# CSI - Ohio
The Common Sense Initiative

## Business Regulation Impact Analysis

**Agency Name:** **Ohio Casino Control Commission ("Commission")**

**Regulation/Package Title:** Minimum Internal Control Standards 2016 (Definitions; Approval for use in a casino facility; Movement of electronic gaming equipment within a casino facility; Removal of electronic gaming equipment from the casino facility's gaming floor; Electronic gaming equipment maintenance, repair, or other servicing standards; Redemption kiosks; Casino operator or casino operator applicant's organization; Standard financial reports; Slot machine meter readings and related statistical reports; Patron deposits; Information technology standards; Security of the cashier's cage, main bank/vault, and count room; Accounting controls for the cage and main bank/vault; Table drop boxes and slot bill validator canisters: physical requirements and transportation; Drop box count procedures; Jackpot payouts; Slot machine tournaments; Investigation and certification of contractors by casino operators; Receipt of gaming chips from manufacturer; Handling chips; Procedures for automated filling of chips; Automated table credits; Table games jackpot; employee pocketbooks; Procedures for monitoring and reviewing game operations; and Required surveillance coverage)

**Rule Number(s):** 3772-9-01 (amendment); 3772-9-02 (amendment); 3772-9-08 (amendment); 3772-9-09 (amendment); 3772-9-10 (amendment); 3772-9-13 (amendment); 3772-10-03 (amendment); 3772-10-06 (amendment); 3772-10-08 (amendment); 3772-10-13 (amendment); 3772-10-15 (amendment); 3772-10-16 (amendment); 3772-10-17 (amendment); 3772-10-18 (amendment); 3772-10-19 (amendment); 3772-10-21 (amendment); 3772-10-29 (amendment); 3772-10-30 (new); 3772-11-07 (amendment); 3772-11-19 (amendment); 3772-11-31 (amendment); 3772-11-33 (amendment); 3772-11-39 (amendment); 3772-11-43 (amendment); and 3772-19-07 (amendment).

**Date:** **March 23, 2016**

**Rule Type:**

- X **New**
- X **Amended**
- ☐ **5-Year Review**
- ☐ **Rescinded**

**The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and**

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117
CSIOhio@governor.ohio.gov

**flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.**

## Regulatory Intent

1. **Please briefly describe the draft regulation in plain language.**
   ***Please include the key provisions of the regulation as well as any proposed 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. 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 duplicitous 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 this unnecessary and burdensome requirement.

- **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 simply require each casino operator to submit a copy of the statutorily-required revenue report 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. This is already a requirement in R.C. 5753.01(D) and the results in this rule mimicking 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 table games supervisor 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.

2. **Please list the Ohio statute authorizing the Agency to adopt this regulation.**

   R.C. 3772.03 and 3772.033

3. **Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**
   ***If yes, please briefly explain the source and substance of the federal requirement.***

   Not applicable.

4. **If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

   This question does not apply to these amendments because the federal government does not regulate casino gaming in this state. Rather, casino gaming is permitted pursuant to Article XV, Section 6(C) of the Ohio Constitution and is controlled by Ohio's Casino Control Act (i.e., R.C. Chapter 3772).

5. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

   Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming and to prescribe rules for how casino gaming should be conducted (i.e., minimum internal control standards). To ensure the integrity of casino gaming, it is imperative to protect casino patrons and to maintain the integrity of gaming equipment. These amendments are designed to effectuate this constitutional and statutory mandate by establishing minimum internal control standards for transactions occurring at the casino facilities, transportation and maintenance of gaming equipment, and for the protection of the patrons and members of the public.

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

   Overall, the Commission will measure the success of these amended rules in terms of whether they help to ensure the integrity of casino gaming and protect the casino patrons. This can be done in two ways: First, through evaluating whether the administrative cost of implementing and enforcing the proposed rules outweighs their public benefit. Second, through analyzing the regulated community's comments about requests for waivers or variances from these rules once they are implemented.

## Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**
   ***If applicable, please include the date and medium by which the stakeholders were initially contacted.***

   Casino Operators

   - Penn National Gaming, Inc. (Hollywood Casinos Columbus & Toledo)
   - Rock Ohio Caesars – joint venture between Rock Gaming and Caesars Entertainment (Horseshoe Casinos Cleveland & Cincinnati)
   - Jack Entertainment, LLC – formerly Rock Gaming, LLC

   First, the above-listed casino operators were contacted via email with the amendments on January 22, 2016 at 10:54 A.M. On February 2, 2016, Commission staff held a meeting at

the Commission's office with all of the Regulatory Compliance Officers ("RCO") and several other executive staff members from each of the casinos in the state to discuss the draft amendments and elicit feedback from the regulated community prior to finalizing the proposed language. Finally, the Commission provided an updated version of the amendments, as a result of the feedback received at the February 2 meeting, to the RCOs on February 26. 2016 at 3:31 P.M. Notably, the casino operators were permitted to review and comment on the amendments before submission to the members of the Commission for consideration of initial filing, at the March 16, 2016 Commission Meeting. (Exhibits 1-2.)

Second, Commission staff reached out to casino staff to aid in determining the data used to calculate the potential economic impact from many of the proposed amendments in this package. The conversations with the individuals who were responsive are referenced throughout this Business Regulation Impact Analysis and are attached as exhibits.

**8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

After sending the amendments to the RCOs on January 22, 2016, the Commission received some feedback during the subsequent meeting on February 2, 2016. The Commission received no feedback after the updated version of the amendments was sent on February 26, 2016. Once again, the input received in order to collect data and calculate potential economic impact potential economic impact of the amendments is referenced throughout this Business Regulation Impact Analysis and is attached in various exhibits.

**9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

This question does not apply to these amendments because no scientific data was necessary to develop or measure their outcomes. Instead, the Commission staff reviewed how other jurisdictions approached establishing minimum internal control standards. Further, the Commission staff considered whether existing rules were the most efficient means by which to maintain the integrity of casino gaming and whether any waivers or variances had been requested and granted to the regulated community. In so doing, the Commission was able to use, as much as possible, rules the regulated community is accustomed to, with minor adaptations to remain in compliance with Ohio law.

**10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

The Commission staff reviewed the rules adopted in other jurisdictions, including Kansas and New Jersey. Further, the Commission staff considered any waivers or variances to existing rules that had been requested and granted. The amendments are a conglomeration of the rules used in other jurisdictions with adaptations made for the Ohio jurisdiction and are,

in some cases, the result of discussions between Commission staff and the regulated community, including reflections of existing waivers.

