

OHIO CASINO CONTROL COMMISSION

John R. Kasich
Governor



Jo Ann Davidson
Chair

NOTICE OF PUBLIC HEARING

A public hearing will be held by the Ohio Casino Control Commission ("Commission") on **Wednesday, July 27, 2016 at 10:00 a.m.** on the 6th Floor of the One Columbus Building, located at 10 West Broad Street, Columbus, Ohio 43215. The purpose of the hearing is to solicit public comment on the following proposed rule amendments:

The amendments contained within this package relate directly to the minimum internal control standards that casino operators must adhere to while conducting casino gaming. Many of these amendments require implementation of and adherence to internal controls to protect the integrity of casino gaming and casino patrons.

In addition to the items specifically listed below, many of the amendments remove the terms "applicant" and "licensee" after "casino operator" in an effort to streamline Ohio Adm. Code 3772 in its entirety. This is accomplished, in part, by use of the newly defined term "casino operator" that became effective on December 21, 2013. *See* Ohio Adm. Code 3772-1-01(B)(2). Finally, the term "electronic gaming equipment" has replaced the term "slot machine," as applicable, to distinguish which provisions apply to all electronic gaming equipment, as defined in Ohio Adm. Code 3772-9-01(B).

- **3772-9-01**, titled "Definitions." This amendment adds the term "redemption kiosks" to the definition of "electronic gaming equipment" and further defines what a "redemption kiosk" is. The purpose of this amendment is to clarify that all electronic gaming equipment provisions contained in Ohio Adm. Code 3772 apply to redemption kiosks, unless otherwise stated. By treating redemption kiosks the same as all other electronic gaming equipment, the Commission is able to delete duplicitious requirements throughout the chapter.
- **3772-9-02**, titled "Approval for use in a casino facility." This amendment mostly provides for housekeeping changes that have developed as a result of Commission audits. One change of note is that the requirement that critical program storage in electronic gaming equipment be sealed by the Commission is removed from this rule and moved to Ohio Adm. Code 3772-9-09 and -10, as applicable, which are more suited to contain this requirement. The purpose of the change is to provide greater clarity to the casino operators in order to achieve compliance.
- **3772-9-08**, titled "Movement of electronic gaming equipment within a casino facility." This amendment removes a five-day notification requirement the casino operators must provide when moving electronic gaming equipment within the casino floor, and places it in Ohio Adm. Code 3772-9-09, which will apply solely to when electronic gaming equipment is installed or removed. Presently, operators must provide this notification, in addition to keeping a log of all movements. The purpose of the amendment is to remove

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this unnecessary and burdensome requirement. The amendment maintains the log requirement to ensure compliance, clarifying that all movements include installation and removal of equipment.

- **3772-9-09**, titled “Installation or removal of electronic gaming equipment.” Presently, this rule mandates casino operators to follow certain requirements when removing electronic gaming equipment from the casino floor, including Commission notification and logging the removal. This amendment changes the notification requirement by stating that the casino must also obtain written approval from the Commission before removing or installing electronic gaming equipment, which reflects present practice under Ohio Adm. Code 3772-9-08. Further, the rule amendment adds specificity to the log required to be kept and moves the machine seal requirement, discussed in Ohio Adm. Code 3772-9-02, into this rule. The purpose of this amendment is to allow the casino operators greater flexibility in simply moving machines on the floor while still requiring notification of movement to and from the casino gaming floor. Further, the specificity in log requirements will streamline Commission audits and help ensure compliance.
- **3772-9-10**, titled “Electronic gaming equipment maintenance, repair or other servicing standards.” Presently, this rule requires all casino operators to notify the Commission about any electronic gaming equipment that becomes unsuitable for operation and of any maintenance, repair, or service of any of this equipment, upon its completion. This amendment modifies this notification requirement, so casino operators only need to notify the Commission about unexplainable malfunctions, rather than any service to electronic gaming equipment or any machine that may become unsuitable. The amendment also adds the seal requirement, which is moved from Ohio Adm. Code 3772-9-02, and a log which is required to be kept when an employee enters the secure repair area. The purpose of this amendment is to remove unnecessary and burdensome reporting requirements, while still ensuring that the Commission to monitor for issues in electronic gaming equipment that could affect the integrity of casino gaming.
- **3772-9-13**, titled “Redemption kiosks.” Presently, the rule has detailed requirements for redemption kiosks. This amendment removes most of the requirements, leaving only three: (1) requiring the casino to detail procedures to access kiosks in their internal controls, (2) requiring casino operators to detail the maximum voucher value that can be paid, and (3) requiring redemption kiosks to reject transactions that it has insufficient funds to process. The balance of the former requirements are all still in place, but have been satisfied by defining “redemption kiosks” as a type of “electronic gaming equipment” in Ohio Adm. Code 3772-9-01. The purpose of this amendment is clarify that redemption kiosks are subject to all requirements for electronic gaming equipment while still affording flexibility to casino operators in developing internal controls specific to the operation of redemption kiosks.
- **3772-10-03**, titled “Casino operator’s organization.” Presently, this rule requires casino operators to maintain internal controls detailing the casino’s internal organization. The amendment includes a requirement for a general manager. Each casino has had a general

manager since its opening so this amendment reflects present practice. The purpose of this amendment is to ensure that the general manager position is listed in the casino operators' internal controls and to clarify that a general manager shall not have direct control over the internal audit, compliance, and surveillance departments with respect to general casino operations.

