



## Common Sense Initiative

**Mike DeWine**, Governor  
**Jon Husted**, Lt. Governor

**Sean McCullough**, Director

### Business Impact Analysis

Agency, Board, or Commission Name: Ohio Casino Control Commission  
(“Commission”)

Rule Contact Name and Contact Information:

Andromeda Morrison, 614-387-5616, [andromeda.morrison@casinocontrol.ohio.gov](mailto:andromeda.morrison@casinocontrol.ohio.gov)

Regulation/Package Title (a general description of the rules’ substantive content):

OCCC 2021 FYR Batch 5 (Ohio Adm.Code 3772-10 (Internal Control Systems))

Rule Number(s): 3772-10-01, 3772-10-02, 3772-10-03, 3772-10-04 (rescind & new), 3772-10-05, 3772-10-06, 3772-10-07, 3772-10-08, 3772-10-09, 3772-10-10, 3772-10-11, 3772-10-12, 3772-10-13 (rescind & new), 3772-10-14, 3772-10-15, 3772-10-16, 3772-10-17, 3772-10-18, 3772-10-19, 3772-10-20, 3772-10-21, 3772-10-22, 3772-10-23 (rescind & new), 3772-10-24, 3772-10-25, 3772-10-26, 3772-10-27, 3772-10-28, & 3772-10-30.

Date of Submission for CSI Review: 10/4/2021

Public Comment Period End Date: 10/15/2021

Rule Type/Number of Rules:

New/5 rules

No Change/\_\_\_\_ rules (FYR? \_\_\_\_)

Amended/20 rules (FYR? Yes)

Rescinded/9 rules (FYR? Yes)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

**adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.**

### **Reason for Submission**

- 1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.**

**Which adverse impact(s) to businesses has the agency determined the rule(s) create?**

**The rule(s):**

- a. ☐ **Requires a license, permit, or any other prior authorization to engage in or operate a line of business.**
- b. ☒ **Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.**
- c. ☒ **Requires specific expenditures or the report of information as a condition of compliance.**
- d. ☒ **Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.**

### **Regulatory Intent**

- 2. Please briefly describe the draft regulation in plain language.**

***Please include the key provisions of the regulation as well as any proposed amendments.***

The rules presented here are being reviewed pursuant to the state's rule-review requirement in R.C. 106.03 and are those rules contained in Ohio Adm.Code Chapter 3772-10 (Internal Control Systems). Many of the revisions are meant to improve clarity or readability or to reduce redundancies in and between the Administrative and Revised Codes. Some consistent changes made throughout include better specifying when an action is required to be taken by the Commission at a public meeting, the executive director, or by staff of the agency. Additionally, many changes have been made to update, streamline, and standardize rule language.

**77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117**

**CSIPublicComments@governor.ohio.gov**

- **3772-10-01 (amendment)**, titled “Definitions.” This rule defines certain internal control-related definitions. The purpose of this rule is to create a clear set of definitions that apply throughout the Administrative Code. The amendments to this rule are largely intended to clarify and streamline rule language, including deleting definitions for terms that are not otherwise used. Definitions for “contractor” and “manual payout,” which are terms used consistently in the Administrative Code, have been added.
- **3772-10-02 (amendment)**, titled “Internal controls.” This rule requires casino operators to submit internal controls for Commission approval prior to operating. The purpose of this rule is to implement all the statutorily required plans in R.C. Chapter 3772 and to allow the Commission to audit casino-gaming processes pursuant to its authority in R.C. 3772.033, while still allowing each operator to implement processes that best fit their unique business model. The amendments to this rule streamline and simplify rule language by removing specific references to where the requirements for certain internal controls can be found. The amendments also remove provisions that are already covered by other rules—for example, waivers, which are governed by Ohio Adm.Code 3772-1-06. Moreover, the rule helps streamline the Administrative Code, itself, by combining current 3772-10-28 (Amendments to internal control plans) into this rule. In so doing, the current amendment process requiring Commission approval of all amendments was retained, but an unnecessary waiver provision in paragraph (B) of 3772-10-28 was not.
- **3772-10-03 (amendment)**, titled “Casino operator’s organization.” Presently, this rule requires casino operators to maintain documentation of their internal organization, including charts and descriptions of duties. The rule also requires that the operators have certain requisite departments and positions and that all operator personnel are appropriately trained in all job duties relevant to each employee. The purpose of this rule is to ensure that operators have appropriate staff to complete each statutorily and rule required function, as well as to ensure that individuals who are completing these functions are trained on how to do so and are not put into incompatible functions (e.g., security and surveillance). The amendments to this rule are all minor wordsmithing changes, with the exception of the deletion of paragraph (B)(5). That provision is being deleted because it is duplicative of paragraph (D).
- **3772-10-04 (rescind)**, titled “Accounting records.” (rescind) This rule provides that casino operators must have internal controls for preparing accounting records and restates statutorily required provisions related to operators meeting their tax filing requirements. This rule is being rescinded as unnecessary. Paragraph (A) is covered by 3772-10-05. Paragraph (B) is outdated and unnecessary. Finally, paragraphs (C) and (D), while statutorily required, are capable of being simplified and thus were moved to new 3772-10-23 (other duties).
- **3772-10-04 (new)**, titled “Controlled demonstration.” This rule while “new” is comprised of the current provisions in 3772-10-27, with only minimal changes to that language. The rule provides that each casino operator must perform and pass a controlled demonstration

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

to open to the public. The purpose of this rule is to ensure that new casino facilities can operate in compliance with R.C. Chapter 3772 and the rules adopted thereunder before the casino opens to the public. The amendments to this rule are solely housekeeping, including streamlining, updating, and standardizing language.

- **3772-10-05 (amendment)**, titled “Forms, records, and documents.” This rule contains requirements related to the maintenance of forms necessary to complete gaming and financial activities. The purpose of this rule is to allow the Commission to audit casino-gaming processes pursuant to its authority in R.C. 3772.033, while still allowing each casino operator to implement forms or processes that best fit their unique business model. Additionally, this rule helps ensure that R.C. 3772.03(D)(12)’s mandate that the Commission adopt rules requiring that records are maintained in a manner prescribed by the Commission is met. The amendments to this rule are mostly streamlining and organizational changes.
- **3772-10-06 (amendment)**, titled “Standard financial reports.” Presently, this rule requires each casino to file certain financial reports monthly and annually with the Commission. The purpose of this rule and these reports is to ensure the ongoing financial suitability and stability of a casino operator, as required by R.C. 3772.10, and to ensure R.C. 3772.03(D)(12)’s requirement that financial statements and other records are maintained is met. The amendments to this rule are solely streamlining and wordsmithing.
- **3772-10-07 (amendment)**, titled “Annual audit; other reports; suspicious transaction reporting.” This rule requires casino operators to engage an independent certified public accountant annually to conduct a financial audit. The rule also requires that the Commission be notified of Securities and Exchange Commission reports filed and given copies of suspicious activity reports filed. Finally, the rule also allows the Commission to require an annual compliance audit, if necessary. The purpose of this rule is to ensure the integrity of casino gaming by having neutral third parties and the Commission conduct or receive audits, reports, and other important filings or documents. The rule also implements R.C. 3772.03(D)(22)’s requirement that the Commission adopt a rule prescribing standards to which operators keep accounts and standards to which casino accounts be audited. It also allows the Commission to audit casino-gaming processes pursuant to its R.C. 3772.033 authority. The amendments to the rule include two substantive changes. The first allows operators to notify the Commission of what auditor they plan to use for a financial audit under the rule, instead of seeking approval of that auditor on the front end; but the Commission maintains the authority to decertify or otherwise seek invalidation of this agreement. As such, staff believes this change will not meaningfully impact the integrity of casino gaming, while streamlining the audit engagement process. The second specifies that operators must undergo an audit of their IT and surveillance systems once per licensure period. These systems are the backbone of casino-gaming integrity and can often be the subject of attempted hacks and other types of cyberattacks, as such these added system audits are not only justified but increasingly important in the evolving digital world. The

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

other amendments to this rule are largely streamlining, including removing requirements that exist otherwise in law.