11. **Did the Agency specifically consider a performance-based regulation? Please explain. *Performance*-based regulations define the required outcome, but don' t dictate the*process the regulated stakeholders must use to achieve compliance.***

    The rules include a performance-based component wherein they set the floor for compliance but do not completely dictate how the casino operators and gaming-related vendors are supposed to achieve compliance. Additionally, Ohio Adm. Code 3772-1-04 allows the casino operators and gaming-related vendors to seek waivers and variances from these rules, which the Commission will evaluate on a case-by-case basis and may grant as long as it determines that doing so is in the public's best interest. The rules, however, are not entirely performance-based in that they establish a protocol whereby the casino operators must submit their internal control standards to the Commission for approval before implementation.

12. **What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

    This question does not apply to these amendments because no other regulations in this area currently exist with respect to casino gaming in this state. To the extent that this package amends existing administrative rules, several within the package bring clarity to requirements in R.C. Chapter 3772 and Ohio Adm. Code 3772 and codify existing waivers.

13. **Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

    At each casino facility, there are gaming agents and financial auditors observing, evaluating, and investigating the operations. In addition, the Commission's Regulatory Compliance personnel consistently perform various operational audits, including table game and electronic gaming equipment audits. Any issues that arise in the gaming process (i.e., from manufacturing to the actual conducting of casino games) will be funneled to the Commission's central office in Columbus, Ohio, where the Executive Director and his division directors can coordinate a consistent response and conduct outreach to the regulated community.

**Adverse Impact to Business**

14. **Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**
    a. **Identify the scope of the impacted business community;**

The casino operators, management companies, and gaming-related vendors are the impacted business community with respect to these amendments.

**b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**

The nature of the potential adverse impact from the amendments includes fines for noncompliance, costs for employer, time and payroll, and the potential for other monetary costs to the operators.

**c. Quantify the expected adverse impact from the regulation.**
***The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative* business." *Please include the source for your information/estimated impact.***

**3772-9-01 Definitions.**
The term "redemption kiosk" was added to the definition of "electronic gaming equipment." As a result, the Commission was able to remove superfluous requirements throughout Ohio Adm. Code 3772-9 and streamline expectations for all electronic gaming equipment, including redemption kiosks. To be clear, this change is for clarification purposes only and does not change the way that the Commission already interprets the rules contained in Ohio Adm. Code 3772. As a result, there is no expected adverse impact to business or added cost of compliance related to this proposed change.

**3772-9-02 Approval for use in a casino facility.**
The changes in this rule are largely housekeeping that have developed as a result of Commission audits, in an effort to streamline and clarify the language. The only substantive change is the removal of the requirement that the critical program storage in electronic gaming equipment be verified and sealed by the Commission and its placement in rules 3772-9-09 and -10, as applicable. The Commission does not anticipate any negative economic impact or added cost of compliance to the regulated community because the amendment does not impose any new restrictions. Rather, it clarifies existing language and more accurately reflects the Commission's interpretation and expectation of the existing language of this rule.

**3772-9-08 Movement of electronic gaming equipment within a casino facility.**
The amendments to Ohio Adm. Code 3772-9-08 include reorganization for the sake of clarity and the removal of a notification requirement that was unnecessary. First, reorganization and clarification of existing language helps all users of the rule understand and apply the requirements. Additionally, the inclusion of the records retention requirement reiterates the existing rule at Ohio Adm. Code 3772-3-05(C) and also provides for better consistency with other sections.

The proposed changes include the removal of a notification requirement for the movement of electronic gaming equipment on the casino floor. It will no longer be necessary to notify the Commission five days before a proposed move of electronic gaming equipment on the gaming floor. This change represents a time savings to casino operators of at least five full days, in addition to the administrative costs cut with the elimination of this notification requirement.

The Commission received 273 of these notifications in 2015. (Exhibit 3.) However, it should be noted that submissions are generally received more than five days before the proposed move and that casino operators will also save the time it would take to prepare and send such notices. Therefore, given that each of these notifications was subject to at least the five day waiting period for approval, and considering the 273 requests received in 2015, Commission staff estimates that casino operators would save a total of 1,365 full days (5 day wait * 273 annual historical submissions) of wait time as a direct result of this proposed rule change.

**3772-9-09 Installation or removal of electronic gaming equipment.**

Once again, the changes in this rule are largely housekeeping and contain existing requirements that have been removed from other rules and placed here. Specifically, the log requirement previously found in Ohio Adm. Code 3772-9-02 can now be found here. The rule is being renamed "Installation or removal of electronic gaming equipment," and combines all relevant procedures previously found throughout Chapter 9, reducing redundancy. One substantive change is the elimination of notification to the Commission if a casino chooses to move electronic gaming equipment on the floor, which reduces a burden on the casino operators. As such, the Commission does not anticipate any negative economic impact to the regulated community because the amendment does not impose any new restrictions. Rather, it clarifies existing language and more accurately reflects the Commission's interpretation and expectation.

**3772-9-10 Electronic gaming equipment maintenance, repair, or other servicing standards.**

The amendment reduces the notification requirement currently imposed on casino operators when electronic gaming equipment becomes unsuitable for operation. Rather than notification of all electronic gaming equipment that becomes unsuitable for operation, the amendment only requires notification of unexplainable malfunctions. This will drastically reduce the number of notifications that are not of much importance. The Commission is only concerned if a malfunction cannot be remedied, as opposed to routine malfunctions and service. In addition, the existing seal and log requirements that were previously found in Ohio Adm. Code 3772-9-02 have been placed in this rule. Because no new regulatory requirement was imposed and because an existing requirement has been reduced, the Commission does not anticipate a negative economic impact or added cost of compliance for casino operators.

**3772-9-13 Redemption kiosks.**

The changes to this rule aim to move current language to other sections with similar requirements, to eliminate unnecessary language, and to simplify and clarify the remaining language for ease of use. The results of these changes are a section on redemption kiosks which is much easier to use for both the regulated entities as well as Commission staff. As a result, there is no expected adverse impact to business or added cost of compliance related to this proposed change.

**3772-10-03 Casino operator's organization.**

The proposed additions and changes to this rule include a clarification to include the position titles used by Ohio licensees as well as the addition of a required position that has always been employed at each of the four Ohio casinos.

The Commission seeks to clarify the position title listed currently as "treasurer" by changing the name to the more commonly used position title of "cage manager." This change will ensure that the title used in the requirement matches the title used in each of the four casinos and eliminates any confusion that may arise because the term "treasurer" may apply to other similarly-situated positions with different responsibilities at each of the four casinos.

