

AGENDA
KANSAS RACING AND GAMING COMMISSION
10:00 a.m., Friday, January 12, 2018

EAST TOWER CONFERENCE ROOM
EISENHOWER STATE OFFICE BUILDING
700 SW Harrison, Suite 410
Topeka, KS 66603

- A. CALL TO ORDER
- B. APPROVAL OF AGENDA
- C. APPROVAL OF MINUTES

- 1. [Minutes of December 8, 2017](#)

- D. CONSENT AGENDA

Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.

- 1. Approvals and revocations for certain lottery facility games and related components
 - a. [GLI Approval Letters January 2018](#)
 - b. [BMM Approval Letters January 2018](#)
 - 2. Internal Control amendment approvals
 - a. [Boot Hill Casino internal control amendment approvals](#)
 - b. [Kansas Star Casino internal control amendment approvals](#)
 - c. [Hollywood Casino at Kansas Speedway internal control amendment approvals](#)
 - d. [Kansas Crossing Casino internal control amendment approvals](#)
 - 3. Disciplinary Review Board Settlement/Waivers
 - William Franklin Garrison Jr., 2017-2010
 - James Thomas Fitz, 2017-2011
 - a. [Staff Memo](#)

E. Lottery Gaming Facility Reports/Items

1. Boot Hill Casino and Resort
 - a. [Monthly Report](#)
 - b. [December Revenue Report](#)
 - c. [Semi-Annual Responsible Gambling Report](#)
2. Kansas Star Casino
 - a. [Monthly Report](#)
 - b. [December Revenue Report](#)
 - c. [Semi-Annual Responsible Gambling Report](#)
3. Hollywood Casino at Kansas Speedway
 - a. [Monthly Report](#)
 - b. [December Revenue Report](#)
 - c. [Semi-Annual Responsible Gambling Report](#)
4. Kansas Crossing Casino
 - a. [Monthly Report](#)
 - b. [December Revenue Report](#)
 - c. [Semi-Annual Responsible Gambling Report](#)

F. COMMISSION ITEMS – OLD BUSINESS

NONE

G. COMMISSION ITEMS- NEW BUSINESS

1. Election of Vice Chair and Secretary

<i>Commission Action</i>	<i>Nominate and Discuss</i>
<i>Staff Recommendation</i>	<i>Elect New Officers</i>

H. PUBLIC COMMENTS

I. STAFF REPORTS

1. Sarah Lynch-Chaput, Legal Assistant

a. [Voluntary Exclusion Program Report](#)

2. Don Brownlee, Executive Director

J. EXECUTIVE SESSIONS

The Commission conducts executive sessions in accordance with the Kansas Open Meetings Act and all discussions are limited to the specified purposes listed in K.S.A. 75-4319. The Commission utilizes executive sessions to consult with the Commission's attorney on confidential legal matters, to discuss confidential personnel matters, to protect the confidentiality of necessarily closed information including licensee background reports, and to protect the integrity of gaming information and the confidentiality of lottery gaming facility manager finances.

1. Personnel Issues
2. Attorney/Client Privilege
3. Background Reports

K. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Consideration of proposed gaming licenses and renewals

L. ADJOURNMENT

KANSAS RACING AND GAMING COMMISSION

MINUTES – DECEMBER 8, 2017

CALL TO ORDER
(A.)

Chairman Brandon Jones called the December 8, 2017 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Dennis McKinney and David Moses were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of Electronic Security and IT Dennis Bachman, Director of Security and Licensing Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE
AGENDA
(B.)

Commissioner McKinney (Moses) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE
MAY 26, 2017
MEETING MINUTES
(C.1.)

Commissioner Moses (McKinney) moved to approve the minutes of the October 20, 2017 meeting. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA
(D.)

Commissioner McKinney (Moses) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(E.1.a.)

Diane Giardine, General Manager, reported:

- October 2017 revenue numbers compared to October 2016:
 - Total gaming revenue decrease of 11.2%
 - Total slot revenue down 9.5%
 - Table games revenue down 21.5%
- November 2017 revenue numbers compared to November 2016:
 - Total gaming revenue increase of 3.9%
 - Total slot revenue up 2.3%
 - Table games revenue up 16.8%
- October and November Promotions and Events:
 - Final Friday Progressive Drawing
 - Halloween Trick or Treat Giveaway

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

- Harley-Davidson Giveaway with Dodge City Harley-Davidson, October 28th
- Thanksgiving Buffet
- Food and Toy Drive Kick-off Benefitting Local Charities
- Upcoming Promotions and Events:
 - Prize Wheel Giveaway of \$100,000.00
 - Wynonna Judd, December 10th
 - Jeff Dunham, April 6th
 - Rain, April 25th

Rick Goldstein, Assistant General Manager, reported:

- October 2017 revenue numbers compared to October 2016:
 - Admissions down 2.9%
 - Total gross gaming revenue down 4.5%
 - Slot coin-in down 2.5%
 - Table game drop down 1.0%
 - Table game hold down 2.8 points
 - Poker revenue down 14%
- November 2017 revenue numbers compared to November 2016:
 - Admissions up 5.3%
 - Total gross gaming revenue up 4.5%
 - Slot coin-in up 4.08%
 - Slot hold up .38 points
 - Table game drop up 3.6%
 - Table game hold down 4 points
 - Poker revenue down 9%
- Past Events and Promotions:
 - Asian Variety Show
 - Larry the Cable Guy
 - Evolution Fighting Championship
 - National Final Steer Roping
 - Big and Rich in Partnership with the Kansas Lottery
 - Miss Kansas USA Pageant
- Upcoming Events and Promotions:
 - Chris Janson, December 9th
 - \$120,000.00 Progressive Payday, December 21st
 - 38 Special, January 27th
 - Rick Springfield, February 10th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Richard Skinner, General Manager, reported:

- October 2017 revenue numbers compared to October 2016:
 - Total gaming revenue was \$11.9 million, an increase of \$163,000 or 1.4%
 - Table games revenue was \$1.5 million, a decrease of \$97,000 or 6.0%
 - Slot revenue was \$10.4 million, an increase of \$260,000 or 2.6%
- October Events and Promotions:
 - Hollywood Casino 400 Giveaway
 - Ford F150 Giveaway
 - Earning Period Began for Marquee Mall Shopping Event
- November 2017 revenue numbers compared to November 2016:
 - Total gaming revenue was \$12.0 million, an increase of \$466,000 or 4.0%
 - Table games revenue was \$1.5 million, a decrease of \$313,000 or 4.0%
 - Slot revenue was \$10.6 million, an increase of \$780,000 or 8.0%
- November Events and Promotions:
 - Turkey Certificate Giveaway
 - Black Friday Mystery Bonus Event, Friday after Thanksgiving
 - Multiple Earnings Multiplier Days for Marquee Mall Shopping Event

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- October 2017 revenue numbers compared to September 2017:
 - Slot handle increased 8.5%
 - Table games drop increased 6.2%
 - Net win increased 12%
- November 2017 revenue numbers compared to October 2017:
 - Slot handle flat
 - Table games drop up
 - Net gain decreased 3.5%
- Past Events and Promotions:
 - Truck or Treat, Ford F150 Giveaway, October 28th
 - Free Breakfast for Veterans, November 11th

- Big Bucks Giveaway, \$25,000 Prize, November 18th and December 2nd
- Gravy Train Craps Tournament, November 18th
- Upcoming Events and Promotions:
 - Holiday Invitational Blackjack Tournament, December 9th
 - Kansas Crossing Casino Christmas Promotion, Top Prize \$10,000, December 16th
 - Fort Scott Day with Shuttle from Fort Scott to Kansas Crossing, December 16th
 - Bank Account Bonanza, December 28th
 - Crossing Cash for a Year Giveaway, December 30th

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

Carol Spiker, Problem Gambling Program Manager, KDADS, spoke to the Commission about the programs and services that are provided through the Problem Gambling and Other Addictions Grant Fund. Commissioner McKinney inquired why a problem gambling specialist position was not funded for the northeast gaming zone. Commissioner Moses inquired where the \$7.4 million in the grant fund goes to each year, if the problem gambling program operates on an approximate \$614,000 budget. There was discussion regarding the budget of the problem gambling program, and where the remaining funds are spent.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1.A. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the months of October and November 2017.

Executive Director Brownlee reported:

- Joe Herridge has been appointed to the position of Director of Security and Licensing.
- Larry Moreland is now Regional Security Manager.
- Penn Gaming has appointed a new regional vice president, Todd George, who will be overseeing

operations in the Midwest. His background investigation is underway.

- The contracts with GLI and BMM have been extended for the year 2018.
- The legislature is scheduled to begin January 8, 2018.
- The Governor's budget recommendation to the legislature proposed reducing the KRGC budget by five positions. These were unfilled positions in the electronic security division, and the agency did not appeal. Elimination of these positions does not impact the general fund.
- The next meeting is scheduled for January 12, 2018 at 10:00 a.m. in Topeka.

MOTION, EXECUTIVE
SESSIONS
(J.)

Commissioner Jones (McKinney) moved that the Commission go into executive session for the purpose of (1) attorney/client privilege; and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive session were the commissioners, executive director, and general counsel for attorney/client privilege; and the commissioners, executive director, general counsel, director of security, and regional security manager for reviewing the list of confidential backgrounds for licensing. The total time for the executive sessions was anticipated to be fifty minutes until noon. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:10 a.m.

RECONVENE

The commission meeting returned to open session at noon with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, APPROVE
RECONSIDERATION,
DENY
RECONSIDERATION,
TABLE, AND APPROVE
LICENSE APPLICATIONS
(K.)

Commissioner McKinney (Moses) moved to *deny* three license application, *conditionally approve* six license applications, *table* two license applications, and *approve* the remaining 319 license applications from the December 8, 2017 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(L.)

Commissioner Moses (McKinney) moved to adjourn the meeting.
Motion carried unanimously and the meeting adjourned at 12:03 p.m.

