

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10:00 A.M. – October 20, 2021

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 10:03 a.m. by Chair June Taylor. Vice-Chair Jo Ann Davidson and Commissioners Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. Commissioner McKinley Brown had an excused absence. The minutes of the September 15 and 20, 2021, meetings were approved following a motion by Chair Taylor and seconded by Vice-Chair Davidson.

Executive Director Matthew Schuler began his report with Rick Anthony, Deputy Executive Director of Operations, providing a budget update. Mr. Anthony reported that both revenue and expenses are on track. Tax revenue continues to be above estimates, and the tax distribution for the next quarter will be about \$500,000 above estimates. In addition, casino gaming and fantasy contest licensing fees were also above estimates. Wages and benefits were slightly above estimates but are expected to level out once the Ohio Office of Budget and Management has completed its adjustments to the Commission's biennial appropriation amounts. Purchased personal services were slightly below estimates but are anticipated to increase due to a surge in administrative hearings being held. Enforcement Fund revenue and expenses were reported to be on track. Due to resuming work on illegal casino investigations, an increase in travel expenses and use of confidential funds is occurring at greater rate than in previous years.

Mr. Schuler ended his report with an enforcement update. Mr. Schuler reported that over the last couple of months the Enforcement Division recently conducted illegal casino investigations in both Fayette and Washington counties. A total of 272 slot machines and \$127,000 in cash were seized from several locations. Mr. Schuler indicated that to date the Commission has seized over 3,900 slot machines, which is the equivalent of two casino floors worth of gaming machines. The Enforcement Division continues to share its expertise and investigation model with other enforcement agencies to aid further efforts to shutdown illegal casinos in the state of Ohio. Lastly, Mr. Schuler reported that Commission Gaming Agents and staff from the Division of Compliance are participating in the Commission's 12th casino gaming training with Mr. Jim Edwards, which focuses on casino game play and identifying cheating techniques.

Monica Wilcoxon, Manager of Investigations, presented to the Commission for consideration the gaming-related vendor license renewal applications for TCS John Huxley America, Inc. and TCS John Huxley Europe Limited (TCS John Huxley America and TCS John Huxley Europe). The Division of Licensing & Investigations completed suitability investigations of TCS John Huxley America and TCS John Huxley Europe, which did not uncover any material derogatory information. The Division recommended approval of proposed Resolution 2021-41, renewing the gaming-related vendor licenses. A motion to

approve the Resolution was made by Commissioner Steinhauer. The motion was seconded by Commissioner Lucas and approved.

Berena Seifert, Manager of Skill Games, presented for consideration 78 new and 9 renewal 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 2021-42, granting or renewing, as applicable, skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Commissioner Manoranjan and approved.

Catharine Abbott, Assistant General Counsel, presented to the Commissioners for consideration of the Commission's disqualifying offense list, as required by House Bill 263 of the 133rd General Assembly (H.B. 263). Ms. Abbott explained that pursuant to R.C. 3772.07 and 3772.10(C)(1), the Commission was prohibited from issuing a license to anyone who has been convicted of, or pled guilty or no contest to, a disqualifying offense. R.C. 3772.07 defines an offense as "any gambling offense, any theft offense, any offense having an element of fraud or misrepresentation, or any felony not otherwise included in the foregoing list...". Moreover, R.C. 3772.10(A)(4) requires the Commission to consider, in determining whether to grant or maintain a license, whether "an applicant has been indicted, convicted, pleaded guilty or no contest, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations."

Recently, these provisions were greatly curtailed by H.B. 263, also known as the "Fresh Start Act." R.C. 3772.07 has been amended to remove the current definition of a disqualifying offense, as applied to applicants or licensees, and requires the agency to adopt a list of offenses in accordance with the recently codified R.C. 9.79. With respect to criminal convictions in general suitability, R.C. 3772.10 has been amended to include a new division which states that "the commission shall not refuse to issue a license to an applicant because the applicant was convicted of or pleaded guilty to an offense unless the refusal is in accordance with section 9.79 of the Revised Code." In accordance with recently codified R.C. 9.79, the Commission must establish a list of specific criminal convictions (or guilty findings or pleas) ("convictions") that may disqualify an individual from licensure. To further reinforce the changes to the Commission's probity review, R.C. 9.79 states that licensing authorities can no longer rely solely or in part on a conviction, unless the offense appears on the agency's established list. The Commission may no longer use any criminal charge that does not result in a conviction, or any nonspecific qualification such as a moral turpitude or lack of moral character. Lastly, even if an individual has been convicted of an offense listed in the Commission's criminal offense list, the agency must consider other factors, under a preponderance-of-the-evidence standard, when deciding whether denial for that reason is appropriate.

