

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – January 17, 2018
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (OCCC) was called to order at 10:14 a.m. by Vice-Chair Davidson. Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. Chair June Taylor had an excused absence. The minutes of the December 13, 2017 meeting were approved following a motion by Vice-Chair Davidson, seconded by Commissioner Slaby.

Executive Director Schuler began his report announcing two staff changes. Rick Anthony has been named as the new Deputy Executive Director, in addition to his Director of Operations responsibilities. Additionally, Matthew Oyster was recently made General Counsel, in addition to his Director of Licensing and Investigations designation.

Next Mr. Schuler turned his report to Mr. Anthony to present a review of the Commission's budget. Mr. Anthony reported a 2.6% revenue increase, with taxes coming in above estimates. CGE license fees were over estimates due to renewal license application fees received from the recent Toledo and Cleveland renewal licensing events. Wages and benefit expenditures continue to be below estimates, due to current vacancies. Once postings are up for skill games positions, this category is anticipated to be back on track for meeting estimates. Equipment is anticipated to increase due to both the recent Cleveland office move, and the future main office move. Mr. Anthony reported that the Commission's main office's tentative move date is from February 16th to February 19th, and the Commission is currently finalizing contracts with necessary vendors.

Finally, Mr. Schuler noted that House Bill 132, which gives the Commission jurisdiction over daily fantasy sports contests in Ohio, including the authority to license, regulate, investigate, and penalize, will become effective in March. Once effective, the Commission will begin working on a regulatory framework following the model the Commission followed when it drafted rules for casinos. The first batch of rules is anticipated in late spring.

Mr. Oyster presented to the Commission for consideration Key Employee Licenses for five individuals. The OCCC Division of Licensing and Investigations completed background investigations of the applicants and recommended approval of Commission Resolution 2018-01, granting three-year key employee licenses to Michael Bender, JACK Cleveland Casino, John Connelly, Interblock USA L.C., Adam Leuschen, JACK Cleveland Casino, Howard Luckoff, JACK Ohio LLC, and Derik Mooberry, Scientific Games Corporation. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Manoranjan and approved.

Next, Andromeda Morrison, Director of Skill Games, presented to the Commission four rules for final filing. Ms. Morrison explained that the Commission initially approved proposed rules 3772-50-21, 3772-50-22, 3772-50-23, and 3772-50-24 at the April 19, 2017 public meeting. After receiving initial approval of the rules, Commission staff filed the rules and a Business Impact Analysis with the Common Sense Initiative Office (CSIO). The CSIO was noted to have reviewed and subsequently authorized the Commission to proceed with filing the new rules with the Joint Committee on Agency Rule Review. Ms. Morrison noted that the final filing of these rules will enable staff to begin reviews of independent skill-based amusement machine testing laboratories that seek certification under the proposed rules. The remaining rules pertaining to the Commission's oversight of skill-based amusement machines will be submitted for final approval at the March 2018 public meeting. Commissioner Steinhauer made a motion to adopt Commission Resolution 2018-02, approving final filing of the rules. The motion was seconded by Commissioner Brown and approved.

Chris Fleenor, Manager of Electronic Gaming, presented to the Commission for consideration, the renewal certification of two independent testing laboratories. Pursuant to R.C. 3772.31(B) and Ohio Adm. Code 3772-15, the Commission is required to certify independent testing laboratories every three years to scientifically test and technically evaluate all slot machines, mechanical, electromechanical, or electronic table games, slot accounting systems, and other electronic gaming equipment. Independent testing laboratories, BMM North America, Inc. (BMM) and Gaming Laboratories International, LLC, (GLI) have applied for renewal of their certifications. Commission staff completed an investigation to assess BMM's and GLI's capability to provide information and services to the Commission in accordance with Ohio Admin. Code 3772-15. Commission staff concluded BMM and GLI have met the requirements for certification and recommended approval of Commission Resolutions 2018-03 and 2018-04, granting the renewal of BMM's and GLI's independent testing laboratory certification. Commissioner Brown made a motion to adopt Commission Resolution 2018-03, approving the renewal of BMM's three-year independent testing laboratory certification. The motion was seconded by Commissioner Lucas and approved. Commissioner Steinhauer made a motion to adopt Commission Resolution 2018-04, approving the renewal of GLI's three-year independent testing laboratory certification. The motion was seconded by Commissioner Slaby and approved.

