

# Third Quarter Commission Report

During this quarter the Gaming Commission's workload focused on background investigations of Primary Management Officials of Spirit Mountain Casino. Also, this quarter the Commission concluded its work licensing the influx of employees for the Legends Restaurant and continued follow-up testing in areas identified in the Oregon State Police - Tribal Gaming Section audit conducted earlier in the year. Near the end of the quarter, the Commission began reviewing current employee licenses for renewal.

During this quarter, the Commission acted on 367 applications for a gaming license and 65 license renewals. All renewals were approved without conditions. Of the new applications for licensure, 374 were approved, 10 denied and 1 referred back to staff for more information. Of the approvals, 45 have limited and conditional licenses. This means they must appear again before the Commission. Each is accountable for meeting specific responsibilities set as a condition or limit on their license.

The Commission revoked the gaming license of 2 employees for failing to meet conditions. At the request of the Commission Director, the Commissioners approved the emergency suspension of the license of 2 employees. After reviewing, the Commission extended the suspensions for 90 days to allow the employees the opportunity to address the violations identified. Also, this quarter there were 3 individuals who were originally denied gaming licenses who appealed the decision. Of those, one was sustained as a denial and two were approved with limitations and conditions.

The Commission met twice a month to address the heavy workload which will likely continue until all the current employee licenses have been reviewed for renewal. Critical to renewal for employees with limitations and conditions is the initiative they show to meet their responsibilities.

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:

## July 19, 1996 General Session Meeting

- 1) **Kobetron, Inc.** --- **Miamisberg, OH.** Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on October 18, 1996.
- 2) **Rafco, Inc.** --- **Sparks, NV.** Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on October 18, 1996.
- 3) **No Peek 21** --- **Laughlin, NV.** Approved licensure as a Sensitive Procurement Contractor.

## August 23, 1996 General Session Meeting

- 1) **The Bud Jones Company** --- **Las Vegas, NV.** Approved licensure as a Sensitive Procurement Contractor.
- 2) **Mikohn Gaming, Inc.** --- **Las Vegas, NV.** In response to the vendor's licensing conditions, testimony was presented to the Commission by Mikohn representatives relating to the status of the VLT validation process and reliability of VLT analysis reports. Additionally, testimony was received relating to a bar coding system currently under development.
- 3) **Reliable Business Concerns, Inc., dba: Reliable Security Services** --- **Everett, WA.** Approved licensure as a Sensitive Procurement Contractor.

## September 20, 1996 General Session Meeting

- 1) **Sodak Gaming, Inc.** --- **Rapid City, SD.** Approved an application to renew the applicant's licensure as a Major Procurement Contractor, licensure to expire at the Commission's September 1997 meeting.
- 2) **Allied Paper Products, Inc.** --- **Omaha, NE.** Application withdrawn by the Director.
- 3) **WMS Gaming, Inc.** --- **Las Vegas, NV.** Approved an application to renew the applicant's licensure as a Major Procurement Contractor, licensure to expire at the Commission's September 1997 meeting.
- 4) **VSR Lock, Inc.** --- **Las Vegas, NV.** Approved licensure as a Minor Procurement Contractor.
- 5) **IGT** --- **Las Vegas, NV.** Approved a Temporary Major Procurement Contractors License until the Commission's regularly scheduled meeting on December 20, 1996.



GRAND RONDE GAMING COMMISSION. From left: Gene Davidson, Bob Watson, Bill Miles, Leonette Galligher, and Lynn Hillman.

## REGULATION CHANGES

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

### July 19, 1996 General Session Meeting

**MIC - Gaming Integrity 23 (d).** Minimum Internal Control was amended to require panic buttons to be accessible by each cage cashier.

**REG. 5B.080 --- Video lottery terminal Kobetron testing.** Regulation was added to establish the procedures by which the Commission will assume responsibility for verifying that VLT Eproms have been properly approved by International Gaming Labs and are authorized for usage in the State of Oregon. This function has previously been performed by the Oregon State Police-Tribal Gaming Section.

**REG. 24.050, 1. (a), (b), (c) Maximum table bet limits.** Regulation was amended to allow for maximum blackjack table bet limits to increase to \$500 and provide for increased training requirements.

### September 20, 1996 General Session Meeting

**REG. 3.030, 6. --- Primary management official, high security employee, low security employee and temporary student intern.** Regulation was amended to allow for certain employees to be hired upon notification by the Commission of their Temporary Gaming License approval without having to wait a specified number of working days.

**REG. 23.075 --- Poker dealer training requirements.** Regulation was added requiring poker dealers and supervisors to have a minimum level of training before assuming their responsibilities.

## OTHER REGULATORY ISSUES

**SuperPlay Kids Club.** During the quarter, the Commission, in conjunction with Casino management, successfully negotiated a Memorandum of Understanding with the State of Oregon Employment Department Child Care Division for the licensing and inspection of the SuperPlay Kids Club located within the gaming establishment. The Commission will continue to license SuperPlay's employees as Low Security Employees (those not involved in gaming wagering activities or

gaming cash); however, instead of duplicating the background investigations performed by the State, the Commission will generally rely on the State's suitability determination.

**Oregon Association of Indian Gaming Commissions.** The OAIGC is continuing to move forward with its communication network and implementation of the encoded data transmission system is expected to occur between the Tribes and State early in the next quarter.

The Grand Ronde Gaming Commission has assumed a leadership position in putting together a team of accountants from the various commissions to conduct an audit of the State Police-Tribal Gaming Section billing records. The audit objective will be to validate the integrity of the billing process and verify that amounts billed are not in excess of actual costs incurred.

**Commission Working Sessions.** During the quarter, the Commission held monthly working session meetings, in which work was performed drafting suggested changes for the Gaming Ordinance and State Compact. These meetings also provide a forum in which informal discussions could occur with casino management and information gained at training seminars by Commissioners and staff can be shared.

**Public Access to Regulatory Information.** During the quarter, representative from the Commission participated in a meeting called by the Governor's Office to discuss with media officials the question of whether the public should have access to confidential regulatory/financial information concerning casinos. In regards to regulatory data, it appeared that the individuals participating in the meeting agreed that the disclosure of such information could put gaming facilities and employees therein at risk; therefore, it seems unlikely that the media will pursue the release of such documentation. In regards to financial data, a consensus between Tribal and media representative on the issue of disclosure was not obtained and it is likely this will continue to be a point of contention.

**Regulation 31 --- Certain Cash Transactions.** To ensure compliance with Internal Revenue Code 31 governing cash transactions, the Commission met with IRS representatives seeking a review of our regulations. It was determined that the Commission's REG. 31 is not only adequate, but exceeds the corresponding federal regulation. REG. 31.020, for example, which was copied from Nevada, is much more effective at deterring money laundering than the federal regulation since it prohibits cash for cash transactions greater than \$2,500.