

— Gaming Commission —

GRAND RONDE GAMING COMMISSION QUARTERLY REPORT

REPORT OF REGULATORY ACTIVITIES

First Quarter 1996

During the first quarter of 1996, the Commission finished the employee background investigations relating to the initial start-up phase of the casino. During the quarter, the Commission acted on 546 gaming licensing agenda items. Of the applications acted on, 517 were approved, 23 denied and 6 were referred back to staff for additional investigation. Of the approvals, 57 employees were approved with limitations and/or conditions. Included in the items approved by the Commission were 4 petitions filed by the Director in which the Commission was asked to review its original licensing decision due to the application filed containing false or misleading information. Also included in the approval number is one petition filed by the Director seeking a revocation of a gaming license and another seeking approval of a disciplinary action. It is noteworthy that 9 individuals, whose appearances were waived by regulation, appealed the Commission's initial denial and requested another hearing. Upon reconsideration, the Commission sustained 2 denials and reversed 7, choosing to license with limitations and conditions. To address the heavy workload during the first quarter, the Commission continued to meet at least twice monthly.

In addition to agenda items pertaining to personnel licensing applications, the Commission's agenda also included the following items relating to the licensure of major, minor and sensitive procurement contractors:

JANUARY 22, 1995

- 1) Sodak Gaming, Inc., Rapid City, SD. Approved a Major Procurement Contractors License without conditions.
- 2) Mikohn Gaming, Inc., Las Vegas, NV. Approved a temporary Major Procurement Contractors License without conditions.
- 3) Aristocrat, Inc., Reno, NV. Approved a Major Procurement Contractors License without conditions.

FEBRUARY 16, 1996

- 1) Mikohn Gaming, Inc., Las Vegas, NV. Approved a Major Procurement Contractors License with one condition.

MARCH 15, 1996 GENERAL SESSION MEETING

- 1) No Peek 21, Laughlin, NV. Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on May 17, 1996.
- 2) Sensormatic, Inc., Deerfield Beach, FL. Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on May 17, 1996.

REGULATION CHANGES:

The Gaming Commission is continuing to refine the Regulations. The following modifications, amendments and additions were approved by the Commissioners during the first quarter of 1996:

JANUARY 22, 1996 GENERAL SESSION MEETING

3.030 Primary management official, high security employee and low security employee.

7. (b) Regulation was modified to require employees of the gaming facility to report to the Commission any event or occurrences which may reflect on that person's suitability to be licensed under the criteria of Reg. 3.

4.035 Employee report.

2. Regulation was modified to extend the time allowed for the gaming facility's Human Resources Department to report terminations to the Commission from next working day to within three (3) working days.

5.011 Grounds for disciplinary action.

11. Regulation was added requiring the gaming facility to promptly report to the Commission all incident reports which may reflect on the integrity of gaming or an actual or alleged criminal act occurring within or on the premises of the gaming facility.
12. Regulation was added requiring the gaming facility to promptly communicate to the Commission any information which may reflect upon the suitability of a person licensed by the Commission.

5.013 Gaming by persons licensed by the Commission.

Regulation was added allowing employees to gamble at the gaming facility; but limited such privilege to non-progressive video lottery terminals, bingo, keno and pull tabs.

Primary Management Officials and Video Lottery Terminal Technicians were excluded from the persons licensed by the Commission and authorized to gamble at the gaming facility. Likewise, off-track betting employees were also excluded from placing wagers on pari-mutuel races. Approval of this regulation by the Commission was limited until April 19, 1996, at which time it will expire unless extended by the Commission.

5.020 Public notice governing conduct of patrons and employees.

Regulation was adopted requiring the casino to conspicuously post at all main entrances signs prohibiting patrons from possessing firearms within the gaming facility and prohibiting patrons from taking photographs within gaming areas.

5B.070 Video lottery terminal Eprom chips.

Regulation was adopted requiring that spare and reserve Eprom chips be in the custody of the Commission and establishing procedures whereby those chips may be requested by the gaming facility and installed in video lottery terminals.

24.050 Maximum table bet limits.

- (d) Regulation was adopted requiring pit bosses, floor/shift supervisors and table games manager employed as of January 19, 1996 to obtain 240 hours of dealing experience in a live gaming environment by December 31, 1996.

- (e) Regulation was adopted requiring pit bosses, floor/shift supervisors and table games manager employed after January 19, 1996 to have a minimum of 240 hours of dealing experience in a live gaming environment.

- (f) Regulation was added requiring the gaming facility to submit to the Commission by the 15th of each month a report identifying the dealers and supervisory staff who have satisfied experience and training requirements.

FEBRUARY 16, 1996 GENERAL SESSION MEETING

3.030 Primary management official, high security employee and low security employee.

- (c) Regulation was adopted allowing Commission staff to defer submission of investigative reports to the National Indian Gaming Commission until after an FBI report has been received.

- (e) Regulation was adopted establishing the procedure for a gaming license to become inactive after sixty (60) days should the individual not be hired by the gaming facility or be terminated for a period of sixty (60) days and then rehired. Additionally, establish a procedure whereby the gaming facility can reactivate a license after the sixty (60) day time period has expired.

4.010 Application general.

Application to amend the regulation was referred back to staff.

4.030 Classification of licenses, and other Commission actions for which application must be made.

- (b)(2) Regulation was adopted clarifying the definition of a high security employee.

12.090 Promotional and tournament chips.

- (2)(e) Regulation was adopted allowing the casino to forego inscribing a chip value on promotional and tournament chips.

23.040 Accounting for transactions between card table bank and card room bank.

2. Regulation was amended to delete typographical error.

28.00 List of excluded persons.

Application for a approval of a regulation to exclude individuals from the gaming facility deemed to have a gambling addiction problem was denied.

OTHER REGULATORY ISSUES:

NIGC Compliance

On April 3, 1996, John Richland, National Indian Gaming Commission Agent, visited the Commission offices and reviewed our procedures and records. Except for a minor change he requested in the regulations, he opined that the Commission is in full compliance with their regulations.

SUMMATION:

The Oregon Association of Gaming Commissions is continuing to formulate an information sharing network. The system will provide for encrypted communication of confidential information between the entities. Although currently in the experimental stage, the plan is to have all Oregon gaming properties and commissions networked; thereby, providing instantaneous communication of information needed to combat scams and cheats. Leonette Galligher, Commission Executive Secretary, has also been appointed Executive Secretary of the Association.

The Commission Chair has been appointed to a subcommittee of the Governor's Task Force on Gaming which will address needed legislation to effectively prosecute individuals attempting to defraud gaming establishments.