

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – February 12, 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 10:12 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 January 15, 2014 meeting were approved following a motion by Commissioner Manoranjan, seconded by Commissioner Lucas.

Executive Director Schuler began his report to the Commission noting that once again, severe weather and the implementation of a Level 3 snow emergency had forced the closure of Hollywood Toledo Casino overnight on February 4. The casino kept a security, surveillance, maintenance and IT crew on hand and the Casino Control Commission was kept informed of the situation.

In reviewing materials previously distributed to Commission members, Schuler explained that one of the licensed gaming-related vendors, Spielo Corporation, is taking on the name of their parent company and is now known as G-Tech. Also noted was the inclusion of a chart breaking down licensed casino employees by location. The total number of licensed versus employed individuals differs due to several factors: some license holders have chosen to leave casino employment; others were brought in to assist with the opening of casinos or with poker tournaments, but do not currently work in Ohio; a smaller number of license holders have transferred employment to a racino or have been terminated. Mr. Schuler reminded Commission members that the employee gaming license holder is under legal obligation to notify the Commission of any change that would affect their license. Additionally, the Commission uses the Attorney General's "Rapback" program. Rapback is a short-hand reference to the Retained Applicant Fingerprint Database program of the Bureau of Criminal Identification and Investigation to which the Commission subscribes. Rapback monitors applicants and licensees who have been entered into their database and provides information on any offenses or actions related to the applicant. The Commission can use that information in determining the individual's eligibility to obtain or retain a license issued by the agency.

Executive Director Schuler continued his report by highlighting the annual Problem Gambling Conference, which OCCC co-sponsors, scheduled for March 4th and 5th.

In his review of fiscal matters, Schuler reported that Commission revenues continue to be above expectations because of license fees, and expenses less than expected. Reflecting the statutory requirement for internal audits incumbent upon the Commission, staff has initiated contact with the Ohio Office of Internal Audits and its Director, Joe Bell. Mr. Bell was present at the meeting and offered a brief explanation of the services provided by his office. The Office of Internal Audits is an independent arm of the state Office of Budget and Management and can be contracted with for the performance of audits. Mr. Bell explained that the office would provide an annual review meeting with Commission members and staff to identify risk, perform a financial and technological review, and create a plan for any recommended changes. Details of the audit services that would be provided by the Office of Internal Audits would be worked out in a Memorandum of Understanding. Executive Director Schuler said his goals for this type of audit would be a declaration that the Commission is adhering to the statute and following best practices in all areas.

Michelle Siba, OCCC Assistant General Counsel, reviewed for the Commission a proposed new administrative rule and amendments to existing rules, for initial approval. Administrative rules 3772-12-02 and 3772-19-02 will be combined with rules approved last month to begin the CSI process. Once complete, those rules and 3772-12-03 will begin the JCARR rule review procedure. The rules to be considered are:

3772-12-02 Application for voluntary exclusion. (Amendment to Appendix)

3772-12-03 Responsibilities of voluntarily excluded individual. (Amendment)

3772-19-02 Surveillance plan (New)

Commissioner Taylor made a motion to approve the rules for initial filing. The motion was seconded by Commissioner Lucas and approved.

Tony Forchione, Director of Licensing and Investigations, presented to the Commission for consideration, the gaming related vendor license application of Elektroncek D.D. and Interblock USA LC and the required information and documents required of their holding company, Elektroncek Group B.V. Elektroncek D.D. is a wholly-owned subsidiary of Elektroncek Group, and Interblock USA LC is a wholly-owned subsidiary of Elektroncek D.D. Rick Welsh, a member of the Compliance Committee for Elektroncek explained that they are a maker of electronic table games. Mr. Forchione reported that the background investigation of these entities is complete and OCCC staff recommends adoption of Resolution 2014-03, which would grant three year Gaming-Related Vendor Licenses to Elektroncek D.D. and Interblock USA LC, find Elektroncek Group B.V. suitable as a holding company, and grant Key Employee licenses to the required directors, officers and employees of Elektroncek and Interblock.

Commissioner Brown made a motion to approve Commission Resolution 2014-03. The motion was seconded by Commissioner Hoke and the Resolution was adopted.