Amanda Blackford, Manager of Problem Gambling, and Chelsea Castle, Compliance Auditor, presented to the Commission for their consideration, a waiver request from Hollywood Casino Columbus (HCO) and amendments to Internal Controls being requested by HCO, Hollywood Casino Toledo (HCT), JACK Cincinnati Casino (JCI), and JACK Cleveland Casino (JCL). With respect to all four casino operators' responsible gaming plans, Ms. Blackford noted the removal of the supplemental information displayed in attachments and exhibits, due to this information requiring frequent changes. The identified information would remain available for Commission review with future changes subject to the approval of the Executive Director or their designee. All of the proposed changes to the responsible gaming plans, including the authorization of the Executive Director or their designee to approve the supplemental information, and the other internal control plans described below had been reviewed and recommended by the OCCC staff.

- HCO requested a waiver to Ohio Admin. Code 3772-10-03(B)(7) to allow the Revenue Audit Department to report to the Director of Planning and Analysis instead of the Director of Finance.

Both Director positions report to the VP of Finance and will be key licensed. In addition to its Responsible Gaming plan, HCO also sought to amend its General, Accounting, Player Services/Cage, Slots, Surveillance, Table Games, and Anti-Money Laundering (AML) plans. Notably, the Accounting plan was updated to reflect that the Revenue Audit Manager reports to the Director of Planning and Analysis according to the waiver request. Additionally, changes were made to the organizational chart and position descriptions in the Surveillance Department with a temporary internal control change that was approved by the Executive Director on December 22, 2017. Finally, HCO requested changes to its AML plan to clarify and add procedures, change descriptions and references, and align with the HCT plan. Commissioner Slaby made a motion to approve the waiver. The motion was seconded by Commissioner Manoranjan and approved. Commissioner Brown made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.

- In addition to its Responsible Gaming plan, HCT requested amendments to its Accounting, Cage, and AML plans. Changes to the Accounting and Cage plans consist of updates to job position titles. The Executive Director approved an immediate internal control change to the Accounting organizational chart and position descriptions on December 22, 2017. HCT also made changes to its AML plan to adjust AML procedures and align with the HCO plan. Commissioner Manoranjan made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- In addition to its Responsible Gaming plan, JCI sought to amend its Cage, Table Games, Vendor Certification, and AML plans. JCI removed the player banking language from Commission Free Face Up Pai-Gow Poker as player banking is not offered. JCI is also making changes to its AML plan to strengthen procedures in the “know your guest” policy. Commissioner Slaby made a motion to approve the proposed changes. The motion was seconded by Commissioner Manoranjan and approved.
- In addition to its Responsible Gaming plan, JCL sought to amend its Cage, Table Games, Promotions, Vendor Certification, and AML plans. Notably, JCL is making the same change to its Table Games plan that JCI made at last month’s meeting, to replace the Firebet pay table for craps. The replacement would add an additional way to win and change other payout amounts in the pay table. JCL is also requesting similar AML plan changes as those seen in the JCI request. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Slaby and approved.

Next, Mr. Oyster presented to the Commission three final orders for consideration:

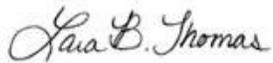
In re: Monica Floyd (case #2017-LIC-052). Vice-Chair Davidson made a motion to deny the CGE License Application for Monica Floyd. The motion was seconded by Commissioner Lucas and approved.

In re: Antoine Gurley (case #2017-LIC-035). Vice-Chair Davidson made a motion to approve and adopt the Report and Recommendation without modification to deny the CGE License Application for Antoine Gurley. The motion was seconded by Commissioner Steinhauer and approved.

In re: Terra Similien (case #2017-LIC-059). Vice-Chair Davidson made a motion to deny the CGE License Application for Terra Similien. The motion was seconded by Commissioner Lucas and approved.

There being no further business before the Commission, the meeting was adjourned.

Signed,

A handwritten signature in cursive script that reads "Lara B. Thomas".

Lara B. Thomas

Commission Secretary

Approved: February 21, 2018