- **3772-10-08 (amendment)**, titled “Procedures for monitoring and reviewing game operations.” This rule contains requirements a casino operator must have in its internal controls and must follow in monitoring and reviewing the operation of slot machines and table games. This includes operators comparing actual payout percentages to forecasted theoretical percentages and investigating any material variances. The purpose of this rule is to ensure that casino games are operating within those standards adopted pursuant to R.C. 3772.03(D)(8) and 3772.20 and to allow the Commission to meet its statutory mandate to audit casino-gaming processes pursuant to R.C. 3772.033. While many of the amendments to this rule are streamlining, one substantive change is that operators will no longer need to forecast theoretical payout percentages and will instead compare actual payout percentages to historical averages. This change will be less burdensome on operators but will also not meaningfully impact the integrity of casino gaming. Now that the state has a decade of casino gaming to look back on, historical averages should represent an accurate depiction of expected game operation.
- **3772-10-09 (amendment)**, titled “Complimentaries.” This rule governs the authorization, issuance, and recording of complimentaries. It allows each casino operator to set the specifics of these processes in their own Commission-approved internal controls, subject to certain minimums, including ensuring complimentaries are not issued to members of the Voluntary Exclusion Program (“VEP”) or to individuals who the authorizer may have a relationship with. The purpose of this rule is to implement R.C. 3772.23’s statutory requirements that promotional gaming credits (or complimentaries) be subject to Commission oversight. The amendments to this rule are mostly streamlining or clarifying, including specifying that members of the Involuntary Exclusion List should also not be issued complimentaries.
- **3772-10-10 (amendment)**, titled “Patron financial transactions at the cashier’s cage.” This rule specifies that casino operators may process certain financial transactions, as designated in their internal controls, at the cashier’s cage and provides some detail on how such transactions are to be handled. The purpose of this rule is to allow the operators to determine which financial transactions they want to offer patrons while still ensuring the proper controls are in place for integrity’s sake, including ensuring transactions are not processed for voluntarily or involuntarily excluded individuals and that transactions are properly logged. This allows the Commission to meet its statutory duty to ensure records, particularly financial records, are properly maintained under R.C. 3772.03 and to audit casino-gaming operations under R.C. 3772.033. The amendments to this rule are largely streamlining, including most notably, moving certain requirements from current 3772-10-13 (patron deposits) into this rule. In so doing, those requirements, which relate to the receipting and logging of patron deposits and withdrawals, have been greatly streamlined, including removing requirements for internal controls on these processes.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

- **3772-10-11 (new)**, titled “Credit.” This rule while “new” is comprised of the current provisions in 3772-10-23, with only minimal changes to that language. The rule provides the regulatory framework for the use, issuance, and payment of credit and markers in the casinos. The rule also contains three strict prohibitions: casino operators may not issue credit to voluntarily excluded individuals, extend credit to patrons delinquent in payments, and circumvent the credit requirements by otherwise issuing credit to a patron in connection to casino gaming. The purpose of the rule is to ensure casino credit is appropriately regulated and monitored, and is not offered to individuals on the VEP, as required by R.C. 3772.03(D)(10)(f) and (14). The amendments to this rule are mostly streamlining or clarifying, including specifying that members of the Involuntary Exclusion List should also not be issued credit.
- **3772-10-12 (new)**, titled “Access controls.” This rule while “new” is comprised of the current provisions in 3772-10-26, with only minimal changes to that language. The rule governs how access to assets, restricted areas, and sensitive keys must be maintained, allowing the casino to adopt many of the specifics on these points in their internal controls. The rule also specifies certain requirements regarding these access controls, including that access must be controlled by security and that certain records must be kept regarding access. The purpose of this rule is to ensure that all areas that are required to be kept restricted under R.C. Chapter 3772 and the rules adopted thereunder are so restricted. In addition to preventing any violations on the front end, this allows the Commission, pursuant to its R.C. 3772.033 authority, to appropriately investigate, audit, and inspect any potential violations, knowing who may have had the ability or access to cause the violation. The amendments to this rule are solely housekeeping, including streamlining and standardizing language.
- **3772-10-13 (rescind)**, titled “Patron deposits.” Presently, this rule governs patron deposits and withdrawals, including requiring procedures for the receipt and logging of such transactions. The rule is being rescinded and combined with 3772-10-10 (Patron transactions at the cashier’s cage). For more information on that rule, see the above summary.
- **3772-10-13 (new)**, titled “Signature requirements.” This rule while “new” is comprised of the current provisions in 3772-10-24, with only minimal changes to that language. This rule specifies how each casino operator will issue and maintain a signature card for each licensed employee and how employees must sign documents when a signature is required under the law. The purpose of this rule is to ensure that both the operator and the Commission can quickly and confidently investigate any issues that may arise in an area where a signature is required by an employee, amplifying the Commission’s investigatory, inspection, and audit authority granted by R.C. 3772.033. The amendments to this rule remove requirements that the operator have detailed internal controls on the issuance and maintenance of these cards and streamline rule language.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)



- **3772-10-14 (amendment)**, titled “Internal audit standards.” This rule provides that each casino must have an internal audit department and lists the functions and duties of this department, including specifying that all major gaming areas (slot and table game revenue, cage procedures, IT, access controls, etc.) are audited on at least a semi-annual basis. The purpose of this rule is to ensure that casino operators are working internally to comply with R.C. Chapter 3772 and the rules adopted thereunder, amplifying the Commission’s R.C. 3772.033 audit power. The amendments to this rule are largely streamlining and clarifying in nature.
- **3772-10-15 (amendment)**, titled “Information technology controls.” This rule establishes the duties and responsibilities of a casino operator’s IT department. It also requires gaming-related IT systems to be appropriately secured and controlled, both when being accessed at the casino and remotely. The purpose of this rule is to ensure the integrity of the casino’s information technology systems, which serves as the backbone of many of the gaming-related and security and surveillance systems—all of which the Commission is mandated to prescribe requirements for under R.C. 3772.03. This rule also helps ensure that these processes are capable of being audited under the Commission’s R.C. 3772.033 authority. The amendments to this rule require the operators to provide the Commission with systems sufficient to access the operator’s systems and with a list of all gaming-related computer systems. Additionally, the amendments strike a requirement that vendors log remote-access sessions with casino equipment, since the operator is already doing so. Finally, the amendments contain some housekeeping changes to streamline and clarify rule language.
- **3772-10-16 (amendment)**, titled, “Security of the cashier’s cages, main bank, and count rooms.” This rule governs the casino facilities’ cashier’s cages, main banks, and count rooms, including requiring each facility to have a main cage adjacent to the gaming floor and a main bank and count room located in secured areas. The rule further details security controls these facilities must have. The purpose of the rule is to ensure the integrity of the casinos’ cages, main banks, and count rooms—these parts of the facility are where the casinos count, store, and distribute the funds they handle each day. Under R.C. 3772.03, the Commission is charged both with adopting rules regarding security and ensuring that winnings and revenue are properly computed—both of which are partially accomplished through this rule. The amendments to this rule remove the need for casino operators to detail things like the location of these facilities in internal controls and adds an explicit requirement that operators must always offer services for converting cashless wagering instruments into cash when the casino facility is open. The other amendments to the rule are largely housekeeping, in that they are aimed at streamlining and reorganizing language.
- **3772-10-17 (amendment)**, titled “Accounting controls for the cage, main bank, and redemption kiosks.” This rule governs the internal controls casino operators must have for operating cages, redemption kiosks, and the main bank. This includes ensuring variances are appropriately documented and, when needed, investigated and reported. Moreover, the rule ensures operators maintain adequate staffing and access controls to these sensitive areas. The purpose of the rule is to ensure the integrity of the casinos’ cages, main banks,