The position of casino general manager is added to the list of positions that casino facilities must employ. Presently, each casino employs (and has employed since opening) a general manager and this position is generally accepted as industry-standard. This amendment subjects the general manager position to the Commission notification requirements of this rule. Because this position is essential to the casino, it is important that it be subject to the notification requirements of the section. This position is the top facility-level leader and is responsible for the general management and overall performance of the casino. The proposed language reflects these accepted responsibilities, and also highlights some limits to those responsibilities that are currently listed in this and other rules.

Since each of the four casinos already employs this position, and has always done so, Commission staff estimates that this amendment will not have a significant financial effect on Commission licensees. Also, Commission staff estimates that the newly proposed reporting requirement will not be particularly burdensome for licensees because the frequency in which the position turns over is low. Since casino gaming started in Ohio, there has been a total of five changes in the Casino General Manager position among the four casinos. This amounts to about one change in the position for each casino every three to four years. (Exhibit 4.)

**3772-10-06 Standard financial reports.**

The amendments to this rule remove a requirement that casino operators submit quarterly financial reports to the Commission and add a required submission of existing, statutorily-required, daily gross casino revenue reports. Commission staff expects that the removal of the quarterly reporting requirement will have a positive impact on casino operators because it removes a duplicative reporting requirement.

The addition of the requirement for submission of the daily gross casino revenue report is not new. Rather, the Commission simply seeks a copy of the report that casino operators are already required to submit to the Ohio Department of Taxation pursuant to R.C. 5753.04. Therefore, the Commission expects little to no cost of compliance except to the extent necessary for the electronic submission to the Commission.

**3772-10-08 Procedures for monitoring and reviewing game operations.**

Once again, the changes in this rule are largely housekeeping and contain existing requirements that have been removed from other rules and placed here. The amendments are a combination of Ohio Adm. Code 3772-10-08, as it presently exists, and provisions from Ohio Adm. Code 3772-11-43, with some of the language rearranged for the sake of clarity and to reduce confusion. Additionally, many of the requirements of this rule are already processes and procedures which are currently carried out by the Ohio casino operators. Finally, we are also proposing the removal of unnecessary regulatory requirements from both sections.

The one substantive addition is a new requirement that casino operators create monthly forecasts, and then compare those forecasts to the actual results for the period with any significant variances investigated. This is a common industry requirement which is carried out in other gaming jurisdictions. Additionally, casino operators already generate similar forecasts as part of their monthly budgeting process. In consideration of this change the Commission reached out to Hollywood Casino Toledo via email on March 15, 2016, but, as of the date of this filing, no substantive response has been provided. (Exhibit 5.)

**3772-10-13 Patron deposits.**

The existing language in this rule permits casino operators to accept patron deposits at the casino cage. However, it is industry-standard to also offer this service at table games. Therefore, the amendment to this rule allows casino operators to so offer as long as they do so according to Commission-approved internal controls. The Commission does not expect the amendment to have an adverse impact on business. Rather, this amendment affords casino operators the opportunity to potentially improve business by expanding the services provided to patrons. Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls. Notably,

a casino operator will incur these costs only if it chooses to expand its patron deposit services.

**3772-10-15 Information technology controls.**

The Commission does not anticipate a negative impact on business as a result of the amendments to this rule. The amendments are a combination of Ohio Adm. Code 10-15, as it presently exists, and provisions from Ohio Adm. Code 3772-9-11, with some of the language rearranged for the sake of clarity and to reduce confusion. Some new language is also proposed which represents best practice procedures that are either already in place at the casino or which will provide flexibility to the casino operators' information technology operation.

The first substantive addition includes affirmative requirements for logging different types of information technology transactions. Presently, each of the four casinos already completes these logging procedures. Industry practices require such logging and review so that access, backup, and changes are adequately documented. Since all current operators currently employ these types of procedures, Commission staff estimates that there will be no measureable cost of compliance with this change.

The second substantive addition recognizes the need for separate system accounts for different users. Again, each of the four casinos already employs the use of separate system accounts in order to effectively grant and monitor access. Additionally, this requirement represents procedures that are standard in both the casino industry as well as general IT practices. Since the proposed language represents requirements that are both already in practice and industry-standard, Commission staff estimates that there will be no measureable cost of compliance with this change.

The final substantive addition allows for flexibility in the way that gaming-related system accounts may be accessed. The previous rule stated that such access must be password protected. The amendment allows for operators to also use biometrics or other Commission-approved access methods. This flexibility allows for operators to identify methods which may be more secure or more cost-effective at each property. Because of this flexibility, Commission staff estimates that there will be no measureable cost of compliance with this change.

**3772-10-16 Security of the cashier's cages, main bank, and count rooms.**

The changes contained in this amendment are of a housekeeping nature, as the result of Commission audits. The rule establishes the minimum threshold for the security of a casino operator's cage, main bank, and count room and the amendment simply rearranges the language for the sake of clarity and continuity. The amendment standardizes the mantrap requirements as applied to all locations in order to maintain consistency but this already reflects present practice so no changes by the casino operator are expected in order to comply. Finally, the word "vault" has been removed from the rule in order to avoid confusion because no casino operator uses that term.

Based on the changes contained in the amendment, the Commission does not anticipate a negative economic impact.

**3772-10-17 Accounting controls for the cage, main bank, and redemption kiosks.**
The amendments to this rule combine the existing accounting requirements for redemption kiosks with all other accounting requirements to provide clarity and ease of use in accessing these regulations. Once again, the term "vault" was removed. Because no additional regulatory requirements are imposed as a result of this amendment, the Commission does not anticipate a negative economic impact or added cost of compliance on casino operators.

**3772-10-19 Drop box count procedures.**
The Commission estimates the adverse impact of this amendment will be insignificant, based on our conversations with Tom McDonald, Director of Player Services for Hollywood Casino Columbus. (Exhibits 6 and 7.) The primary expense associated with the new rule provision would be time required by employees to investigate counting machine variances and report them to the Commission. However, the casino operators share a vested interest with the State in ensuring the accuracy of daily revenue figures, and accordingly, some casinos already have procedures in place to track and identify counting machine variances. The additional time spent to report these variances to the Commission would be nominal.

**3772-10-21 Manual game payouts.**
One reason for the proposed changes is to combine the jackpot or manual payout requirements. The existing organization contains separate lists of requirements for jackpots won at slot machines and jackpots won at table games, which is unnecessary and duplicative.

