs.

Tony Forchione, OCCC Director of Licensing and Investigation, presented for consideration by the Commission the application of five individuals for key employee licenses. The OCCC Division of Licensing and Investigation had completed background investigations of the applicants and the reports had been distributed. Mr. Forchione recommended approval of Commission Resolution 2014-14, granting three-year key employee licenses to Ram Chary, Global Cash Access, Inc.; Mark Dunkeson, Rock Gaming LLC; Efrain Perez, Horseshoe Casino Cincinnati; Randy Taylor, Global Cash Access, Inc.; and Richard Vadovski, Horseshoe Casino Cleveland. A motion to approve the Resolution was made by Commissioner Manoranjan. The motion was seconded by Commissioner Brown and approved.

Also submitted for consideration by the Commission, were two applications for provisional key employee licenses. Commission Resolution 2014-15, granting a 90-day provisional license to Scott Lokke, Assistant General Manager, Horseshoe Cleveland Casino, was presented in a motion by Commissioner Taylor. The motion was seconded by Commissioner Brown and approved. Commission Resolution 2014-16, granting a 90-day provisional license to Justin Carter, Assistant General Manager, Horseshoe Casino Cincinnati, was presented in a motion by Commissioner Brown. The motion was seconded by Commissioner Taylor and approved.

Chair Davidson recognized Marcus Glover, General Manager of Horseshoe Cleveland Casino, for the purpose of introducing two Horseshoe Cleveland staff members in attendance, Abby Smith, temporary Regulatory Compliance manager, and Scott Lokke, Vice President and Assistant General Manager. The Chair then recognized Robert Wamsley, Regulatory Compliance Manager at Horseshoe Cincinnati Casino, who introduced their new Assistant General Manager, Justin Carter. Also introduced to the Commission by Dan Reinhard, Vice President of Legal and Government Affairs for Rock Gaming, was Mark Dunkeson, President and COO of Rock Gaming LLC.

Craig Donahue, OCCC Manager of Audits, presented amendments to Internal Controls being sought by each casino. All of the proposed changes had been reviewed and recommended by the OCCC staff.

- Hollywood Columbus Casino requested changes to its Accounting, Player Services, and Information Technology plans. Commissioner Taylor made a motion to approve the changes. The motion was seconded by Commissioner Hoke and approved.
- Hollywood Toledo Casino requested changes to its Accounting, Player Services, Responsible Gaming, Security, and Table Games plans. Commissioner Taylor made a motion to approve the changes. The motion was seconded by Commissioner Lucas and approved.
- Horseshoe Cincinnati Casino requested changes to its Anti-Money Laundering and Table Games plans. A motion to approve the proposed changes was made by Commissioner Manoranjan. The motion was seconded by Commissioner Brown and approved.
- Horseshoe Cleveland Casino requested changes to its Cage, Slots, and Table Games plans. A motion to approve the proposed changes was made by Commissioner Hoke. The motion was seconded by Commissioner Taylor and approved.

John Barron, OCCC Deputy Executive Director and General Counsel, presented a settlement agreement between the OCCC and ROC Finance LLC. Mr. Barron briefly reviewed the issues leading to the

settlement. During an investigation of ROC Finance's February 2014 proposed FF&E debt transaction, violations of the conditions of approval of a prior debt transaction were discovered. After a notice of violation was issued, a hearing was waived and the agreement was reached. The settlement agreement proposed to the Commission included a fine of \$200,000 and the implementation of remedial measures by ROC Finance. A motion to approve the proposed settlement agreement was made by Commissioner Brown. Commissioner Lucas seconded the motion which was given unanimous approval.

John Barron, OCCC Deputy Executive Director and General Counsel, presented four final orders to the Commission for consideration:

In re: Allen Jones, (Case # 2014-LIC-016), a hearing was requested. Chair Davidson made a motion to approve and adopt the Report and Recommendation of the hearing examiner without modification to revoke licensure for Allen Jones. The motion was seconded by Commissioner Hoke and approved.

In re: Rebecca Priest, (Case # 2014-LIC-015). Mr. Barron explained that a hearing was requested following a notice of revocation of the gaming employee license due to a failure to report a criminal offense. The hearing examiner recommended revocation. OCCC staff concurred in this recommendation, but requested modification of certain legal conclusions and the addition of two justifications that supported revocation. Chair Davidson made a motion to approve and adopt the Report and Recommendation of the hearing examiner with the requested modifications. The motion was seconded by Commissioner Brown and approved.

In re: Teshena Ackerman, (Case # 2014-LIC- 020), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Manoranjan and approved.

In re: Kerry Lemons, (Case #2014-LIC-022), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Hoke and approved.

There being no further business before the Commission, the meeting was adjourned at 11:30 a.m.

Signed,
Katherine L. Kelly
Commission Clerk

Approved: September 17, 2014