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

and count rooms—these parts of the facility are where the casinos, count, store, and distribute the millions of dollars they handle each day. This rule also helps the Commission ensure that winnings and revenue are properly computed, as required by R.C. 3772.03. This rule also helps ensure that these processes are capable of being audited under the Commission’s R.C. 3772.033 authority. The amendments to this rule are solely aimed at updating and harmonizing rule language.

- **3772-10-18 (amendment)**, titled “Table game drop boxes and electronic gaming equipment bill validator canisters: physical requirements and transportation.” This rule governs how table-game drop boxes and electronic-gaming-equipment bill-validator canisters are to be designed, stored, installed, and removed. This includes ensuring that these drop boxes and canisters are uniquely identifiable, tied to a specific game, secured, and maintained on a regular basis. Anytime these drop boxes or canisters are emptied and replaced, the casino operator must ensure it is done by at least two employees who must also be monitored by the Surveillance Department. The purpose of the rule is to ensure that drop boxes and bill-validator canisters, which hold the money received by these games, are closely monitored and are capable of being audited under the Commission’s R.C. 3772.033 authority. This rule also helps ensure that winnings and revenue are properly computed, as required by R.C. 3772.03. The amendments to this rule, while numerous, are largely related to reorganization and streamlining. That being said, there are minor substantive changes, including no longer requiring a table-games supervisor to be one of the two employees present when drop boxes are emptied and replaced.
- **3772-10-19 (amendment)**, titled “Count Procedures.” This rule details the procedures that a casino operator must follow when conducting a count of the proceeds from casino gaming, including who may be present during the count, conditions on how the count must occur, and what must be done at the conclusion of the count. The rule allows operators to put further specifics related to the count in their internal controls. The purpose of this rule is to ensure that all winnings, compensation from casino gaming, and gross revenue is accurately computed and reported as required by R.C. 3772.03(D). This rule also helps ensure that these processes are capable of being audited under the Commission’s R.C. 3772.033 authority. The amendments to this rule are largely housekeeping, including reorganization and rephrasing of certain provisions. However, some minor changes have been made, including removing a requirement on the rotation of count-team members.
- **3772-10-20 (amendment)**, titled “Unsecured currency.” This rule describes how a casino operator will handle “unsecured currency,” or currency found in a game but outside of the game’s drop box or bill-validator canister, ensuring that these pieces of currency are recording and ultimately counted as gaming proceeds. The purpose is to ensure that that all winnings, compensation from casino gaming, and gross revenue is accurately computed and reported as required by R.C. 3772.03(D). The amendments to the rule are largely streamlining, but the amendments also remove the requirement that operators have detailed internal controls on how this information is recorded.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)



- **3772-10-21 (amendment)**, titled “Manual game payouts.” This rule details how casino operators must handle manual payouts—or payouts not made directly from the game itself (including any taxable jackpot). This includes each operator adopting internal procedures on manual payouts. These procedures must ensure that manual payouts are only made to properly identified patrons and are properly documented, taxed, and verified. The purpose of this rule is to ensure that all winnings, compensation from casino gaming, and gross revenue is accurately computed and reported as required by R.C. 3772.03(D)(17) and that casinos are meeting their obligations to ensure patrons pay taxes on winnings over certain federal thresholds. This rule also helps ensure that these processes are capable of being of being audited under the Commission’s R.C. 3772.033 authority. The amendments to this rule are largely streamlining changes; however, two substantive changes have been made, including requiring that the Surveillance Department monitor all payouts over \$10,000 and that Security Department escorts are made available to patrons who obtain manual payouts. These changes have been made pursuant to the Commission’s obligation to adopt security and surveillance requirements.
- **3772-10-22 (amendment)** – titled “Tips and gratuities.” This rule governs tips and gratuities, including prohibiting table-game dealers from soliciting tips and supervisors from accepting any tips. The rule also governs how tips to dealers will be handled, including requiring that the tips be placed in transparent boxes and ultimately split pro rata amongst the dealers. The purpose of this rule is to ensure the integrity of casino gaming by ensuring that any tips received by employees do not influence or give the appearance of influencing any employee to change the outcome of any game. The amendments to this rule are largely housekeeping changes, including reorganization and streamlining. However, the amendments also remove a requirement that casino operators adopt further detailed approved procedures on tips and gratuities.
- **3772-10-23 (rescind)**, titled “Credit.” The present version of the rule is being “rescinded” to move the rule’s language to new Ohio Adm.Code 3772-10-11.
- **3772-10-23 (new)**, titled “Other duties.” This rule, while “new,” is a greatly streamlined amalgamation of three prior rules: 3772-10-04, -25, and -30. The rule covers the decertification process for contractors, how casino operators handle unclaimed funds, and operator compliance with the Tax Code and with the Tax Commissioner. The purpose of this rule is to comply with certain Commission rule-adoption requirements (R.C. 3772.03(D)(17) and (24)) and to ensure that operators are aware of requirements under other parts of Ohio law (tax and unclaimed funds), without adding any substantive, overlapping requirements.
- **3772-10-24 (rescind)**, titled “Signature requirements.” The present version of the rule is being “rescinded” to move the rule’s language to new Ohio Adm.Code 3772-10-13.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

- **3772-10-25 (rescind)**, titled “Unclaimed winnings.” The present version of the rule is being “rescinded” to combine the rule’s language into new Ohio Adm.Code 3772-10-23. In so doing the requirements of the rule were greatly simplified, including removing a requirement that casino operators have internal procedures on how to handle unclaimed winnings.
- **3772-10-26 (rescind)**, titled “Access controls.” The present version of the rule is being “rescinded” to move the rule’s language to new Ohio Adm.Code 3772-10-12.
- **3772-10-27 (rescind)**, titled “Controlled demonstration.” The present version of the rule is being “rescinded” to move the rule’s language to new Ohio Adm.Code 3772-10-04.
- **3772-10-28 (rescind)**, “Amendments to internal control plans.” The present version of the rule is being “rescinded” to combine the rule’s language into Ohio Adm.Code 3772-10-02. In so doing, an unnecessary waiver provision was removed, as already being covered by Ohio Adm.Code 3772-1-04.
- **3772-10-30 (rescind)**, titled “Investigation and certification of contractors by casino operators.” The present version of this rule is being “rescinded” to combine the rule’s language into new Ohio Adm.Code 3772-10-23. In so doing, the requirements have been greatly streamlined. Instead of casino operators having internal procedures to investigate and certify certain contractors, based on the level of business the contractor has with the operator, the new rule simply allows the Commission to decertify any contractors that it becomes aware have violated the law. This still comports with the Commission’s R.C. 3772.03(D)(24) statutory mandate, while greatly reducing unnecessary administrative burdens on the operators and those businesses casino operators may be looking to contract with.