Another purpose for the proposed changes was to develop a complete list of requirements that are imposed on casino operators for manual payout transactions. These requirements are new to this rule but are not actually new requirements for casino operators including, but not limited to: Ohio Adm. Code 3772-10-21(B)(4) which affirmatively states that casino operators must complete required tax forms (already required at R.C. 5747.063) and Ohio Adm. Code 3772-10-21(B)(5) which specifies the casino operators' responsibility for compliance with support intercept requirements (already required at R.C. 3123.90).

Finally, the changes include a requirement that casino operators have winning patrons sign a manual payout verification form acknowledging the amount of the payout. This is a patron protection consideration and is already in place at each of the four casinos. Therefore, although the requirement is new, the Commission does not anticipate any additional costs of compliance.

**3772-10-29 Slot machine tournaments.**

The purpose of the changes to this rule is to more closely align slot machine tournament requirements with table game tournament requirements. 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. Because the casinos are already engaging in this practice, in compliance with R.C. 5753.01(D), the Commission does not expect any additional cost of compliance as a result of this amendment.

**3772-10-30 Investigation and certification of contractors by casino operators.**
This rule is new but the substance is not. Nearly every provision of this rule was moved from Ohio Adm. Code 3772-4-10, in order to keep all internal control requirements in Chapter 10. The purpose of the rule, which has been in place since the first casino opened in the state, is for casino operators to comply with a statutory requirement, in R.C. 3772.03(D)(24), and only do business with contractors that have not violated state or federal law, which goes to the core of ensuring the integrity of casino gaming. They accomplish this by obtaining a certification from contractors with whom they do over $100,000 in business with during a rolling calendar year. The rule does contain a few extra responsibilities for the casino operators to ensure the accuracy and completeness of the certifications received. However, the rule simply requires the casino operators to adopt internal controls for doing so, allowing some flexibility among properties. The rule also contains clarification that obtaining a certification is not an annual requirement, which was a source of confusion for some in the regulated community. Because the casino operators are largely already operating according to Ohio Adm. Code 3772-4-10 and this amendment makes certain that this is no longer the annual requirement that some casino operators believed it to be, the Commission does not anticipate a negative economic impact except for negligible costs of compliance for administrative requirements related to the preparation of and adherence to Commission-approved internal controls.

**3772-11-07 Receipt of gaming chips from manufacturer.**
This amendment removes the requirement that a gaming-related vendor notify the Commission upon the delivery of any chips at a casino facility. Presently, both the casino operator and the gaming-related vendor are required to do so, creating duplicitous notifications. As a result of this amendment, the Commission anticipates a positive impact on gaming-related vendors because they are no longer required to provide notification and anticipates no negative economic impact or added cost of compliance on casino operators because they already comply with the existing requirement.

**3772-11-19 Proving chips.**
This amendment provides guidance as to how a casino operator must prove chips upon opening, closing, or filling a table, or exchanging chips. However, the rule, as it presently exists, already requires that casino operators to prove chips. The Commission discovered inconsistencies in the practice across the state and found the

additional guidance necessary in order to avoid these inconsistencies in the future. The Commission does not anticipate a negative economic impact as a result of this amendment because it simply provides guidance as to how casino operators should comply with an existing requirement.

**3772-11-31 Automated table fills.**

The Commission does not anticipate that this amendment will result in a negative impact on business. Presently, the rule only permits a table game manager or table game supervisor to enter requests for automated table game fills. In practice, however, several different positions may often be available and have sufficient authority to complete this task. Therefore, this amendment allows for licensed individual to complete this task as long as they are authorized to do so in the casino's Commission-approved internal controls. This expansion of authority synchronizes this rule with the authority provided by Ohio Adm. Code 3772-11-33. As a result, the Commission does not anticipate any adverse impact on business or added cost of compliance; if anything, this reduces the burden on the casinos by authorizing more individuals to complete this task, which helps with compliance and efficiency. Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls.

**3772-11-33 Automated table credits.**

The Commission does not anticipate that this amendment will result in a negative impact on business. Presently, the rule only permits a table game manager, table game supervisor, or pit clerk to enter requests for automated table game credits. In practice, however, several different positions may often be available and have sufficient authority to complete this task. Therefore, this amendment allows for licensed individual to complete this task as long as they are authorized to do so in the casino's Commission-approved internal controls. This expansion of authority synchronizes this rule with the authority provided by Ohio Adm. Code 3772-11-31. As a result, the Commission does not anticipate any adverse impact on business or added cost of compliance; if anything, this reduces the burden on the casinos by authorizing more individuals to complete this task, which helps with compliance and efficiency. Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls.

**3772-11-39 Table games inspection and maintenance.**

The amendments contained in this rule require casino operators to document and implement inspection and maintenance procedures for certain table game equipment. Many of these procedures are already in place at each of the four casinos and/or are industry-standard practices that are in place in order to ensure the integrity of affected games. The amendments require casino operators to develop internal control procedures outlining the specific processes that would be used in maintenance and inspection.

The Commission contacted Horseshoe Casino Cincinnati in order to gain an understanding of the effect the proposed new language would have on that casino facility. (Exhibits 8 and 9.) Horseshoe Casino Cincinnati provided that table games supervisors or above, licensed facility managers, and table games dealers would be involved in fulfilling the requirements of the proposed rule. Further, the casino estimated that roulette daily inspections take 7-10 minutes per day, monthly roulette maintenance takes about 30-45 minutes per month, and monthly roulette rotation takes about 1 hour per table. The casino stated that it already carries out all of these activities. Commission staff does not expect that the proposed language will have a significant negative economic impact or added cost of compliance to the regulated community with the exception of negligible costs of compliance for certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls.

**3772-11-43 Poker room; poker promotional fund.**

The Commission moved the existing requirements contained in this rule to Ohio Adm. Code 3772-10-21 and added new language which that governs poker room promotional funds. While the rule is new, all of the requirements are already in place at each of the four casinos. Therefore, the Commission does not expect a negative economic impact on the casino operators except that there may be negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls, if they are not already in place.

**3772-19-07 Required surveillance coverage.**

The Commission does not anticipate a negative economic impact as a result of this amendment because it simply clarifies the intent of this rule. The amendment removes the phrase "possess the capability of" because the casino operators' surveillance systems must actually perform each of the listed functions. Each of the systems in the state already performs accordingly and, therefore, no casino operator is required to act in order to achieve compliance.