In addition to overhauling how the Commission evaluates disqualifying offenses and criminal offenses generally, the Fresh Start Act requires an annual report to be filed to include the number of applications

received, the number of granted and denied applications, a list of reported criminal offenses by those granted or denied a license, information regarding any requests to determine whether a criminal conviction disqualified an individual from obtaining a license, and finally, for each disqualifying offense included on the offense list, the number of individuals who were issued or denied a license. This initial report was due by October 9, 2021, and includes information from January 1, 2016, through December 31, 2020. Thereafter, a report for the calendar year will be due by June 30th of the following year.

After reviewing H.B. 263 and the changes it makes, Ms. Abbott recommended that the initial list of disqualifying offenses, previously adopted at the September 15, 2021, meeting, be approved without modification. A motion to approve the proposed disqualifying offense list was made by Commissioner Steinhauer. The motion was seconded by Commissioner Slaby and approved. Then, Ms. Abbott presented for consideration proposed Resolution 2021-43, a delegation of authority to the Executive Director to update the offense list. A motion to approve the resolution was made by Commissioner Manoranjan. The motion was seconded by Commissioner Lucas and approved.

Andromeda Morrison, General Counsel & Director of Skill Games, presented to the Commission for consideration three casino gaming final orders:

A final order regarding Kevin Smyth (case #2021-LIC-005). Chair Taylor moved to approve and adopt the Report and Recommendation without modifications to deny the casino gaming employee license for Kevin Smyth. The motion was seconded by Commissioner Lucas and approved.

A final order regarding the denial of casino gaming employee license applications (case nos. # 2021-LIC-017 — -019). Chair Taylor moved to deny the casino gaming employee license applications for the cases listed in the final order. The motion was seconded by Commissioner Slaby and approved.

A final order regarding Edwin Rivera (case #2021-LIC-002). Chair Taylor moved to revoke the casino gaming employee license for Edwin Rivera. The motion was seconded by Commissioner Lucas and approved.

Next, Ms. Morrison presented for consideration three skill games final orders:

A final order regarding the denial of skill-based amusement machine license applications (case nos. # 2021-SLIC-052 — -053, -237, & -239). Chair Taylor moved to deny the skill-based amusement machine license applications for the cases listed in the final order. The motion was seconded by Commissioner Slaby and approved.

A final order regarding the revocation of skill-based amusement machine licenses (case nos. # 2021-SLIC-025 — -026, -064, & -072). Chair Taylor moved to revoke the skill-based amusement machine licenses for the cases listed in the final order. The motion was seconded by Vice-Chair Davidson and approved.

A final order regarding Lekh Kharel (case #2020-SLIC-085). Chair Taylor moved to close the conditionally approved skill-based amusement machine license application for Lekh Kharel. The motion was seconded by Commissioner Manoranjan and approved.

In other business, Mr. Schuler acknowledged and commemorated Matthew Oyster, for his service to both the Commission and the citizens of the State of Ohio. Mr. Oyster joined the Commission, first as Assistant General Counsel and then as Director of Licensing & Investigations and General Counsel. Mr. Oyster acted as an advisor and mentor to many of the Commission staff, in particular those in the Legal and Licensing Divisions. For nearly a decade of service to the Commission, Mr. Oyster has demonstrated a sincere commitment and unwavering determination to serving the citizens of Ohio.

Chair Taylor moved to adopt Resolution 2021-44 commemorating Mr. Oyster's dedication to the Commission and the citizens of the State of Ohio. The motion was seconded by Vice-Chair Davidson 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: November 17, 2021