**3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.**

169.01, 169.02, 3772.01, 3772.03, 3772.033, 3772.10, 3772.23, 5753.02, 5753.04

**4. 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.

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

This question is not applicable to these amendments because the federal government does not regulate casino gaming in this state. Rather, casino gaming is permitted pursuant to Article

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

XV, Section 6(C) of the Ohio Constitution and is controlled by Ohio's Casino Control Act (i.e., R.C. Chapter 3772).

**6. 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, including several mandatory rules in R.C. 3772.03. Chapter 10 (Internal Control Systems) contains many of these mandatory rules as well as rules designed to enable the Commission to accomplish its R.C. 3772.033 statutory authority to audit gaming operations, by implementing standards and procedures to which these operations must be held. To ensure the integrity of casino gaming, it is imperative to ensure that casino operators are conducting gaming in accordance with their own internal controls and that those controls meet the constitutional and statutory minimums. These rules and their amendments are designed to continue to effectuate the Commission's constitutional and statutory mandates.

**7. 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. This can be done in two ways: First, through evaluating whether the public benefit of implementing and enforcing the proposed rules outweighs their administrative and business costs. And second, through analyzing the regulated community's comments about requests for amendments to the rules or for waivers or variances to or from the rules. No such comments were received on these rules during their initial comment period or when they were considered for initial filing at a Commission meeting.

**8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**

*If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.*

No.

**Development of the Regulation**

**9. 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.*

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

In reviewing these rules, an email was sent on August 13, 2021, to over 100 stakeholders. (Exhibits 1 and 2). Stakeholders were asked to submit any written comments on the rules by 5:00 p.m. on August 27, 2021. (Exhibit 1). These stakeholders included employees or representatives from casino operators, management companies, holding companies, gaming-related vendors, and independent testing laboratories. No written comments from stakeholders were received. Finally, stakeholders had the opportunity to comment during the Commission's public meeting on September 15, 2021. No comments were made.

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

No input was provided by stakeholders.

**11. 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 rules because no scientific data was necessary to develop or measure their outcomes. Instead, Commission staff reviewed the Commission's statutory mandates and looked at how other jurisdictions approached the topics in these rules. Further, staff considered whether existing rules were the most efficient means by which to maintain the integrity of casino gaming and whether any requests for amendments, waivers, or variances had been requested or 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 in other jurisdictions, with minor adaptations to remain in compliance with Ohio law.

**12. 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?**

When first adopting these rules, Commission staff reviewed the rules adopted in other jurisdictions, including Kansas and New Jersey, where members of staff had formerly been employed. In reviewing these amendments, staff considered past practices of the Commission, any comments on the rules, any waivers or variances to existing rules that had been requested and granted, and current trends in the casino regulatory environment. These rules are a conglomeration of the rules used in other jurisdictions with adaptations made for Ohio law.

**13. 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, which largely cover the internal controls that each casino operator must implement, include a performance-based component wherein they largely set the floor for

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

compliance but do not completely dictate how the casino operators are supposed to achieve compliance. Rather, those internal controls provide an opportunity for each casino operator to adopt and implement procedures most appropriate to each casino facility, in order to achieve compliance. Additionally, Ohio Adm.Code 3772-1-04 allows the casino operators 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 Commission considers the past performance of casino operators and their ability to comply with the law in evaluating internal controls, amendments to internal controls, and waivers or variances to or from these rules

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

This question largely does not apply to these rules because no other regulations in these areas currently exist with respect to casino gaming. To the extent that this package amends existing administrative rules, many of those amendments are meant to ensure these rules are not duplicative of the Casino Control Laws or other Administrative Code requirements adopted thereunder.

**15. 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.**

The rules in this package largely relate to regulatory compliance, which is handled by the Commission's regulatory compliance staff, which is overseen by a director in the Commission's central office. Further, to ensure ongoing compliance, there are gaming agents, auditors, and office managers stationed at each of the casinos observing, evaluating, and investigating casino operations. Any issues that arise at the facilities are funneled to the Commission's central office where the Executive Director and their division directors can coordinate a consistent response and conduct outreach to the regulated community. Further, the granting or ultimate sanctioning of any of these license types must be brought before the Commission at a public meeting for a vote. Therefore, the regulated community can expect consistent and transparent formal licensing or sanctioning decisions.

**Adverse Impact to Business**

**16. 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; and**

The casino operators are the impacted stakeholders.

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

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)



The nature of the potential adverse impact from the rules includes both fines for noncompliance and costs for employee time and payroll. Employee time and payroll may be spent on: submitting, maintaining, and following the internal controls required under these rules; employee training; and sending the required notifications and reports to the Commission, as further detailed below.

**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.*

**3772-10-01 Definitions. (amendment)**

The Commission does not anticipate a negative impact on business from this rule itself, as it is solely definitional. However, because these definitions set the base for the casino operator’s internal control systems, it is filing this rule and has made it available for stakeholder comment. Any potential business impact would likely be triggered by other rules’ substantive provisions.

**3772-10-02 Internal controls. (amendment)**

The Commission anticipates an adverse impact on business from this rule, relating to the submission and maintenance of required information, as well as the cost from operators complying with the relevant submissions. However, this rule and the controls are necessary, to ensure the operators are complying with the requirements of R.C. Chapter 3772, in particular several of the mandatory rules the Commission is required to adopt in R.C. 3772.03. The controls are also necessary so the Commission can effectively audit gaming operations pursuant to R.C. 3772.033. Additionally, the business impact of the rule is further blunted because internal controls, by definition, allow each casino operator to implement processes that best fit their business model. At this point in time, all casino operators already have compliant internal controls, so no changes will be required by this amendment, which is solely streamlining, other than moving the internal-procedure amendment-approval process from current 3772-10-28 to this rule, to accomplish the rescission of that rule and further streamlining of the Administrative Code.

**3772-10-03 Casino operator’s organization. (amendment)**

The Commission anticipates a minimal adverse impact on business from this rule that include certain administrative costs related to the preparation of the organizational chart and submission of the chart to the Commission when requested. This rule is necessary to ensure that operators have appropriate staff to complete each statutorily and rule-required function, as well as to ensure that individuals who are completing these functions are trained on how to do so and are not put into incompatible functions (e.g., security and surveillance). Given the minor costs associated with the preparation, submission, and maintenance of this chart, the Commission does not believe the business impact outweighs

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIPublicComments@governor.ohio.gov

the important integrity safeguards that this rule provides. Since the amendments to this rule are all minor wordsmithing changes, the Commission does not anticipate any additional costs of compliance.

**3772-10-04 Accounting records. (rescind)**

The present version of the rule is being “rescinded.” However, paragraphs (C) and (D) have been simplified and moved to new 3772-10-23 (other duties). Therefore, there is little business impact from this rescission, although the streamlined rules and simplified requirements will create a slight positive impact. Additional positive business impacts will be felt from the Commission’s deletion of the requirements in paragraph (B), which removes an unnecessary requirement related to accounting records being maintained in a double-entry system.

**3772-10-04 Controlled demonstration. (new)**

This rule, while “new” is comprised of the current provisions in 3772-10-27, with amendments that are solely housekeeping, including streamlining, updating, and standardizing language.