SUBMITTED BY:

Dennis McKinney
Secretary

APPROVED BY:

Brandon Jones
Chairman

DRAFT

Recommended for Approval

	Manufacturer	File Number	ID Number	Version	Game Name	Function
1	ADVANCED CASINO SYST	SY-73-ADC-17-04	ETSService.exe	201.91 Build 1	N/A	SYSTEM
2	AINSWORTH GAMING TEC	MO-73-AWG-17-100	KS1K1G9I	9I	A600 SAS BASE SOFTWARE	MAIN PGM
3	ARISTOCRAT	MO-73-ARI-17-107	1.02-63916	GEN8	Golden Century	PERSONALITY PGM
4	ARISTOCRAT	MO-73-ARI-17-128	Media Player	4.0.0	N/A	SOUND/GRAPHICS
5	ARISTOCRAT	MO-73-ARI-17-132	1.01-66011	GEN8	Buffalo Inferno	PERSONALITY PGM
6	ARISTOCRAT	MO-73-ARI-17-133	1.01-66146	GEN8	Buffalo Inferno	PERSONALITY PGM
7	ARISTOCRAT	MO-73-ARI-17-136	BINF_SCH_01	VERTEX	Buffalo Inferno	OTHER
8	ARISTOCRAT	MO-73-ARI-17-137	1.01-63974	GEN8	Wonder 4 Boost	PERSONALITY PGM
9	ARISTOCRAT	MO-73-ARI-17-138	1.01-66302	GEN8	Tim McGraw	PERSONALITY PGM
10	ARISTOCRAT	MO-73-ARI-17-139	1.01-66080	GEN8	Lucky Destiny	PERSONALITY PGM
11	ARISTOCRAT	MO-73-ARI-17-140	5.08.1-1.00.0	GEN7/GEN7X/GEN8	N/A	MAIN PGM
12	ARISTOCRAT	MO-73-ARI-17-142	1.01-66081	GEN8	Fortune and Prosperity	PERSONALITY PGM
13	Everi Games, Inc.	MO-22-MMG-17-59	7674	1.0.0-4	MF_EarthRainforestEPX	PERSONALITY PGM
14	Everi Games, Inc.	MO-252-MMG-17-08	7401-7366	OS1.46x86_L2.3.7-41_P1.17.0-24	OS1.46x86_L2.3.7-41_P1.17.0-24	MAIN PGM
15	Everi Games, Inc.	MO-252-MMG-17-08	7402-7366	OS2.26x86_L2.3.7-41_P1.17.0-24	OS2.26x86_L2.3.7-41_P1.17.0-24	MAIN PGM
16	Everi Games, Inc.	MO-252-MMG-17-08	7403-7366	OS2015.56x64_L2.3.7-41_P1.17.0-24	OS2015.56x64_L2.3.7-41_P1.17.0-24	MAIN PGM
17	Everi Games, Inc.	MO-73-MMG-17-20	7609	1.0.0-8	MF_BestInShow	PERSONALITY PGM
18	Everi Payments, Inc.	MO-19-GAC-13-01	SCN83	SCN83	MEI SC ADVANCE BILL VALIDATOR HARDWARE	BILL VALIDATOR
19	Everi Payments, Inc.	MO-22-GAC-17-04	8NY510009404	5.10/4.04	MEI SC ADVANCE BILL VALIDATOR FIRMWARE	BILL VALIDATOR
20	IGT	MO-22-IGT-17-255	AIO20000I0005	N/A	Install ASCENT020000I0005	INSTALLER
21	IGT	MO-22-IGT-17-255	ASCENT020000I0005	N/A	I Series	MAIN PGM
22	IGT	MO-22-IGT-17-267	GAME020001HCBM01	ASCENT GAME PACKAGE	TRIPLE BIG WHEEL LITTLE GREEN MEN 2 RE-ABDUCTED	PERSONALITY PGM
23	IGT	MO-22-IGT-17-267	GI020001HCBM001	ASCENT INSTALL	TRIPLE BIG WHEEL LITTLE GREEN MEN 2 RE-ABDUCTED	INSTALLER
24	IGT	MO-22-IGT-17-268	OIO200200504	N/A	Install for OS0200000504 / OS020PM00504	INSTALLER
25	IGT	MO-22-IGT-17-268	OS0200000504	N/A	OS Series J 3.0/4.0 Hardware	OTHER
26	IGT	MO-22-IGT-17-268	OS020PM00504	N/A	OS Series J 4.0ME / 4.0ME V2 / 4.0+ Hard	OTHER
27	IGT	MO-22-IGT-17-269	GAME020003D8AP04	ASCENT GAME PACKAGE	Jin Long 888	PERSONALITY PGM
28	IGT	MO-22-IGT-17-269	GI020003D8AP004	ASCENT INSTALL	Jin Long 888	INSTALLER
29	IGT	MO-22-IGT-17-274	GAME020001JHFB06	ASCENT GAME PACKAGE	WOLF RIDGE	PERSONALITY PGM
30	IGT	MO-22-IGT-17-274	GI020001JHFB006	ASCENT INSTALL	WOLF RIDGE	INSTALLER
31	IGT	MO-22-IGT-17-276	75450500	N/A	PCB,SPECTRUM,USB,OWI,8X64 RGB,ASSY	HARDWARE
32	IGT	MO-22-IGT-17-276	ULSD0282	N/A	S3000 HIGH LIMIT JACKPOT DISPLAY	Other
33	IGT	MO-22-IGT-17-280	GAME020003QZ4D04	ASCENT GAME PACKAGE	SIZZLING 7S	PERSONALITY PGM
34	IGT	MO-22-IGT-17-280	GI020003QZ4D004	ASCENT INSTALL	SIZZLING 7S	INSTALLER
35	IGT	MO-22-IGT-17-281	GAME020003DZDD04	ASCENT GAME PACKAGE	TRIPLE STRIKE	PERSONALITY PGM
36	IGT	MO-22-IGT-17-281	GI020003DZDD004	ASCENT INSTALL	TRIPLE STRIKE	INSTALLER
37	IGT	MO-22-IGT-17-283	GAME020003TSDD04	ASCENT GAME PACKAGE	TRIPLE HOT ICE	PERSONALITY PGM
38	IGT	MO-22-IGT-17-283	GI020003TSDD004	ASCENT INSTALL	TRIPLE HOT ICE	INSTALLER
39	IGT	MO-22-IGT-17-284	GAME020003CLE003	ASCENT GAME PACKAGE	CLEOPATRA	PERSONALITY PGM
40	IGT	MO-22-IGT-17-284	GI020003CLE0003	ASCENT INSTALL	CLEOPATRA	INSTALLER
41	IGT	MO-22-IGT-17-286	50070200	N/A	BOX,CPU,AVP4ME V2,I7	HARDWARE
42	IGT	MO-22-IGT-17-286	75540600	N/A	PCB,AVP4.0MEV2,MOTHERBR D,UATX	HARDWARE
43	IGT	MO-22-IGT-17-291	GAME020003KCS001	ASCENT GAME PACKAGE	KING CASH	PERSONALITY PGM
44	IGT	MO-22-IGT-17-291	GI020003KCS0001	ASCENT INSTALL	KING CASH	INSTALLER