- **3772-10-06**, titled "Standard financial reports." Presently, this rule requires each casino to file certain financial reports monthly, quarterly, and annually with the Commission. The amendment removes the quarterly requirement. Casino operators already submit daily revenue reports to the Ohio Department of Taxation, pursuant to R.C. 5753.04. The purpose of this amendment is to reduce the duplicative filings by each casino operator and instead merely require that a copy of an existing report be submitted to the Commission.
- **3772-10-08**, titled "Procedures for monitoring and reviewing game operations." Presently, this rule mandates several specific requirements a casino operator must have in its internal controls and must follow in operating slot machines. This amendment combines Ohio Adm. Code 3772-10-08 with 3772-11-43, which mandates several specific requirements for table game operations. Additionally, the rule requires casino operators to compare actual payout percentages to forecasted theoretical percentages. The purpose of this amendment is to streamline the requirements for monitoring slot machine and table game operations in the state.
- **3772-10-13**, titled "Patron Deposits." Presently, the rule limits patron deposits, so they can only occur at the cage. However, standard industry practice is to also allow these transactions to occur at table games. This amendment removes the requirement that patron deposits only occur at the cage, while keeping the requirement that casino operators implement detailed internal controls for how deposits may be handled at table games. The purpose of this rule is to allow the casino operators more flexibility to accept deposits, while allowing the Commission to continue monitor these deposits to ensure the integrity of casino gaming.
- **3772-10-15**, titled "Information technology controls." This amendment contains changes that have developed as a result of Commission audits. The purpose of the rule is to establish a minimum threshold for each casino operator's information technology controls. With the amendment, which is a product of combining existing language from this rule and from Ohio Adm. Code 3772-9-11, some of the rule's language was rearranged for the sake of clarity and continuity in order to avoid further confusion in the interpretation and/or enforcement of the rule. The terms "management information systems" and "MIS" have been replaced with "information technology" and "IT" in order to reflect present practice within the State of Ohio.
- **3772-10-16**, titled, "Security of the cashier's cages, main bank, and count rooms." This amendment contains changes that have developed as a result of Commission audits. The purpose of the rule is to establish a minimum threshold for the security of a casino operator's cashier's cage, main bank, and count room. With the amendment, some of the rule's language was rearranged for the sake of clarity and continuity in order to avoid

further confusion in the interpretation and/or enforcement of the rule. In addition, the requirements governing mantraps have been standardized across every location in order to maintain consistency.

- **3772-10-17**, titled “Accounting controls for the cage, main bank, and redemption kiosks. Presently, this rule did not contain any accounting requirements for redemption kiosks. Rather, they existed in a different rule. The purpose of this rule is to combine accounting controls for redemption kiosks with all other accounting controls, in order to provide more clarity and to streamline Ohio Adm. Code 3772. The amendment also removes the term “vault,” which is not used in the State of Ohio. Rather, the term “main bank” is used and is already included within the rule.
- **3772-10-18**, titled “Table game drop boxes and electronic gaming equipment bill validator canisters: physical requirements and transportation.” Presently, the rule requires that bill validator canisters be transported by a member of a casino operator’s security department and either a member of the accounting or cage department. The amendment allows the casino operator to designate the positions that may accompany the security employee in this task. The purpose of the amendment is to allow more flexibility in who may make such a request to account for staffing levels, while still limiting this authority only to the designated positions in the casino operator’s Commission-approved internal controls.
- **3772-10-19**, titled “Drop box count procedures.” Presently, the rule does not contain any guidance for when a variance in the count room with the counting machine is discovered. The purpose of the amendment is to clarify that any such variance should be reported to the Commission immediately and that the casino operator must also submit, in writing, its investigation of the situation and the results thereof to the Commission. The rule also replaces the word “pocketbook” with “bag” in paragraph (C)(1) in response to several requests for clarification on the Commission’s interpretation of the likely antiquated term.
- **3772-10-21**, titled “Manual game payouts.” This rule contains many changes as the result of Commission audits in order to clarify the requirements for manual payouts. First, the term “manual payout” is defined. Second, the amendment details the minimum requirements a casino operator’s internal controls regarding manual payouts, including system overrides and adjustments, procedures for completing tax forms, surveillance notification for payouts over \$10,000.00, and procedures for providing security escorts to patrons receiving manual payouts. Finally, the amendment also clarifies that casino operators are prohibited from offering games that offer annuity or merchandise payouts unless otherwise approved by the Executive Director. The purpose of this provision is to avoid any issues that may arise in calculating and withholding taxes or pursuant to the child support intercept.
- **3772-10-29**, titled “Slot machine tournaments.” Presently, the rule does not provide any guidance as to whether slot machine tournament entry fees and cash winnings are to be included in and deducted from the gross casino gaming revenue, respectively. The amendment clarifies that entry fees must be included in gross casino gaming revenue and that cash winning paid in the tournament may be deducted, as long as the winnings paid

out do not exceed the total entry fees. These requirements mimics the language used in table game tournaments in Ohio Adm. Code 3772-11-18.