The Commission does not anticipate any impact on the present regulated community as a result of this rule because each casino operator has already completed at least one controlled demonstration at each casino facility, and this rule only applies to new casino operators. Because of the Constitutional mandate that only four casino facilities may exist at once, a new casino operator may only open a casino facility in Ohio if one of the existing casino facilities closes—meaning it is unlikely for this rule to have any business impact in the near future. That being said, this rule would place a one-time cost on any new casino facility—but that cost would be substantially outweighed by the benefits of ensuring that the facility, which is engaging in a highly regulated and otherwise illegal business, can comply with the requirements of R.C. Chapter 3772 and Ohio Adm.Code Agency 3772 before opening to the public. The amendments to this rule will have no business impact, as they are solely the streamlining and standardizing of language.

**3772-10-05 Forms, records, and documents. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule. At most, there are certain administrative costs related to the maintenance of forms and records necessary to complete gaming and financial activities. However, this small business impact is blunted by the fact that casino operators would already have these types of forms and records as a business necessity and because detailed records requirements are common in the casino industry. Further, this rule is required by R.C. 3772.03(D)(12). However, the rule also minimizes its business impact by allowing each casino operator to implement forms or processes that best fit their unique business model, so long as they are kept on file with the Commission. While the redlined rule may look like numerous changes have been made to the rule, the redlines are largely a result of rule reorganization, and the amendments will not have any business impact.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

**3772-10-06 Standard financial reports. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule. These would relate to the costs required to file certain financial reports monthly and annually with the Commission. That being said, these reports are necessary to ensure the ongoing financial suitability and stability of a casino operator, as required by R.C. 3772.10, and to ensure R.C. 3772.03(D)(12)'s requirement that financial statements and other records are maintained is met. Therefore any business impact is justified. Moreover, the amendments to this rule remove a requirement that operators have internal controls on filing these reports, as the controls are unnecessary, resulting in a positive business impact from this amendment.

**3772-10-07 Audits; other reports; suspicious transaction reporting. (amendment)**

The Commission anticipates a minimal adverse impact to business related to annual auditing by an independent certified public accountant or an independent registered certified public accounting firm licensed to practice in this state. The rule is necessary and important to ensure the integrity of casino gaming by having neutral third parties and the Commission conduct or receive audits, reports, and other important filings or documents. Moreover, the business impact of the rule is blunted since these requirements simply implement R.C. 3772.03(D)(22)'s requirement that the Commission adopt a rule prescribing standards to which casino operators keep accounts and standards to which casino accounts be audited. Additionally, the rule allows the Commission to audit casino-gaming processes pursuant to its R.C. 3772.033 authority.

While the amendments to this rule are largely streamlining, two substantive changes have been made. The first removes a requirement that the Commission approve third-party auditors on the front end and instead allows the Commission to decertify or invalidate any audit engagement on the back end should the Commission find that the auditor is not qualified, independent, or capable. The Commission anticipates that casino operators, as well as their auditors, will benefit from this change, as it streamlines the audit engagement process.

The second change specifies that casino operators must undergo an IT and surveillance-system audit once per licensure period. Because these systems are the backbone of casino-gaming integrity and can often be the subject of attempted hacks and other types of cyberattacks, these added system audits are not only justified, but increasingly important in the evolving digital world.

**3772-10-08 Monitoring and reviewing game operations. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule as it relates to certain requirements the casino operators must have in their internal controls and must follow in monitoring and reviewing the operation of slot machines and table games. However, this rule is necessary implement certain statutory requirements, including requirements to ensure that casino games are operating within those standards adopted under or specified by R.C.3772.03(D)(8) and 3772.20. The Commission is also directed by

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

R.C. 3772.033 to audit casino-gaming processes, and this rule is one way in which the Commission is able to do so, minimizing the business impact

One amendment to this rule is that casino operators will no longer need to forecast theoretical payout percentages and will instead compare actual payout percentages to historical averages. The Commission anticipates this amendment having a positive impact to business, as the elimination of forecasts eliminates a requirement on the casino operators. This amendment is now possible, as the state has ten years of casino gaming to look back on, whereas forecasts were necessary and appropriate before, given the limited casino gaming data the state had to look back on.

#### **3772-10-09 Complimentaries. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule related to the casino operator's adherence to their own Commission-approved internal controls on the authorization, issuance, and recording of complimentaries. The rule is necessary to implement R.C. 3772.23's statutory requirements that promotional gaming credits (or complimentaries) be subject to Commission oversight, minimizing the rule's business impact. The amendments to this rule are mostly streamlining or clarifying, including specifying that members of the Involuntary Exclusion List should also not be issued complimentaries—as they have been banned from casino gaming, through a statutorily required process. Since the rule allows the casinos to set and follow their own procedures, and these procedures are required by statute in the first place, the business impact is minimal.

#### **3772-10-10 Patron financial transactions at the cashier's cage. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule as it relates to the casino operators logging and retaining certain financial transaction information. The rule is necessary, and its business impact is blunted, because the rule allows the Commission to meet its statutory duty to ensure financial records are properly maintained under R.C. 3772.03 and to audit casino-gaming operations under R.C. 3772.033. The amendments to this rule are largely streamlining, including moving certain requirements from current 3772-10-13 (patron deposits) into this rule. In so doing, the Commission removed the requirements for internal controls on the receipting and logging of patron deposits and withdrawals. Therefore, the Commission anticipates a slightly positive business impact as a result of the changes to the rule.

#### **3772-10-11 Credit. (new)**

The Commission does not anticipate an adverse impact from this rule. This rule, while “new,” is comprised of the current provisions in 3772-10-23, with mostly streamlining or clarifying amendments, including specifying that members of the Involuntary Exclusion List should also not be issued credit. The responsible issuance of credit is of monumental importance and is a rule the Commission was specifically required to adopt in R.C. 3772.03(D). However, the rule itself opts for an internal control method of compliance, allowing the casino operators to determine their own costs of compliance, so long as they

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

meet the regulatory minimums. These minimums are all inherent in the very concept of the extension of credit, including proper recording of information, verification of income and credit history, and documentation of the reasons for the establishment of the specific credit amount.

**3772-10-12 Access Controls. (new)**

The Commission anticipates a minimal adverse impact to business from this rule, which includes certain administrative requirements related to the casino operator's adherence to their own internal controls on procedures for sensitive keys and securing access to assets and restricted areas. This rule, while "new," is comprised of the current provisions in 3772-10-26, with amendments that are solely housekeeping, including streamlining and standardizing language. This rule is necessary to ensure that all areas required to be kept restricted under R.C. 3772 and the rules adopted thereunder are so restricted. Moreover, this rule allows the Commission, pursuant to its R.C. 3772.033 authority, to appropriately investigate, audit, and inspect any potential violations, knowing who may have had the ability or access to cause the violation. Notably, casino operators already largely have these controls in place, so no changes are necessary, and no costs will currently be incurred as a result of this rule or its amendments. Therefore, this rule's business impacts are justified.

**3772-10-13 Patron deposits. (rescind)**

The present version of this rule is being "rescinded," and a simplified version has been moved into Ohio Adm.Code 3772-10-10(E). Therefore, the Commission anticipates a positive business impact from these provisions' simplification and the streamlined rules.

**3772-10-13 Signature requirements. (new)**

The Commission anticipates a minimal adverse impact to business from this rule relating to the preparation and maintenance of signature cards. This rule, while "new," is comprised of the current provisions of 3772-10-24. This rule amplifies the Commission's investigatory, inspection, and audit authority granted by R.C. 3772.033, in that it ensures that both the casino operator and the Commission can quickly and confidently investigate any issues that may arise in an area where a signature is required by an employee. Additionally, the amendments to this rule remove the requirement that the casino operators have detailed internal controls on the issuance and maintenance of signature cards, thus providing a positive business impact through the amendment.