Recommended for Approval

45	IGT	MO-22-IGT-17-292	GAME020003TRRD04	ASCENT GAME PACKAGE	Triple Gold	PERSONALITY PGM
46	IGT	MO-22-IGT-17-292	GI020003TRRD004	ASCENT INSTALL	Triple Gold	INSTALLER
47	IGT	MO-22-IGT-17-300	AI020000J0002	ASCENT INSTALL	Install ASCENT020000J0002	INSTALLER
48	IGT	MO-22-IGT-17-300	ASCENT020000J0002	N/A	J Series	MAIN PGM
49	IGT	MO-22-IGT-17-87	AF014-MM-PKRHPK-01	N/A	HAYWIRE POKER	OTHER
50	IGT	MO-22-IGT-17-87	FEAT014-OPCHPK-001	N/A	HAYWIRE POKER	OTHER
51	IGT	MO-22-IGT-17-87	GAME014-001HPK-D01	AVP GAME PACKAGE	HAYWIRE POKER	PERSONALITY PGM
52	IGT	MO-22-IGT-17-87	PI014-001HPK-D001	AVP INSTALL	HAYWIRE POKER	INSTALLER
53	IGT	MO-22-IGT-17-87	PI014-001HPK-D001.V02	N/A	HAYWIRE POKER	INSTALLER
54	IGT	MO-286-IGT-17-05	GAME014-001NW3-D13	AVP GAME PACKAGE	GAME KING 8.3	PERSONALITY PGM
55	IGT	MO-286-IGT-17-05	PI014-001NW3-D013	AVP INSTALL	GAME KING 8.3	INSTALLER
56	IGT	MO-286-IGT-17-05	PI014-001NW3-D013.V02	AVP INSTALL	GAME KING 8.3	INSTALLER
57	IGT	MO-394-IGT-17-73	FEAT014-OPCNW3-004	AVP FEATURE PACKAGE	GAME KING 8.3-PRE CONFIG for EZ SETUP	OTHER
58	IGT	MO-394-IGT-17-83	AF014-MM-PKR004-05	AVP FEATURE PACKAGE	GAME KING 8.3	OTHER
59	IGT	MO-49-IGT-17-19	GAME020003PNBD02	ASCENT GAME PACKAGE	Pinball	PERSONALITY PGM
60	IGT	MO-49-IGT-17-19	GI020003PNBD002	ASCENT INSTALL	Pinball	INSTALLER
61	IGT	MO-50-IGT-17-16	GAME020001WA2N01	ASCENT GAME PACKAGE	WHEEL OF FORTUNE WHEEL ACROSS AMERICA WILD ADVENTURES	PERSONALITY PGM
62	IGT	MO-50-IGT-17-16	GI020001WA2N001	ASCENT INSTALL	WHEEL OF FORTUNE WHEEL ACROSS AMERICA WILD ADVENTURES	INSTALLER
63	IGT	MO-50-IGT-17-17	GAME020001A2UP05	ASCENT GAME PACKAGE	WHEEL OF FORTUNE WILD DESTINATIONS DUO WHEEL	PERSONALITY PGM
64	IGT	MO-50-IGT-17-17	GI020001A2UP005	ASCENT INSTALL	WHEEL OF FORTUNE WILD DESTINATIONS DUO WHEEL	INSTALLER
65	IGT	MO-50-IGT-17-17	UCG0135B1	N/A	WHEEL OF FORTUNE WILD DESTINATIONS DUO WHEEL	OTHER
66	IGT	MO-73-IGT-17-41	GAME020003TW2M02	ASCENT GAME PACKAGE	TRIPLE BIG WHEEL 6X4X3X2X V.I.P.	PERSONALITY PGM
67	IGT	MO-73-IGT-17-41	GI020003TW2M002	ASCENT INSTALL	TRIPLE BIG WHEEL 6X4X3X2X V.I.P.	INSTALLER
68	KONAMI GAMING INC.	MO-04-KON-17-06	KGI_M565SPB030WD00	PROGRESSIVE	Castlevania: Extended	PROGRESSIVE
69	KONAMI GAMING INC.	MO-73-KON-17-170	KGI_M565MLQ040WD00	GAME PROGRAM	Castlevania: Valiant Guardian	PERSONALITY PGM
70	KONAMI GAMING INC.	MO-73-KON-17-171	KGI_M566MLQ030WD00	GAME PROGRAM	Castlevania: Labyrinth of Love	PERSONALITY PGM
71	SPE-IGT	MO-22-SPE-17-23	Game.Prog-Conf-LAP-US4-WoF3.field.1.0.0.1.iso	1.0.0.1	WHEEL OF FORTUNE - Wild Sapphires 3D	OTHER
72	SPE-IGT	MO-22-SPE-17-23	Game.wf3dwsz1adaus4_0030001xxxx_xx.Field.1.1.42.2.iso	1.1.42.2	WHEEL OF FORTUNE - Wild Sapphires 3D	PERSONALITY PGM
73	SPE-IGT	MO-22-SPE-17-23	Game.WOF3D_WildSapphires.Field.1.0.0.99.iso	1.0.0.99	WHEEL OF FORTUNE - Wild Sapphires 3D	PERSONALITY PGM
74	WMS	MO-73-WMS-17-16	SD3A-000-1010	1010 H19.053	Colossal Jackpots Bier Haus	PERSONALITY PGM

