

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10:00 A.M. – March 20, 2019

JO ANN DAVIDSON HEARING ROOM

100 E. BROAD STREET, 20TH FLOOR

COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:05 a.m. by Vice-Chair Jo Ann Davidson. Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, and John Steinhauer were also in attendance. Chair June Taylor and Commissioner Lynn Slaby had excused absences. The minutes of the February 20, 2019 meeting were approved following a motion by Commissioner Manoranjan and seconded by Commissioner Brown.

Executive Director Matthew Schuler began his report with a legislative update regarding sports betting. Legislation that would permit sports wagering in Ohio was recently introduced by State Senators John Eklund and Sean O'Brien. Senate Bill 111 (SB 111) would allow wagers to be made at Ohio's casino and racino facilities, as well as through mobile or digital platforms. The industry would be regulated by the Commission, with revenues being directed to the state's General Revenue Fund. The bill proposes a \$100,000 fee for a five-year license for management service providers. SB 111 has not yet been assigned to a committee for further discussion, and the House is currently drafting its own version of a sports wagering bill. The Commission will continue to act as a resource for policymakers as they debate the bill.

Next, Mr. Schuler provided the Commission with an enforcement update. Senate Bill 141 of the 130th General Assembly added a penalty for structuring to the enforcement section of the Casino Control Law. Structuring aka "smurfing," is the act of parceling a large financial transaction into a series of smaller transactions to avoid triggering reports required by the United States' Bank Secrecy Act (BSA). This is often a sign of money laundering. The Cuyahoga County Grand Jury recently indicted two individuals for one count each of felony structuring and complicity. The indictment was a result of the Commission's investigation revealing the individuals were feeding large amounts of money into slot machines, without play, and then cashing out the accumulated balances at the nearest ticket redemption kiosk. Both individuals are currently scheduled for arraignment on March 28th.

Mr. Rick Anthony, Deputy Executive Director and Director of Operations, then provided a budget update. Mr. Anthony reported that the Commission remained on track for both revenue and expenses. Skill-Games fee revenue continued to be below estimates due to the newly lowered fees. An increase in equipment expenditures was seen due to the Commission's re-evaluation and upgrade of necessary enforcement equipment, including firearms. Mr. Anthony further reported that the Governor had recently submitted the Executive Budget for fiscal years 2020-2021, and the Commission is currently awaiting its turn to provide budget testimony.

Lastly, Mr. Schuler ended his report with Amanda Blackford, Manager of Problem Gambling, providing a problem gambling update. Ms. Blackford reported the new joint voluntary exclusion program (VEP)

between the Commission and the Lottery Commission successfully launched on March 1st. The joint VEP allows Ohioans to ban themselves from all casinos and racinos simultaneously. The new VEP was received positively, with 100 new participants being added on the first day, with participants being seen at each of the facilities. Ms. Blackford noted the Commission's gaming agents handled the transition to the new joint VEP seamlessly.

Ms. Blackford reported the annual problem gambling conference held earlier in March, was well attended, with over 200 professionals in attendance. Ms. Blackford announced that problem gambling advertisements were being shifted to sporting venues during March Madness. Additionally, a new responsible gambling campaign was recently launched called "Change the Game Ohio," which is aimed at "influencers" such as parents and teachers on the risks involved with games young adults play and how they can become a gateway to problem gambling.

Monica Wilcoxon, Investigator Supervisor, presented for consideration, the gaming-related vendor license renewal application for Everi Payments, Inc. (Everi). The Division of Licensing and Investigations completed a suitability investigation of Everi, its holding company, and key employees, and recommended approval. Ms. Wilcoxon recommended approval of Commission Resolution 2019-08, granting three-year gaming-related vendor and key employee renewal licenses to Everi and its key employees. A motion to approve the Resolution was made by Commissioner Manoranjan. The motion was seconded by Commissioner Steinhauer and approved.

Next, Ms. Wilcoxon presented to the Commission for consideration, the gaming-related vendor license application for PNK Development 7, LLC (PNK). The Division of Licensing and Investigations completed suitability investigations of PNK, its holding companies, and key employees, and recommended approval. Ms. Wilcoxon recommended approval of Commission Resolution 2019-09, granting three-year gaming-related vendor and key employee licenses to PNK and its key employees. A motion to approve the Resolution was made by Commissioner Steinhauer. The motion was seconded by Commissioner Lucas and approved.

Andromeda Morrison, Director of Skill Games, presented to the Commission for consideration of 52 skill-based amusement machine-related license applications. The Skill Games Division completed background investigations of the applicants, which did not uncover any material derogatory information, and recommended approval of proposed Resolution 2019-10, granting three-year skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Commissioner Steinhauer. The motion was seconded by Commissioner Brown and approved.

William Cox, Assistant General Counsel, presented to the Commission 19 proposed rules for consideration of initial filing, to Agency 3774 of the Administrative Code. The Commission was granted oversight of fantasy contests by House Bill 132 of the 132nd General Assembly, which includes the ability to license, regulate, investigate, and penalize persons conducting or participating in fantasy contests.

The law also provides several consumer protections and authority to the Commission to adopt rules related to fantasy contests. The proposed rules to Agency 3774 of the Administrative Code culminate the Commission's authority and provide the tools necessary to ensure the integrity of fantasy contests. A motion to adopt the amendments was made by Commissioner Manoranjan. The motion was seconded by Commissioner Brown and approved.

Matthew Oyster, General Counsel and Director of Licensing and Investigations, presented to the Commission for consideration of four final orders:

In re: Britain Barnes (case #2019-LIC-005). Vice-Chair Davidson made a motion to revoke the Casino Gaming Employee License for Britain Barnes. The motion was seconded by Commissioner Brown and approved.

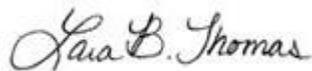
In re: Jeremy Medina (case #2018-LIC-023). Vice-Chair Davidson made a motion to approve and adopt the report and recommendation without modification to deny the Casino Gaming Employee License Application for Jeremy Medina. The motion was seconded by Commissioner Lucas and approved.

In re: Cameron Steele (case #2019-LIC-007). Vice-Chair Davidson made a motion to deny the Casino Gaming Employee License Application for Cameron Steele. The motion was seconded by Commissioner Manoranjan and approved.

In re: Jamel Weaver (case #2018-LIC-035). Vice-Chair Davidson made a motion to deny the Casino Gaming Employee License Application for Jamel Weaver. 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: April 17, 2019