**3772-10-14 Internal audit standards. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule as it relates to the preparation of and adherence to internal controls that include internal audit standards. This rule ensures that casino operators are working internally to comply with R.C. Chapter 3772 and the rules adopted thereunder, amplifying the Commission's R.C. 3772.033 audit power. The amendments to this rule are largely streamlining and clarifying in nature.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)



Notably, casino operators already have most of the required internal controls in place, so no changes are necessary unless a casino operator chooses to make them. Further, the economic benefit of each casino operator's own internal audit department monitoring procedures and behavior in each of these areas outweighs any costs of doing so for several reasons. First, when casinos ensure their own compliance, it may minimize any administrative sanctions that could result from the Commission's discovery of noncompliance, if necessary. Second, these internal audit procedures promote efficient and secure casino gaming, two goals that are desirable for both casino operators and the State of Ohio. Finally, as with all other rules that require internal controls, each casino operator may implement the procedures unique to a particular casino facility and its staff.

**3772-10-15 Information technology controls. (amendment)**

The Commission anticipates a minimal adverse impact to business related to the rule, including the establishment and maintenance of IT internal controls, as well as the costs associated in following these controls. The amendment to this rule specifies that the casino operators must provide the Commission with systems sufficient to access the casino operator's systems and with a list of all gaming-related computer systems. In practice, all casino operators have already provided the Commission with such access, so no costs will be associated with this new requirement. Moreover, this rule, and the amendments thereto, are necessary to ensure the integrity of the casino's information technology systems, which serve as the backbone of many of the gaming-related and security and surveillance systems – all of which the Commission is mandated to prescribe requirements for under R.C. 3772.03, blunting this rule's business impact. Additionally, the amendments to this rule do strike a requirement that vendors log remote-access sessions with casino equipment, since the casino operators are already doing so, thus providing a more streamlined approach and a positive business impact on vendors.

**3772-10-16 Cashier's cages, main bank, and count rooms. (amendment)**

The Commission anticipates a minimal adverse impact to business from this rule, largely related to specification required under the rule and the submission, maintenance, and following of internal procedures required by the rule. This rule is necessary to ensure the integrity of casinos' cages, main banks, and count rooms—where the casinos count, store, and distribute the large amounts of funds they handle each day. Also, R.C. 3772.03 requires the Commission to adopt rules regarding security and ensuring that winnings and revenue are properly computed – both of which are accomplished, in part, through this rule. The amendments to this rule are largely housekeeping, in that they are aimed at streamlining and reorganizing language. One change to this rule is the removal of the need for casino operators to detail the location, access restrictions, processes, and security controls of all casino cashiering areas, which will result in a positive business impact. Another change now requires casino operators to always offer services for converting cashless wagering instruments into cash when the casino facility is open, which may cause a negative business impact, but is something all casinos, except in rare circumstances, are already doing in practice.

**3772-10-17 Accounting controls for the cage, main bank, and redemption kiosks. (amendment)**

The Commission anticipates a minimal adverse impact to business as it relates to the preparation and adherence to internal controls detailing the procedures for operating the cages, main bank, and satellite cages. This rule helps the Commission ensure that winnings and revenue are properly computed, as required by R.C. 3772.03 and helps to ensure these processes are capable of being audited under the Commission's R.C. 3772.033 authority, minimizing this rule's business impact. The amendments to the rule are solely aimed at updating and harmonizing rule language. Additionally, casino operators already have these controls in place, and no changes will be necessary as a result of this amendment.

**3772-10-18 Table drop boxes and electronic gaming equipment bill validator canisters: physical requirements and transportation. (amendment)**

The Commission anticipates a minimal adverse impact to business related to the formation and adherence to procedures for drops and from adhering to the specification for drop boxes and bill validator canisters in the rule, all of which the casinos currently comply with. However, this rule is necessary to ensure that drop boxes and bill-validator canisters are closely monitored and are capable of being audited under the Commission's R.C. 3772.033 authority. Further, this rule also helps ensure that winnings and revenue are properly computed, as required by R.C. 3772.03, thereby blunting any business impact. The amendments to this rule are largely related to reorganization and streamlining, but one substantive change is that the rule no longer requires a table-games supervisor to be one of the two employees present when drop boxes are emptied and replaced, thus reducing existing requirements and further minimizing any business impact.

**3772-10-19 Count procedures. (amendment)**

The Commission anticipates a minimal adverse impact to business related to the preparation of and adherence to internal controls detailing the count procedures for counting the proceeds from casino gaming. This rule governs a matter concerning the highest security and casino gaming integrity concerns: gathering and counting all of the chips, vouchers, and currency that pass through each casino. As such, there are many explicit controls governing each step of the county procedure. Notably, each of the requirements is standard within the casino gaming industry and each casino operator is accustomed to these procedures in the State of Ohio. Moreover, these procedures are contemplated by R.C. 3772.03(D), which requires the Commission to adopt a rule that ensures that all winnings, compensation from casino gaming, and gross revenue is accurately computed and reported, as well as helps ensure these processes are capable of being audited under the Commission's R.C. 3772.033 authority. The amendments to this rule are largely housekeeping, including reorganization and rephrasing of certain provisions. One minor change includes removing a requirement on the rotation of count-team members. The Commission does not anticipate any further cost of compliance as a result of these amendments.

**3772-10-20 Unsecured currency. (amendment)**

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

The Commission anticipates a minimal adverse impact to business related to the recording of certain information concerning unsecured currency. However, accurately computing and reporting all winnings, compensation from casino gaming, and gross revenue is required by R.C. 3772.03(D) and this rule ensures that. Further, unsecured currency is a topic rife with integrity issues, justifying the impact. Additionally, the amendments to this rule remove the requirement that casino operators have detailed internal controls on how this information is recorded, thus offering the casino operators greater flexibility in compliance with this rule and further minimizing its business impact.

**3772-10-21 Manual game payouts. (amendment)**

The Commission anticipates a minimal adverse impact to business related to the preparation and adherence to internal controls detailing the procedures for paying manual payouts. As required in R.C. 3772.03(D)(17), this rule ensures that all winnings, compensation from casino gaming, and gross revenue is accurately computed and reported and that casinos are meeting their obligations to ensure patrons pay taxes on winnings over certain federal thresholds. Additionally, the rule helps ensure these processes are capable of being audited under the Commission's R.C. 3772.033 authority. All of which minimize this rule's impact.

While the amendments to this rule are largely streamlining changes, two substantive changes have been made, including requiring that the Surveillance Department monitor all payouts over \$10,000 and that Security Department escorts are made available to patrons who obtain manual payouts. Although these requirements are new, they flow naturally from the Commission's obligation to adopt security and surveillance requirements and have positive impacts (including ensuring customer safety when dealing with large amounts of money) that outweigh the business impact.

**3772-10-22 Tips and gratuities. (amendment)**

The Commission does not anticipate an appreciable adverse impact from this rule or the amendments made to this rule, as it contains minimal requirements necessary to ensure that any tips received by employees do not influence or give the appearance of influencing any employee to change the outcome of any game. The amendments to this rule are largely housekeeping, with the removal of one requirement. Now, casino operators no longer must adopt further detailed approved procedures on tips and gratuities. As a result, casino operators will likely see a positive impact from this amendment as it removes a previous requirement.