**15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

Each of the rules in this package is needed to correct current issues, such as conflicting provisions of law, or to clarify the Commission's interpretation of a particular rule. Additionally, the regulatory intent justifies any adverse impact because Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming. To do so, the Commission is charged with the responsibility of requiring the casinos to establish and implement internal control standards.
Moreover, the regulatory intent justifies any adverse impact because casino gaming is a highly regulated industry. Unregulated gaming poses a threat to the public welfare and raises the potential for fraud and abuse. To mitigate these threats, the Commission, like other

gaming regulatory bodies, is using its regulatory authority to establish a best practice framework that licensed casinos, gaming-related vendors, and casino gaming employees must follow.

## Regulatory Flexibility

**16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

Yes (indirectly), though it is unlikely this will be necessary since these proposed regulations only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business. Further, these amendments indirectly provide exemption or alternative means of compliance through Ohio Adm. Code 3772-1-04, which permits the Commission, upon written request, to grant waivers and variances from the rules adopted under R.C. Chapter 3772, including these rules, if doing so is in the best interest of the public and will maintain the integrity of casino gaming in the State of Ohio.

**17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

Though it is unlikely R.C. 119.14 will apply to these amendments because the rules only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business, the Commission will adhere to the statutory requirements thereunder, if applicable.

To the extent R.C. 119.14 would apply to a violation of these amendments, the Commission will provide verbal and written notification to the small business in an attempt to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No further action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

**18. What resources are available to assist small businesses with compliance of the regulation?**

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate casino gaming in this state. As a result, the following resources are available:

- Commission's mailing address:
  10 W. Broad Street, 6th Floor
  Columbus, Ohio 43215

- Commission's toll free telephone number: (855) 800-0058
- Commission's fax number: (614) 485-1007
- Commission's website: http://www.casinocontrol.ohio.gov/
- Commission's email: info@casinocontrol.ohio.gov

Also, all members of the regulated community and public may, in accordance with rule 3772-2-04, request to address the Commission during a public meeting. Finally, all members of the regulated community may, pursuant to rule 3772-1-04, request waivers and variances from Commission regulations.

EXHIBIT 1

## Siba, Michelle

**From:** Siba, Michelle
**Sent:** Friday, January 22, 2016 10:54 AM
**To:** 'rwamsley@caesars.com'; 'edick@Caesars.com'; Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com)
**Cc:** Barron, John; Martin, Patrick; Donahue, Craig; Fleenor, Chris; Cox, William
**Subject:** OCCC Rule Revisions
**Attachments:** Feb 2016 Rule Language.pdf

Good morning RCOs,

I have attached a document that contains draft amendments to 24 rules in Ohio Adm. Code 3772. In the spirit of keeping this process as transparent as possible, we are inviting each of you to come to the Commission (10 W. Broad St, 6th Floor, Columbus, OH 43215) on **February 2 at 2:00 pm** in order to discuss these amendments and any comments, questions, or suggestions that you may have. Please share these amendments with your team for review and come equipped with your feedback on February 2.

If you have any questions in the meantime, please do not hesitate to contact me.

Thanks and have a nice weekend,

Michelle

**Michelle Siba**
Deputy General Counsel
Ohio Casino Control Commission
(614) 387-0485
Michelle.Siba@casinocontrol.ohio.gov

EXHIBIT 2

**Siba, Michelle**

**From:** Martin, Patrick
**Sent:** Friday, February 26, 2016 3:31 PM
**To:** rwamsley@caesars.com; edick@Caesars.com; Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com); Lisa Powers
**Cc:** Barron, John; Donahue, Craig; Fleenor, Chris; Cox, William; Siba, Michelle; Lynne Mackin; Melanie Repko (Melanie.Repko@pngaming.com); Slauter, Tammie
**Subject:** RE: OCCC Rule Revisions

RCOs:

Many thanks again for participating in the February 2 rule changes meeting. Holding true to our promise, the OCCC teams did consider your teams' comments and have made these significant changes:

1. Regarding 3772-9-13 (redemption kiosks), we heard that having two departments involved in all kiosk cash compartment access – especially the relatively lower-value coin areas – was more burdensome than necessary. (My words, not yours.) We agree and have specified that two-team access is for the "cash compartments." We will propose this language to the commission:

~~D~~C~~A~~) ~~Redemption kiosk cash compartment access shall be controlled by a keyed lock.~~ Procedures for access ~~to~~ ash~~such compartments~~ shall be detailed ~~require the presence of both a member of security and another departm~~ perator's internal controls ~~by the casino operator.~~

2. For 10-03 (Casino operator's organization), we heard that part of the new language around the GM requirement should be softened to allow some communications between surveillance and the GM. We have a strong belief that the GM should not oversee surveillance, but we did make these changes to the language:

D) In addition to the department supervisory positions listed in paragraph (~~C~~B), each casino operator shall also vho shall be the primary individual responsible for the performance of the casino facility. ~~The casino general m he casino facility's operations with the exception of the surveillance, internal audit, and compliance departmen~~ ubject to direct control by the casino general manager except the internal audit department, the compliance de lepartment.

3. In 10-08 (Procedures for monitoring and reviewing game operations), we heard that ten days could be too soon to investigate and notify the Commission about operational variances greater than 4%. We've changed that to twenty-one days:

b) Notification to the commission of the investigation results within ~~ten~~twenty-one days following the end of

4. In 10-17 (Account controls . . . redemption kiosk), we can confirm that, yes, the redemption kiosk impressed amount can be stated outside of the internal controls. To date, we've required that amount to be listed in the controls. Based on your feedback and track record to date, you may amend your

controls to remove that amount but also must detail where the actual amounts will be stated and how those will be communicated to the Commission.

5. In 10-18 (Table drop boxes, etc.), we amended the canister transport language to respond to a comment from a few casinos. It now says:

(F) Transportation of electronic gaming equipment~~slot~~ bill validator canisters shall be performed by ~~a~~ a member of the security department and at least one other licensed employee, as designated in the casino operator's internal controls ~~minimum of two licensed employees, one of which shall be a member of the security department and the other either a member of the casino accounting or cage department.~~ The surveillance department shall monitor the process.

6. In 10-19 (drop box count procedures), we removed the reference to "suspending" the use of the count machine:

E) Any variances in the count room with the counting machine shall be reported to the Commission immedia ~~hall be suspended.~~ Each variance shall be investigated by the casino operator and the investigation document he commission in writing.