Recommend for Revocation

	Manufacturer	File Number	ID Number	Version	Game Name	Replace With	Remove/ Replace by:
1	Everi Games, Inc.	MO-22-MMG-16-39	6024	1.0.0-6	MF_BestInShow	7609	11-Feb-2018
2	Everi Games, Inc.	MO-294-MMG-17-19	7415-7414	OS1.45x86_L2.3.4-37_P1.15.2-2	OS1.45x86_L2.3.4-37_P1.15.2-2	7401-7366	13-Mar-2018
3	Everi Games, Inc.	MO-294-MMG-17-19	7416-7414	OS2.25x86_L2.3.4-37_P1.15.2-2	OS2.25x86_L2.3.4-37_P1.15.2-2	7402-7366	13-Mar-2018
4	Everi Games, Inc.	MO-294-MMG-17-19	7417-7414	OS2015.55x64_L2.3.4-37_P1.15.2-2	OS2015.55x64_L2.3.4-37_P1.15.2-2	7403-7366	13-Mar-2018
5	IGT	MO-22-IGT-17-150	AI020000I0001	N/A	INSTALL ASCENT020000I0001	AI020000I0005	13-Mar-2018
6	IGT	MO-22-IGT-17-150	ASCENT020000I0001	N/A	I SERIES	ASCENT020000I0005	13-Mar-2018
7	KONAMI GAMING INC.	MO-73-KON-17-15	KGI_M565SPB011WD00	PROGRESSIVE	Castlevania: Extended	KGI_M565SPB030WD00	13-Mar-2018
8	KONAMI GAMING INC.	MO-73-KON-17-40	KGI_M565MLQ013WD00	GAME PROGRAM	Castlevania: Valiant Guardian	KGI_M565MLQ040WD00	13-Mar-2018
9	KONAMI GAMING INC.	MO-73-KON-17-41	KGI_M566MLQ013WD00	GAME PROGRAM	Castlevania: Labyrinth of Love	KGI_M566MLQ030WD00	13-Mar-2018
10	WMS	MO-22-WMS-15-78	SD3A-000-1000	1000 H19.053	COLOSSAL JACKPOTS BIER HAUS	SD3A-000-1010	11-Feb-2018

Recommended for Approval

BMM Testlabs

	<u>Manufacturer</u>	<u>Report Number</u>	<u>ID Number</u>	<u>Version</u>	<u>Game Name</u>	<u>Function</u>
1	Aristocrat	ATI11441KS	1.01-66127	GEN8	Ted	Game
2	Aristocrat	ATI11581KS	1.01-63809	GEN8	Double Happiness Panda	Game
3	IGT	IGTU13591KS	GAME020003BGSD02	ASCENT	Double Gold	Game
4	IGT	IGTU13481KS	GAME020009FKAN04	ASCENT	Fort Knox Cleopatra	Game
5	IGT	IGTU13381KS	GAME020001CATM02	ASCENT	Dancing Phoenix Soaring Dragon	Game
6	IGT	IGTU12561KS	GAME020001HSPN01	ASCENT	Hairspray	Game