**3772-10-23 Credit. (rescind)**

The present version of the rule is being "rescinded" to move the rule's language to Ohio Adm.Code 3772-10-11. Therefore, there is little business impact from this rescission, although the streamlined rules will create a slight positive impact.

**3772-10-23 Other duties. (new)**

The Commission does not anticipate an adverse impact from this rule. The rule, while "new," is a greatly streamlined amalgamation of three prior rules: 3772-10-04, -25, and –

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIPublicComments@governor.ohio.gov

30. The rule is necessary to comply with certain Commission rule-adoption requirements (R.C. 3772.03(D)(17) and (24)) and to ensure that operators are aware of requirements under other parts of Ohio law (tax and unclaimed funds), without adding any substantive, overlapping requirements. In fact, through combining the three prior rules and streamlining the language, casino operators will benefit. The rescission of 3772-10-30, discussed below will, in fact, greatly reduce administrative burdens on casino operators, while still ensuring the Commission is meeting its statutory mandates.

**3772-10-24 Signature requirements. (rescind)**

The present version of the rule is being “rescinded” to move the rule’s language to Ohio Adm.Code 3772-10-13. Therefore, there is little business impact from this rescission, although the streamlined rules will create a slight positive impact.

**3772-10-25 Unclaimed winnings. (rescind)**

The present version of this rule is being “rescinded,” and a greatly simplified version has been moved into Ohio Adm.Code 3772-10-23(B). Therefore, the Commission anticipates a positive business impact from these provisions’ simplification and the streamlined rules.

**3772-10-26 Access controls. (rescind)**

The present version of the rule is being “rescinded” to move the rule’s language to Ohio Adm.Code 3772-10-12. Therefore, there is little business impact from this rescission, although the streamlined rules will create a slight positive impact.

**3772-10-27 Controlled demonstration. (rescind)**

The present version of the rule is being “rescinded” to move the rule’s language to Ohio Adm.Code 3772-10-04. Therefore, there is little business impact from the rescission, although the streamlined rules will create a slight positive impact.

**3772-10-28 Amendments to internal control plans. (rescind)**

The present version of the rule is being “rescinded” to combine the rule’s language into Ohio Adm.Code 3772-10-02. In so doing, the Commission has removed an unnecessary waiver provision already covered by Ohio Adm.Code 3772-1-04. Therefore, there is little business impact from this rescission, although the streamlined rules will create a slight positive impact.

**3772-10-30 Investigation and certification of contractors by casino operators. (rescind)**

The present version of this rule is being “rescinded,” and a greatly streamlined version has been moved into new Ohio Adm.Code 3772-10-23(A). The Commission anticipates a positive business impact because the streamlined version will greatly reduce unnecessary administrative burdens on the casino operators and those businesses casino operators may be looking to contract with, while still ensuring the Commission meets its statutory mandate to “decertify[] contractors that violate statutes or rules of this state or the federal government.”

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

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

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, specifically by ensuring certain minimum standards for conducting gaming are met. Many of these minimum standards are laid out in mandatory rules under R.C. 3772.03. These rules are also designed to enable the Commission to accomplish its R.C. 3772.033 statutory authority to audit gaming operations, by implementing standards and procedures to which these operations must be held. Moreover, the regulatory intent justifies any adverse impact because casino gaming is a highly regulated industry and is accustomed to these regulations in every jurisdiction in which they operate. 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. Finally, the amendments in this package further lessen any business impact, including removing certain restrictions and streamlining redundancies. For a more detailed analysis of the individual justifications applicable to each rule, please see the answers given in 16.c.

**Regulatory Flexibility**

**18. 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 regulations only impact casino operators, none of which likely constitute a small business. 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.

**19. 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 casino operators, 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 to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable amount

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)



of 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.

**20. 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: 100 E. Broad St., 20<sup>th</sup> Floor, Columbus, OH 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](mailto:info@casinocontrol.ohio.gov)
- Commission's casino gaming listserv:  
<https://ohio.us7.list-manage.com/subscribe?u=1c618d44ec5c718843ae2e7bb&id=3d36674d21>

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

**Cox, William**

---

**From:** Ohio Casino Control Commission <Jessica.franks@casinocontrol.ohio.gov>  
**Sent:** Friday, August 13, 2021 12:37 PM  
**To:** Cox, William  
**Subject:** Casino Gaming Rules for Comment

[View this email in your browser](#)



Casino Gaming Stakeholders,

As you may know, Ohio law generally requires rules to be reviewed and refiled at least once every five years. Pursuant to that requirement, the rules in Ohio Adm.Code Chapter 10 (Internal Control Systems) have been reviewed by Commission staff and are now being put forward for comment. The proposed versions of those rules can be found [here](#).

Please note that as a result of these changes, some of the rules in Chapter 10 have been renumbered, rescinded, combined with existing rules, or, in one case, combined into a new rule (see new 3772-10-23). To assist stakeholders in understanding these changes, the Commission has provided a cover page in the linked rules, which provides both the current rule number for the language in these rules, as well as the new rule number, which is where that language can be found in the proposed rules.

As always, please feel free to forward this communication to anyone else you think may be interested in these rules. Additionally, anyone may sign up for the Commission's casino-gaming listserv themselves [here](#). If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.

We understand that you may have questions or would like additional information

before commenting, and if that is the case, we encourage you to reach out to your normal contacts at the Commission or to Matt Oyster, (614) 387-5859 or [matt.oyster@casinocontrol.ohio.gov](mailto:matt.oyster@casinocontrol.ohio.gov), at your earliest convenience. If, in the end, you would like to provide formal written comments, please email them to Matt by 5:00 p.m. on August 27.

While you will have some additional chances to comment on these rules, including when they are filed with the state's Common Sense Initiative Office, please note that it is much easier for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal rule filing process.

*The Ohio Casino Control Commission is the regulatory body with oversight of the state's four casinos, skill-based amusement machines, and fantasy contests. It has the responsibility to ensure the integrity of gaming by licensing, regulating, investigating and enforcing state laws. Learn more at <http://casinocontrol.ohio.gov>.*



Follow us on Facebook

*Copyright © 2021 Ohio Casino Control Commission, All rights reserved.*

You are receiving this email because the Ohio Casino Control Commission identified you as a casino gaming stakeholder.

**Our mailing address is:**

Ohio Casino Control Commission  
100 East Broad Street  
20th Floor  
Columbus, OH 43215

[Add us to your address book](#)

[unsubscribe from this list](#) [update subscription preferences](#)



**CAUTION:** This is an external email and may not be safe. If the email looks suspicious, please do not click links or open

attachments and forward the email to [csc@ohio.gov](mailto:csc@ohio.gov) or click the Phish Alert Button if available.