- **3772-10-30**, titled “Investigation and certification of contractors by casino operators.” This rule requires casino operators to establish internal controls for the investigation and certification that certain contractors who provide goods and/or services to a casino facility are qualified to do business in Ohio. The purpose of this rule is to fulfill a statutory mandate in R.C. 3772.03(D)(24) and ensure that casino operators are doing business with contractors that do not call into question the integrity of casino gaming in Ohio. These provisions were previously located in Ohio Adm. Code 3772-4-10 but were moved to 3772-10 to remain with all other internal control requirement. The amendment clarifies each casino operator’s responsibilities with respect contractors and removes confusing language that may be interpreted in varying fashions.
- **3772-11-07**, titled “Receipt of gaming chips from manufacturer.” Presently, the rule requires that both a casino operator and a gaming-related vendor notify the Commission upon the delivery of any chips at a casino facility. This requirement creates unnecessary, redundant filings. The purpose of the amendment is to remove this superfluous burden from gaming-related vendors and places it solely within the responsibility of a casino operator.
- **3772-11-19**, titled “Proving chips.” Presently, the rule details the required procedure for how a dealer should prove chips when opening, closing, or filling a table, or exchanging chips. However, the rule does not specifically detail how to actually prove chips. The purpose of the amendment is to explicitly detail the minimum requirements for proving chips. The rule also clarifies that this procedure must be completed in full view of surveillance and a table games supervisor or the affected patron and that it must also be done when crediting a table.
- **3772-11-31**, titled “Automated table fills.” Presently, the rule permits only a table games manager or pit clerk to request automated table credits. The amendment allows for each casino operator to designate the positions permitted to do so within its Commission-approved internal controls, just as in Ohio Adm. Code 3772-11-33. The purpose of the amendment is to allow more flexibility in who may make such a request to account for staffing levels, while still limiting this authority only to the designated positions. The title of this rule, “Procedures for automated filling of chips,” has also been amended to mirror the title in Ohio Adm. Code 3772-11-33.
- **3772-11-33**, titled “Automated table credits.” Presently, the rule permits only table game manager, table game supervisor, or pit clerk to request automated table credits. The amendment allows for each casino operator to designate the positions permitted to do so within its Commission-approved internal controls, just as in Ohio Adm. Code 3772-11-31. The purpose of the amendment is to allow more flexibility in who may make such a request to account for staffing levels, while still limiting this authority only to the designated positions.

- **3772-11-39**, titled “Table games inspection and maintenance.” Presently, the rule is titled “Table games jackpot; employee pocketbooks” and contains requirements for the forms used to pay a table game jackpot or manual jackpot. It also prohibited employees from carrying a pocketbook into a pit area unless that pocketbook was transparent. The jackpot payout requirements have been moved to Ohio Adm. Code 3772-10-21, as described above. The pocketbook restriction will be addressed in each casino operator’s Commission-approved internal controls. The new language contains minimum requirements that a casino operator must have in its internal controls regarding the inspection and maintenance of roulette tables, roulette wheels, and other table game mechanisms, which currently do not exist in Ohio Adm. Code 3772. The purpose of these requirements is to ensure the operational integrity of each table game mechanism used in the State of Ohio.
- **3772-11-43**, titled “Poker room; poker promotional fund.” Presently, the rule is titled “Procedures for monitoring and reviewing game operations” and contains requirements for monitoring and reviewing daily table game transactions. Those requirements have been moved to Ohio Adm. Code 3772-10-08, as described above. The new language contains the minimum requirements that a casino operator must have in its internal controls if it chooses to maintain a promotional fund in its poker room. Presently, there are no minimum requirements for doing so in Ohio Adm. Code 3772.
- **3772-19-07**, titled “Required surveillance coverage.” Presently, the rule requires that each casino operator’s surveillance system “possess the capability to” perform certain functions. The intent of the rule is that the surveillance systems actually perform each of those functions. The purpose of the rule is to clarify this requirement. Further, the requirement that redemption kiosks have dedicated camera coverage was moved to this rule from Ohio Adm. Code 3772-9-13 in order to keep all surveillance coverage in one place.

All interested parties are invited to attend the hearing and present oral and/or written testimony. Written comments may also be submitted to the attention of Michelle Siba, Deputy General Counsel, Ohio Casino Control Commission, at 10 West Broad Street, 6th Floor, Columbus, Ohio 43215, or by electronic mail at michelle.siba@casinocontrol.ohio.gov.