Eisenhower State Office Building
700 SW Harrison, Suite 500
Topeka, KS 66603



Phone: (785) 296-5800
Fax: (785) 296-0900
krgc@krgc.ks.gov
krgc.ks.gov

Don Brownlee, Executive Director

Sam Brownback, Governor

Boot Hill Casino Internal Control Amendments

January 12, 2018

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
BH482 – Finance Organizational Chart	No	KAR 112-104-2 / IC 100.100 ; IC 110.020, .080 ; IC 130.010 ; IC 170.080, .140 ; IC 200.080 ; IC 700.051, .090, .150	Approval
BH500 – Found Money, Donated Funds	No	IC 120.110, .130	Approval
BH503 – Surveillance Organizational Chart	No	KAR 112-104-2 / IC 700.020	Approval
BH504 – Human Resources Organizational Chart	No	KAR 112-104-2 / IC 700.080	Approval

Eisenhower State Office Building
700 SW Harrison, Suite 500
Topeka, KS 66603



Phone: (785) 296-5800
Fax: (785) 296-0900
krgc@krgc.ks.gov
krgc.ks.gov

Don Brownlee, Executive Director

Sam Brownback, Governor

Kansas Star Casino Internal Control Amendments

January 12, 2018

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
KS243 – Dual Rate Cage Shift Supervisor / Main Bank Cashier	No	KAR 112-104-2 / Cage Sections 1-2	Approval
KS244 – Dealer Clearing Hands	No	KAR 112-108-39 / Table Games Section 34 - Clearing of Hands	Approval

Eisenhower State Office Building
700 SW Harrison, Suite 500
Topeka, KS 66603



Phone: (785) 296-5800
Fax: (785) 296-0900
krgc@krgc.ks.gov
krgc.ks.gov

Don Brownlee, Executive Director

Sam Brownback, Governor

Hollywood Casino Internal Control Amendments

January 12, 2018

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
HW129 – Human Resources	No	KAR 112-104-2 / Job Descriptions	Approval

Eisenhower State Office Building
700 SW Harrison, Suite 500
Topeka, KS 66603



Phone: (785) 296-5800
Fax: (785) 296-0900
krgc@krgc.ks.gov
krgc.ks.gov

Don Brownlee, Executive Director

Sam Brownback, Governor

Kansas Crossing Casino Internal Control Amendments

January 12, 2018

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
KC57- Cash Equivalent Verification Limits in Cage	No	KAR 112-104-12 / KCC 20	Approval



Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500, Topeka, Kansas 66603
(785) 296-5800, Fax (785) 296-0900

STAFF AGENDA MEMORANDUM

DATE OF MEETING: January 12, 2018

AGENDA ITEM: **Disciplinary Review Board Summary Proceeding Orders for:**
2017-2010 William Franklin Garrison Jr.
2017-2011 James Thomas Fitz

PRESENTER: None – Consent Agenda

ISSUE SUMMARY: Pursuant to K.A.R. 112-114-1 *et seq.*, the Kansas Racing and Gaming Commission's Disciplinary Review Board (DRB) considered potential gaming regulation violations by licensees William Franklin Garrison Jr. and James Thomas Fitz. A Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Proceeding Order) was issued to each licensee.

2017-2010 William Franklin Garrison Jr.

William Franklin Garrison Jr. was the surveillance director at Kansas Star Casino from September 2011 to October 2017. On August 4, 2017, Mr. Garrison entered Kansas Star Casino's administration offices, looked through accounting records of a casino restaurant, and left the administration offices with copies of some of those records. Mr. Garrison acknowledged that KRGC Supervisory Agent Roger Bailey had told Mr. Garrison prior to this incident that as surveillance director, Mr. Garrison was not permitted to be involved in investigations outside the surveillance department. Further, from August 2016 to October 2017, the surveillance department released surveillance footage and surveillance photographs to gaming facility operations employees on 208 occasions. Throughout Mr. Garrison's tenure, surveillance incident reports were sent to gaming facility department heads on a daily basis. Because Mr. Garrison was no longer employed by Kansas Star Casino, he was ordered to pay a \$750.00 fine in lieu of a suspension. Mr. Garrison has stipulated to the above facts and waived the right to a hearing. See attached Amended Summary Proceeding Order and Hearing Waiver.

2017-2011 James Thomas Fitz

On July 31, 2017, James Thomas Fitz, a security officer, was on duty at Kansas Star Casino. During his shift, Mr. Fitz checked out a critical key. At the end of his shift, Mr. Fitz exited Kansas Star Casino without returning the critical key. The critical key was off casino property for approximately seven hours. Mr. Fitz was ordered to serve a one-day unpaid suspension. Mr. Fitz has stipulated to the above facts, waived the right to a hearing, and served the suspension. See attached Summary Proceeding Order and Hearing Waiver.

COMMISSION ACTION REQUIRED/REQUESTED: Accept the Hearing Waivers filed by William Garrison Jr. and James Fitz and uphold the DRB's Summary Proceeding Orders issued in KRGC Cases No. 2017-2010 and 2017-2011.

STAFF RECOMMENDATIONS: Staff recommends the Commission accept the Hearing Waivers filed by William Garrison Jr. and James Fitz and uphold the DRB's findings of fact, conclusions of law, and sanctions issued in KRGC Cases No. 2017-2010 and 2017-2011.