Email Address	First Name	Last Name	Name
rong@genesishgaming.com	Ron	G	
Moinca.Wilcoxen@casinocontrol.ohio.gov	Monica	Wilcoxen	
bbenson@GalaxyGaming.com	Bruce	Benson	
Jeffj@eclipsestesting.com	Jeff	J	
chris.soriano@pngaming.com	Chris	Soriano	
Crystal.Fite@hrccincinnati.com	Chrystal	Fite	
OfficeOfRegulatoryAffairs@scientificgames.com	Reg Affairs	Scientific Games	
HJackson@foxrothschild.com	Harry	Jackson	
bgleye1@yahoo.com	Bruce	Loprete	
ComplianceRegReview@igt.com	Carrie	Porterfield	
licensing@playags.com	AGS	Licensing	
Caty.Abbott@casinocontrol.ohio.gov	Caty	Abbott	
jim.meier@acrestechology.com	Jim	Meier	
Chris.Fleenor@casinocontrol.ohio.gov	Chris	Fleenor	
Wendi.McGee@pngaming.com	Wendy	McGee	
Bcarney@apollo.com	Brian	Carney	
John.Oberle@icemiller.com	John	Oberle	
ChadBarnhill@jackentertainment.com	Chad	Barnhill	
GARRYPREBYNSKI@jackentertainment.com	Garry	Prebynski	
William.Cox@casinocontrol.ohio.gov	Will	Cox	
gary.dewitt@hrccincinnati.com	Gary	DeWitt	
StacyKing@jackentertainment.com	Stacy	King	
Bennie.Mancino@hrccincinnati.com	Bennie	Mancino	
ALLYSONMILLER@JACKENTERTAINMENT.COM	Allyson	Miller	
Sunita.Sailor@hrccincinnati.com	Sunita	Sailor	
AnnaMarin.Russell@casinocontrol.ohio.gov	Anna Marin	Russell	
ahuysmans@GalaxyGaming.com	Ann	Huysmans	
Mark.Andrews@pngaming.com	Mark	Andrews	
Ben.Humann@pngaming.com	Ben	Humann	
Regulator.Notices@aristocrat.com	Notices	Aristocrat	
Kevin.Goskowsky@shrss.com	Kevin	Goskowsky	
debs@genesishgaming.com	Debie	S	
jingoli0616@konamigaming.com	Thomas	Jingoli	
Craig.Donahue@casinocontrol.ohio.gov	Craig	Donahue	
Matthew.Spitnale@pngaming.com	Matt	Spitnale	
lisapowers@jackentertainment.com	Lisa	Powers	
Angela.Mabbitt@pngaming.com	Angela	Mabbitt	
PerryMontesi@jackentertainment.com	Perry	Montesi	
sutherland0705@konamigaming.com	Steve	Sutherland	
BComin@gpi-gaming.com	B	Comin	
EdDick@jackentertainment.com	Ed	Dick	
mstarr@bhfs.com	Mark	Starr	
Deborah.Davis@hrccincinnati.com	Deborah	Davis	
k.mullally@gaminglabs.com	Kevin	Mullally	
Jessica.McGrady@pngaming.com	Jessica	McGrady	
Ilkim.Hincer@hardrock.com	Ilkim	Hincer	



Chris.Dziak@pngaming.com  
 JeffreyKnapp@jackentertainment.com  
 lisa.caserta@everi.com  
 tracy.caballero@jcmglobal.com  
 john.acres@acres4.com  
 MZatezalo@keglerbrown.com  
 ABartlett@boselaw.com  
 gerald.papaj@pngaming.com  
 robert.wamsley@hrccincinnati.com  
 NCasiello@foxrothschild.com  
 m.robbs@pngaming.com  
 Nicole.Forte@interblockgaming.com  
 danreinhard@jackentertainment.com  
 Michael.brunet@gameco.com  
 IGT-RCMailings@IGT.com  
 tracey.white@shrss.com  
 FDiGiacomo@duanemorris.com  
 Mark.Begrin@pngaming.com  
 Brian.Jeffries@pngaming.com  
 debie.west@aruze-gaming.com  
 Eric.Skalski@hrccincinnati.com  
 Cory.Simmons@pngaming.com  
 Jay.Tarbell@pngaming.com  
 Bruce.loprete@pngaming.com  
 AdamLeuschen@jackentertainment.com  
 Jeff.Barbin@phelps.com  
 Ryan.Hinthorne@pngaming.com  
 eric.wolfman@hrccincinnati.com  
 Tim.Kelley@pngaming.com  
 ComplianceLV@agtslots.com  
 Samuel.Porter@icemiller.com  
 tdifuntorum@galaxygaming.com  
 Lisa.Burton@pngaming.com  
 Anthony.Blanton@hrccincinnati.com  
 matt.oyster@casinocontrol.ohio.gov  
 mfurillo@glpropinc.com  
 Susan.Foster@pngaming.com  
 LeslieCook@jackentertainment.com  
 AnthonyCarolo@jackentertainment.com  
 jim.nasca@hrccincinnati.com  
 b.preston@gaminglabs.com  
 JAMESKARA@JACKENTERTAINMENT.COM  
 deana.beal@usplayingcard.com  
 DRuttenberg@itsgames.com  
 George.Goldhoff@hrccincinnati.com  
 DanCoil@jackentertainment.com  
 Chris.Riley@pngaming.com

Chris  
 Jeff  
 Lisa  
 Tracy  
 John  
  
 Ali  
 Gerald  
 Robert  
 Nicholas  
 Mike  
 Nicole  
 Dan  
 Michael  
 Compliance  
 Tracey  
 Frank  
 Mark  
 Brian  
 Debie  
 Eric  
 Cory  
 Jay  
 Bruce  
 Adam  
 Jeff  
 Ryan  
 Eric  
 Tim  
 Compliance LV  
 Sam  
  
 Lisa  
 Tony  
 Matt  
 Melissa  
 Susan  
 Leslie  
 Tony  
 Jim  
 Blaine  
 James  
 Deana  
 Daymon  
 George  
 Dan  
 Chris

Dziak  
 Knapp  
 Caserta  
 Caballero  
 Acres  
  
 Bartlett  
 Papaj  
 Wamsley  
 Casiello  
 Robbins  
 Forte  
 Reinhard  
 Brunet  
 IGT  
 White  
 DiGiacomo  
 Begrin  
 Jeffries  
 West  
 Skalski  
 Simmons  
 Tarbell  
 Loprete  
 Leuschen  
 Barbin  
 Hinthorne  
 Wolfman  
 Kelley  
 AGT  
 Porter  
  
 Burton  
 Blanton  
 Oyster  
 Furillo  
 Foster  
 Cook  
 Carolo  
 Nasca  
 Preston  
 Kara  
 Beal  
 Ruttenberg  
 Goldhoff  
 Coil  
 Riley

Mike Zatezalo

eelliott@bhfs.com	Erin	Elliott	
Jason.birney@pngaming.com	Jason	Birney	
TCox@gpi-gaming.com	T	Cox	
Joel.Newhouse@pngaming.com	Joel	Newhouse	
ABerger@duanemorris.com	Adam	Berger	
Licensing@everi.com	Licensing	Everi	
PSicuso@boselaw.com	Philip	Sicuso	
Awalensky@GalaxyGaming.com	Allen	Walensky	
licensingteam@aristocrat.com	Licensing	Aristocrat	
OMAR.KHOURY@EVERI.COM	OMAR	KHOURY	
Lynne.Mackin@pngaming.com	Lynne	Mackin	
lj.williams3@globalpay.com	LJ	Williams	
SCOTTLOKKE@jackentertainment.com	Scott	Lokke	
Miha.Pancur@interblockgaming.com	Miha	Pancur	
Pete.Boldin@hrccincinnati.com	Pete	Boldin	
brian.hopkins@pngaming.com	Brian	Hopkins	
PAULYVANDERCICA@jackentertainment.com	Pauly	Vandercica	
slui@akingump.com	Shirley	Lui	
jessica.franks@casinocontrol.ohio.gov			Jessica Franks
olk0321@konamigaming.com			Lori Olk
Kathy.Haynes@jcmglobal.com	Kathy	Haynes	Kathy Haynes
MJones@foxrothschild.com			Marie Jones
Aleah.Page@casinocontrol.ohio.gov			Aleah Page
bhopcroft@nrttech.com	Brenda	Hopcroft	Brenda Hopcroft