7. In 10-21 (Manual Game Payouts), we included a definition for "manual payouts" to clarify the rule's application as not impacting chip exchanges:

**3772-10-21 ~~Jackpot~~Manual game payouts.**

A) "Manual payout" means any payout not paid directly from electronic gaming equipment or a table game an

8. In 11-19 (Proving chips), there was a good question about whether all chips need to be pulled from the float. No, our written interpretations and audit findings to date support that we don't read the rule to require pulling all chips out of the float. No changes are needed to the rule.

9. In 11-31 (Procedures for automated filling of chips), we removed the reference to "criteria for determining whether a fill is necessary" and left it at "procedures to initiate a fill:

(B) The controls shall ~~The table games supervisor or table games manager shall~~also detail the ~~criteria for d~~ ~~necessary, and~~ procedures to initiate the request for fill process. If a request for fill slip is used, procedur included in the internal controls.

10. In the same rule, we removed the archaic "adding machine tape" reference:

~~H~~) The main bank cashier shall ~~run an adding machine tape on the fill slips and~~ verify the manual fill slips th ıccounting system. All fill paperwork shall be forwarded to accounting.

11. In 11-43 (Poker Room Promo Fund), we removed the word "timeframe" for returning promo funds to plays and replaced it with the more general "provisions:"

6) Provisions for returning all poker promotional funds to players as winnings; and

Anything that didn't make it to this list will remain as is. On those, however, you have a couple more formal chances to comment as the rules wind through the process. We will give you a revised packet after the Commission meeting.

Additionally, we made notes for the next wave of OAC changes to consider that:

1. 11-15's monthly inventory of chips by each casino's accounting department is burdensome. We've asked a few of you to help quantify or qualify that comment.
2. 10-24's "immediate" update of signature cards should be quantified. We'd appreciate guidance from you on that point when appropriate.

Thank you again for good feedback on these rules,

Patrick D. Martin
Dir. Of Regulatory Compliance
Ohio Casino Control Commission
614-387-5860 direct
patrick.martin@casinocontrol.ohio.gov

---

**From:** Siba, Michelle
**Sent:** Friday, January 22, 2016 10:54 AM
**To:** rwamsley@caesars.com; edick@Caesars.com; Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com)
**Cc:** Barron, John; Martin, Patrick; Donahue, Craig; Fleenor, Chris; Cox, William
**Subject:** OCCC Rule Revisions

Good morning RCOs,

I have attached a document that contains draft amendments to 24 rules in Ohio Adm. Code 3772. In the spirit of keeping this process as transparent as possible, we are inviting each of you to come to the Commission (10 W. Broad St, 6th Floor, Columbus, OH 43215) on **February 2 at 2:00 pm** in order to discuss these amendments and any comments, questions, or suggestions that you may have. Please share these amendments with your team for review and come equipped with your feedback on February 2.

If you have any questions in the meantime, please do not hesitate to contact me.

Thanks and have a nice weekend,

Michelle

**Michelle Siba**
Deputy General Counsel
Ohio Casino Control Commission
(614) 387-0485
Michelle.Siba@casinocontrol.ohio.gov

EXHIBIT 3

**Donahue, Craig**

**From:** Fleenor, Chris
**Sent:** Wednesday, March 02, 2016 3:28 PM
**To:** Donahue, Craig
**Subject:** RE: IT CSI

| | |
|---|---|
| UCI | 72 |
| UCL | 61 |
| HCO | 74 |
| HCT | 66 |
| Total | 273 |

Thanks,

Chris Fleenor
Slot Operations Manager
Ohio Casino Control Commission
(614) 387-0314

---

**From:** Donahue, Craig
**Sent:** Wednesday, March 02, 2016 3:13 PM
**To:** Fleenor, Chris <chris.fleenor@casinocontrol.ohio.gov>
**Subject:** IT CSI

Please let me know if you have any edits or suggestions.

Craig Donahue
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687

EXHIBIT 4

| Casino General Manager Changes | | | |
|---|---|---|---|
| **Cincinnati** | **Cleveland** | **Columbus** | **Toledo** |
| Kevin Kline | Marcus Glover | Ameet Patel | Richard St. Jean |
| Chad Barnhill | Scott Lokke | Himbert Sinopoli | Raphael Verde |
| | Mark Tricano | | |

Green = Current Casino General Manager

EXHIBIT 5

## Siba, Michelle

**From:** Siba, Michelle
**Sent:** Wednesday, March 23, 2016 4:05 PM
**To:** 'Alistair Cameron'; Donahue, Craig
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Alistair,

The Commission will file its submission with the Common Sense Initiative Office at 4:15pm. If either HCT or HCO would still like to provide a response to the question originally posed to Ms. Clements, they may do so and I will submit it as a supplement to the Commission's original filing.

Respectfully,

**Michelle Siba**
Deputy General Counsel
Ohio Casino Control Commission
(614) 387-0485
Michelle.Siba@casinocontrol.ohio.gov

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**From:** Alistair Cameron [mailto:Alistair.Cameron@pngaming.com]
**Sent:** Wednesday, March 23, 2016 11:48 AM
**To:** Donahue, Craig
**Cc:** Siba, Michelle
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Craig,

I just reached out to you and Michelle unsuccessfully. I am heading into a meeting and will try again as soon as I emerge.

Thanks,

Alistair

---

**From:** Craig.Donahue@casinocontrol.ohio.gov [mailto:Craig.Donahue@casinocontrol.ohio.gov]
**Sent:** Wednesday, March 23, 2016 9:07 AM
**To:** Alistair Cameron
**Cc:** Michelle.Siba@casinocontrol.ohio.gov
**Subject:** FW: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Alistair,

Do you know if HCT will have this ready soon? We would like to file with Lt. Governor Taylor's office today.

Thanks again for your help.

Craig

**Craig Donahue**
Manager of Audits

Ohio Casino Control Commission
(614) 387-5687

---

**From:** Pamela Clements [mailto:Pamela.Clements@pngaming.com]
**Sent:** Tuesday, March 22, 2016 5:20 PM
**To:** Donahue, Craig
**Cc:** Alistair Cameron
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Craig,

Alistair will be reaching out to you in response to this email.

Thank you for your patience.

Pam

---

**From:** Craig.Donahue@casinocontrol.ohio.gov [mailto:Craig.Donahue@casinocontrol.ohio.gov]
**Sent:** Tuesday, March 22, 2016 8:29 AM
**To:** Pamela Clements
**Cc:** Alistair Cameron
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Ok, thank you.