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF

KRGC Case No. 2017-2010

William Franklin Garrison Jr., Respondent.

**AMENDED SUMMARY PROCEEDING ORDER AND
NOTICE OF HEARING AND RIGHT TO WAIVE**

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that William Franklin Garrison Jr. (Respondent), the former surveillance director at Kansas Star Casino, has violated KRGC regulations K.A.R. 112-106-3(b), K.A.R. 112-113-1(a)(5); the Kansas Star Casino Internal Controls Surveillance Sect. 3.B.; and the Kansas Star Casino Surveillance Director Job Description Sect. 2 by improperly conducting a gaming facility operations investigation and improperly releasing surveillance media and reports to gaming facility operations employees:

FINDINGS OF FACT

1. On September 22, 2011, the Respondent received a temporary occupation permit for the position of surveillance director from the KRGC. Respondent received a permanent level I gaming license on April 16, 2012, which is currently in inactive status and expires June 30, 2019. Respondent was employed as the surveillance director at Kansas Star Casino until October 25, 2017.

Improper Involvement with Gaming Facility Operations

2. K.A.R. 112-106-3(b) requires that: “the surveillance department shall be independent of *all* aspects of the gaming facility operations.” (Emphasis added.)
3. Pursuant to K.A.R. 112-106-3(b), Kansas Star Casino implemented Kansas Star

Casino Internal Controls Surveillance Sect. 3. B. which states “the surveillance department shall be independent of all aspects of the facility’s operations.”

4. K.A.R. 112-106-4(a) requires that: “[t]he surveillance department shall be supervised by a director of surveillance. The director of surveillance shall report directly to the facility manager’s board of directors or similar body. The director of surveillance shall not report to or take direction from any authority at or below the level of the general manager.”
5. On August 4, 2017, Respondent entered the administration offices of Kansas Star Casino which is a central area for gaming facility operations administrative employees with attached executive offices.
6. After Respondent entered the administration offices, Respondent began looking through paper accounting records for the Wood Fire Grill. Specifically, Respondent looked through receipts and tickets from the Wood Fire Grill and made copies of some of the tickets.
7. Respondent spent approximately one hour and fifteen minutes in the administration offices and left the administration offices with copies of the records.
8. When asked why he was in the administration offices, Respondent stated that he was looking at receipts from the Wood Fire Grill to see if there had been any theft activity by employees. When asked if anyone had reported thefts in the Wood Fire Grill to him, Respondent said there had been a few theft incidents a couple months before. He stated he made copies of the tickets so he could compare them to surveillance video.

9. Respondent stated that he was not asked by anyone to look into this and that sometimes when he sees things he just wants to check and verify that things are ok.
10. Respondent stated he was also in the administration offices to wait to speak to Kansas Star Casino's General Manager about the use of players club cards to pay for meals.
11. Respondent acknowledged that KRGC Supervisory Agent Roger Bailey had discussed with Respondent that as surveillance director Respondent was required to be independent of gaming facility operations, including that Respondent was not permitted to be involved in investigations outside the surveillance department.

Improper Release of Surveillance Media

12. From August 12, 2016 – to October 25, 2017, the surveillance department released surveillance footage and surveillance photographs to gaming facility department employees the following number of times:
 - a. Slot Department: 175
 - b. Security Department: 25
 - c. Cage Department: 4
 - d. Compliance Department: 2
 - e. Human Resources: 2
13. Additionally, the current interim surveillance director stated that surveillance incident reports were sent to gaming facility department heads every morning throughout Respondent's tenure as surveillance director.
14. The above-listed departments are departments within gaming facility operations

and are not permitted under KRGC regulation K.A.R. 112-106-3(b) to receive surveillance recordings, surveillance photographs, or surveillance incident reports.

15. The Director of Surveillance Job Description, as part of Kansas Star Casino's Surveillance Internal Controls Sect. 2, states that the surveillance director:
 - a. "[E]nsures adherence to Kansas Star Casino polices and KRGC regulations[;]
 - b. Administers disciplinary action if/when necessary[;]
 - c. [Is] responsible for overall operation of the Surveillance department and all of its functions. Will make final determinations applicable to the Surveillance department[;]
 - d. [H]as no gaming related signature authority[; and]
 - e. Position reports directly to the Executive Vice President, Operations."

CONCLUSIONS OF LAW

16. Respondent is required by K.A.R. 112-100-4 to know and comply with the Kansas Expanded Lottery Act (KELA) as well as KRGC regulations relating to his license. Because Respondent is a key Level I employee, Respondent must know and comply with Kansas Expanded Lottery Act (KELA) provisions that pertain to lottery gaming facilities as well as all articles of KRGC administrative regulations that relate to lottery gaming facilities. K.A.R. 112-113-1(a)(5) further provides that Respondent can be sanctioned for violating the facility manager's internal controls.
17. K.A.R. 112-106-3(b) requires the surveillance department to be independent from "all aspects of the gaming facility operations." "Gaming facility operations"

means all activity within a “lottery gaming facility” that relates to “operating, managing and maintaining lottery facility games” as defined by K.S.A. 74-8702(l). The “surveillance department” is comprised of the surveillance director and all surveillance employees that report to the surveillance director. K.A.R. 112-106-4(a).