Tony Forchione, OCCC Director of Licensing and Investigations, presented to the Commission for consideration, the applications from two individuals for Key Employee licenses. The Division of Licensing had reviewed the applications and recommended their approval. Commissioner Taylor made a motion to approve Resolution 2014-04, granting three-year Key Employee Licenses to Jamie Brown, Horseshoe Cleveland Casino, and Timothy Wilbur, Horseshoe Cleveland Casino.

The motion was seconded by Commissioner Manoranjan and the Resolution was adopted.

Patrick Martin, Director of Regulatory Compliance, presented amendments to Internal Control plans being requested by Hollywood Casino Columbus, Hollywood Casino Toledo, Horseshoe Casino Cincinnati and Horseshoe Casino Cleveland. Mr. Martin introduced Jessica Lake, the newest financial auditor in the Toledo office and explained to the Commission that much of the work of reviewing the proposed amendments is done at the OCCC casino offices. OCCC staff has worked with the casinos on their Internal Control amendment requests and recommended their approval.

- Hollywood Casino Columbus sought changes to its Player Services Plan, Marketing Plan, and Table Game Rules. Commissioner Hoke made a motion to approve the changes. The motion was seconded by Commissioner Lucas and approved.
- Hollywood Casino Toledo requested changes to its Player Services, Slots, and Table Games plans. Commissioner Brown made a motion to approve the changes. The motion was seconded by Chair Davidson and approved.
- Horseshoe Casino Cincinnati requested changes to its Cage plan. Commissioner Taylor made a motion to approve the changes. The motion was seconded by Commissioner Brown and approved.

- Horseshoe Casino Cleveland sought changes to its Redemption Kiosk controls, Accounting Department and Promotional Staffing, Sensitive Keys list and Card Dealing procedures. Commissioner Hoke made a motion to approve the changes. The motion was seconded by Commission Manoranjan and approved.

John Barron, OCCC Deputy Executive Director and General Counsel, reviewed the contents of a Settlement Agreement that was before the Commission. During a routine audit, credit authorization problems were discovered at Cincinnati Horseshoe Casino that violated agency rules and the casino's internal controls. A Notice of Violation was issued detailing the problems and giving the Casino the opportunity for a hearing. A hearing was not requested and a settlement agreement was developed admitting the violations, and agreeing to the sanctions. Remedial action is also required. Commission members received the Settlement Agreement for review in advance of the Commission meeting. Mr. Barron recommended approval of the Settlement agreement. Chair Davidson said the Commission will look to OCCC staff for any recommended changes to casino regulations in the area of credit authorization. Commissioner Steinhauer made a motion to approve of the Settlement Agreement between the Ohio Casino Control Commission and Cincinnati Horseshoe Casino. The motion was seconded by Commissioner Hoke and approved.

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

In re: James Boyle, III, (Case #2013-058). A hearing was requested. The Hearing Examiner recommended the Commission revoke the individual's Casino Gaming Employee License. Chair Davidson made a motion to approve and adopt the Report and Recommendation without modification. The motion was seconded by Commissioner Taylor and approved.

In re: Roneise Bush-Edwards, (Case #2013-073). Ms. Bush-Edwards did not request a hearing. Chair Davidson made a motion to deny the Casino Gaming Employee license application for Ms. Bush-Edwards. The motion was seconded by Commissioner Hoke and approved.

Executive Director Schuler explained to the Commission a need to provide an update on the regulation of "skill games" in Ohio. Skill games, or "skill based amusement machines" under Ohio law can provide merchandise prizes worth no more than \$10. Currently, one line in Ohio's casino law gives OCCC regulatory control over skill games but OCCC has no regulatory or enforcement tools to oversee these businesses. Matt Oyster, Deputy General Counsel, reviewed the black letter law on skill games for the Commission. Prior to adjournment, Chair Davidson noted that February marks the third anniversary of the existence of the Ohio Casino Control Commission.

There being no further business before the Commission, the meeting was adjourned at 11:57 a.m.

Signed,

Katherine L. Kelly
Commission Clerk
Approved: March 19, 2014