---

**From:** Pamela Clements [mailto:Pamela.Clements@pngaming.com]
**Sent:** Monday, March 21, 2016 1:59 PM
**To:** Donahue, Craig
**Cc:** Alistair Cameron
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Craig,

I have a meeting with some internal contributors tomorrow afternoon at 4.30pm. I will respond soon afterwards.

Thanks,
Pam

---

**From:** Craig.Donahue@casinocontrol.ohio.gov [mailto:Craig.Donahue@casinocontrol.ohio.gov]
**Sent:** Monday, March 21, 2016 12:43 PM
**To:** Pamela Clements
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Pam,

Just wanted to check in and see if you had a chance to put together some estimates. Let me know if there is anything that I can help with. Thanks!

Craig

**Craig Donahue**
Manager of Audits
Ohio Casino Control Commission

(614) 387-5687

---

**From:** Pamela Clements [mailto:Pamela.Clements@pngaming.com]
**Sent:** Wednesday, March 16, 2016 10:19 AM
**To:** Donahue, Craig
**Subject:** RE: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Craig,

We're working on the response to your email and will get back to you as soon as possible.

Thanks,
Pam

---

**From:** Craig.Donahue@casinocontrol.ohio.gov [mailto:Craig.Donahue@casinocontrol.ohio.gov]
**Sent:** Tuesday, March 15, 2016 9:50 AM
**To:** Pamela Clements
**Subject:** OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Pam,

I have a couple questions related to the proposed Commission rule change which would require a comparison of actual game results to forecasted or budgeted monthly figures. As included in our 2/2/2016 operator discussion (and as amended based on operator feedback requesting an extended reporting period of twenty-one days), the proposed language is as follows:

> *(A) Each casino operator shall establish internal controls for monitoring and reviewing table game and electronic gaming equipment operations, which shall include:*
> *(1) Procedures for the preparation of a monthly forecast of expected results by table game type, including expected total game revenue and game hold.*
> *(2) Procedures for the preparation of a monthly forecast of expected results of electronic gaming equipment operations, including expected total electronic gaming equipment revenue and average hold.*
> *(3) Procedures for documenting, investigating, and resolving deviations of more than four percent between the forecasted amounts and the actual results. The procedures shall include, but are not limited to:*
> *(a) Conducting and documenting the investigation; and*
> *(b) Notification to the commission of the investigation results within twenty-one days following the end of the month;*

Base on the 2/2/2016 operator discussion that you attended I understand that you have had some experience with this type of requirement in another jurisdiction. As a result, I would like to pose a couple questions so that we may provide an assessment of the economic impact to casino operators under the state's Common Sense Initiative.

- What team members will be assigned responsibilities related to this proposed requirement?
- How much time (in hours) do you think it will take the assigned team members to complete these responsibilities?

Please let me know if you have any questions on this request. Thanks for your help!

**Craig Donahue**
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687

## Siba, Michelle

**From:** Donahue, Craig
**Sent:** Wednesday, March 23, 2016 5:00 PM
**To:** Siba, Michelle; Martin, Patrick
**Subject:** Fwd: OCCC Rule Revision - Proposed changes to OAC 3772-10-08

FYI

Sent from my iPhone

Begin forwarded message:

> **From:** "Donahue, Craig" <Craig.Donahue@casinocontrol.ohio.gov>
> **Date:** March 23, 2016 at 4:59:08 PM EDT
> **To:** Pamela Clements <Pamela.Clements@pngaming.com>
> **Subject: Re: OCCC Rule Revision - Proposed changes to OAC 3772-10-08**
>
> Hi Pam,
>
> Thanks for your response. I apologize for the misunderstanding. I remember a question on the topic that we discussed but Alistair let me know today that your comment was related to another rule.
>
> Regardless, I thank you very much for your help with providing this information. We will submit it as an additional submission to the Common Sense Initiative program. All of this information is very helpful as we work to understand the effects that the rule making process has on the casinos.
>
> Craig
>
> On Mar 23, 2016, at 4:49 PM, Pamela Clements <Pamela.Clements@pngaming.com> wrote:
>
> > Hi Craig,
> >
> > I apologize if there was any misunderstanding during the Feb 2nd meeting but I have not had any previous experience with this type of requirement as no jurisdiction that I have worked in has required this type of reporting. Accordingly, the following response is based on very broad assumptions and therefore should be used cautiously in providing an accurate hypothesis.
> >
> > - What team members will be assigned responsibilities related to this proposed requirement? I believe that this function may require a Financial Analyst, a Revenue Auditor, direct assistance from a Slot Performance employee and a Table Games person. In addition, a Manager or Supervisor may be required to review the analysis as well as the services of additional SME's for research on variances.
> > - How much time (in hours) do you think it will take the assigned team members to complete these responsibilities? I would estimate that this function, tracked daily but reported and analyzed monthly could take anything from 3 hours to multiple days, given that the 4% variance threshold is very low and may possibly trigger multiple variances each month.

I hope this helps.

Thank you,

***Pam Clements***
***VP of Finance***
***Hollywood Casino Toledo***
*Mobile: 419-206-7841*
*Office : 419-661-5300*

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**From:** Craig.Donahue@casinocontrol.ohio.gov
[mailto:Craig.Donahue@casinocontrol.ohio.gov]
**Sent:** Tuesday, March 15, 2016 9:50 AM
**To:** Pamela Clements
**Subject:** OCCC Rule Revision - Proposed changes to OAC 3772-10-08

Hi Pam,

I have a couple questions related to the proposed Commission rule change which would require a comparison of actual game results to forecasted or budgeted monthly figures. As included in our 2/2/2016 operator discussion (and as amended based on operator feedback requesting an extended reporting period of twenty-one days), the proposed language is as follows:

> *(A) Each casino operator shall establish internal controls for monitoring and reviewing table game and electronic gaming equipment operations, which shall include:*
> *(1) Procedures for the preparation of a monthly forecast of expected results by table game type, including expected total game revenue and game hold.*
> *(2) Procedures for the preparation of a monthly forecast of expected results of electronic gaming equipment operations, including expected total electronic gaming equipment revenue and average hold.*
> *(3) Procedures for documenting, investigating, and resolving deviations of more than four percent between the forecasted amounts and the actual results. The procedures shall include, but are not limited to:*
> *(a) Conducting and documenting the investigation; and*
> *(b) Notification to the commission of the investigation results within twenty-one days following the end of the month;*

Base on the 2/2/2016 operator discussion that you attended I understand that you have had some experience with this type of requirement in another jurisdiction. As a result, I would like to pose a couple questions so that we may provide an assessment of the economic impact to casino operators under the state's Common Sense Initiative.

- What team members will be assigned responsibilities related to this proposed requirement?
- How much time (in hours) do you think it will take the assigned team members to complete these responsibilities?

Please let me know if you have any questions on this request. Thanks for your help!

**Craig Donahue**
Manager of Audits

Ohio Casino Control Commission
(614) 387-5687

EXHIBIT 6

**Donahue, Craig**

**From:** Duran, Cory
**Sent:** Thursday, March 10, 2016 5:38 PM
**To:** Thomas McDonald
**Cc:** Chris Riley (Chris.Riley@pngaming.com); Johnson, Shane; Donahue, Craig
**Subject:** Question related to OAC rule revision

Hi Tom,

Part of the Ohio Administrative Code's rule revision process is considering the impact of changes under the state's Common Sense Initiative (CSI). I have a few questions for you related to the proposed change to 3772-10-19(E) regarding count room variances. In the latest version, the relevant piece states:

> *(E) Any variances in the count room with the counting machine shall be reported to the Commission immediately. Each variance shall be investigated by the casino operator and the investigation documentation and results shall be submitted to the commission in writing.*

Here are the questions I have for you:

1) How frequently would you estimate that variances occur in the count room?
2) For each variance, how much total time do you think it would require from your team to investigate the variance, and report the variance/investigation results to the Commission (beyond the procedures that are already in place)?
3) What would be the financial impact (i.e. man power cost, etc.) to report/investigate each variance?

Thanks for your input!

Cory Duran
Financial Auditor
Ohio Casino Control Commission
(614) 308-4680

EXHIBIT 7

## Donahue, Craig

**From:** Thomas McDonald <Thomas.McDonald@pngaming.com>
**Sent:** Friday, March 11, 2016 12:14 PM
**To:** Matthew Weiner; Duran, Cory
**Cc:** Johnson, Shane; Chris Riley; Donahue, Craig
**Subject:** RE: Count Room Variance Investigation SOP

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Cory,
The process for each variance to investigate, log and contact Cummins Alison when needed is anywhere from 10 to 30 minutes.

The change to the OAC will not cause additional labor to our existing processes and the time required to notify OCCC in detail of any variance and the investigation results is negligible.

Thank you,

**Tom McDonald**
Director of Player Services
P. 614.308.4632
www.hollywoodcolumbus.com
200 Georgesville Road
Columbus, OH 43228
614-308-3333

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**From:** Matthew Weiner
**Sent:** Friday, March 11, 2016 12:09 PM
**To:** Craig.Donahue@casinocontrol.ohio.gov
**Cc:** Cory.Duran@casinocontrol.ohio.gov; Johnson, Shane (Shane.Johnson@casinocontrol.ohio.gov); Chris Riley; Thomas McDonald
**Subject:** Count Room Variance Investigation SOP

Hello all-
Attached you will find the Count Room Variance Investigation SOP.
Also I have attached a blank copy of our Strap Variance log.

**Thank you for your time.**

**Matt Weiner**
Count Shift Manager
614.772.2400
Hollywoodcolumbus.com
200 Georgesville Road

Columbus, OH 43228

EXHIBIT 8

## Donahue, Craig

**From:** Donahue, Craig
**Sent:** Tuesday, March 15, 2016 4:30 PM
**To:** Robert Wamsley (rwamsley@caesars.com)
**Subject:** Proposed Rule Change - OAC 3772-11-39 Table game inspection and maintenance.
**Attachments:** Proposed OAC 3772-11-39 draft.pdf

Robert,

As we have in the past, we are asking for help from each casino related to our submission of our rule change packet to the State's Common Sense Initiative program. What this process is interested in is the effect that rule changes would have on our licensees.

In this case, I'd like to request UCI's assistance with estimating that effect for our new table game inspection and maintenance rule (attached) will have on the casino. I understand that you will not have an exact value for some of these items until they actually put into place, however, would you please ask your table games department to provide a brief response with UCI's thoughts on the following factors:

- The UCI personnel that would be responsible for fulfilling the requirements of the proposed rule.
- An estimate of the total amount of time per day that UCI thinks would be required for compliance with the rule.

Thanks for your help and please let me know if you have any questions.

**Craig Donahue**
Manager of Audits
Ohio Casino Control Commission
(614) 387-5687

EXHIBIT 9

## Donahue, Craig

**From:** Robert Wamsley <rwamsley@Caesars.com>
**Sent:** Friday, March 18, 2016 10:13 AM
**To:** Donahue, Craig
**Subject:** FW: Proposed Rule Change - OAC 3772-11-39 Table game inspection and maintenance.

Craig,

Steve Nagata provided the information below and hope it helps. Feel free to reach out to Steve or myself with any questions. Thank you.

Robert

**Robert Wamsley | Regulatory Compliance Officer**
Horseshoe Cincinnati
1000 Broadway | Cincinnati, OH 45202
☎ 513-250.3117 | ✉ rwamsley@caesars.com



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**From:** Steven Nagata
**Sent:** Wednesday, March 16, 2016 3:43 PM
**To:** Robert Wamsley
**Cc:** Chris Volle
**Subject:** RE: Proposed Rule Change - OAC 3772-11-39 Table game inspection and maintenance.

Robert,

I'll call you in a few, but here are some of my thoughts for our discussion:
A brief response with UCI's thoughts on the following factors:

- The UCI personnel that would be responsible for fulfilling the requirements of the proposed rule.
  - Table Games Supervisor or above (specific to inspections)
  - Table Games Supervisor or above OR Ohio Gaming Licensed Facilities team member (specific to maintenance)
  - Table Games Dealer (specific to randomness), game observations by Table Games Supervisor or above and Surveillance.
- An estimate of the total amount of time per day that UCI thinks would be required for compliance with the rule.
  - A roulette daily inspection takes approximately 7-10 minutes to complete, start to finish. We already do this.
  - Roulette maintenance takes approximately 30-45 minutes to complete, this is conducted once per month, but this includes the inspection pieces noted above. We already do this.
  - Roulette wheel rotation takes approximately 1 hour per table, but this includes the maintenance and inspection pieces noted above. We already do this.
  - Adding a big six daily inspection would approximately the same time period as a roulette wheel. We presently do not have an inspection process for big six.
    - We would inspect the wheel moves freely, no obstructions and parts are secure (pegs and flapper).

        - Inspect the wheel doesn't have any magnet or contrivance that would affect the fair operation
    - Estimate approximately 1 hour for maintenance as heavy equipment may be required to lift the wheel itself. Recommended frequency would be once per quarter.