18. Further, K.A.R. 112-106-4(a) requires that the surveillance director “shall report *directly* to the facility manager’s board of directors or other similar body” and the surveillance director “shall *not* report to or take direction from *any* authority at or below the level of the general manager.” (Emphasis added.) To comply with K.A.R. 112-106-4(a), Kansas Star Casino implemented the Kansas Star Casino Surveillance Director Job Description within their Surveillance Internal Controls Sect. 2, which states that the surveillance director reports to Boyd Gaming’s Executive Vice President, Operations. Here, Respondent was repeatedly taking direction from gaming facility operations employees by releasing surveillance footage and photographs when operations employees requested them.
19. This regulatory segregation of responsibilities is designed to safeguard the surveillance department’s independence for two primary reasons. First, the surveillance department’s independence ensures that surveillance employees promptly, accurately, and consistently report regulatory violations and misconduct committed by employees to the KRGC as required by 112-100-2(d). Second, an independent surveillance department ensures that gaming facility operations employees are unable to collude with surveillance employees when conducting investigations into suspected violations. Separating surveillance department

investigations from gaming facility operations investigations ensures regulatory violations and misconduct cannot be covered up and remain unaddressed.

20. K.A.R. 112-106-3(a) empowers and requires the surveillance department to conduct surveillance investigations to detect among other things “cheating, theft, embezzlement, and other illegal activities in the gaming facility” that are visible from surveillance footage and report “any suspected illegal activity or regulatory violations . . . to the [KRGC] security staff within 24 hours of becoming aware of the matter” as required by K.A.R. 112-100-2(d). If Respondent suspected theft had occurred based on surveillance footage he saw, then he was required to report that suspected illegal activity to the KRGC and did not do so. Instead, Respondent conducted an investigation which involved reviewing paper tickets and receipts from a gaming facility restaurant which were contained within accounting records in the gaming facility’s administration offices. Such an investigation is *not* a surveillance investigation. Respondent’s investigation could have been properly conducted by Kansas Star Casino’s audit department, accounting department, or food and beverage department, all of which are departments within gaming facility operations. When Respondent conducted this investigation, he violated the surveillance department’s required independence from “*all aspects* of gaming facility operations” thereby violating K.A.R. 112-106-3(b) and Kansas Star Casino Internal Control Surveillance Sect. 3.B. (Emphasis added).
21. When the surveillance department releases surveillance recordings, surveillance photographs, and surveillance incident reports to gaming facility operations employees, those employees have unlimited and unsupervised access to those

recordings and the information gathered by the surveillance department. These recordings and incident reports can then be repeatedly copied and passed to other unauthorized employees or non-employees who could then study these recordings and reports to determine surveillance techniques, capabilities, and vulnerabilities.

22. Thus, the release of approximately 208 surveillance recordings and photographs and the daily release of surveillance incident reports between August 2016 – October 2017 to unauthorized gaming facility operations employees was in violation of K.A.R. 112-106-3(b) and put the integrity of gaming operations at risk.
23. Pursuant to the Kansas Star Casino Surveillance Director Job Description Sect. 2, Respondent was responsible for the overall operation of the surveillance department and was required to ensure the department's adherence to Kansas Star Casino polices and KRGC regulations. Respondent failed to ensure the surveillance department complied with KRGC regulations and Kansas Star Casino internal controls when he allowed the repeated release of surveillance recordings, photographs, and incident reports thereby violating the Kansas Star Casino Surveillance Director Job Description Sect. 2.

STATEMENT OF POLICY

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the

Kansas Racing and Gaming Commission created regulations that subject a licensee to sanctions, including license suspension or revocation, when the licensee violates any provision of the Kansas Expanded Lottery Act, KRGC regulations, or a facility manager's internal controls.

By requiring licensees to adhere to the Kansas Expanded Lottery Act, KRGC regulations, and the facility manager's internal controls, the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. Regulations and internal controls requiring the surveillance department to be independent of *all* aspects of gaming facility operations directly affect the integrity of the surveillance department which exists to expose problems within gaming facility operations. Without an independent surveillance department, gaming facility operations employees can learn how to exploit the facility's surveillance weaknesses to engage in misconduct, take gaming facility assets, or more easily allow problems to be hidden from management. Enforcement of these provisions is necessary to protect the public interest and the integrity of gaming in the state of Kansas.

SANCTION

24. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the licensee; the nature of the violation; culpability of the licensee; any justification or excuse for the conduct; the licensee's history with respect to compliance; and corrective action taken by the licensee. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction

to be imposed. . . .”

25. The DRB considers the following factors:
- a. Respondent’s actions posed a risk to the integrity of gaming in Kansas. Respondent repeatedly compromised the independence and integrity of the surveillance department by allowing gaming facility employees access to surveillance media and by conducting a gaming facility operations investigation.
 - b. There is no justification or excuse for the conduct. Respondent acknowledged that KRGC Supervisory Agent Roger Bailey explained to him that the surveillance director could not be involved in gaming facility operations, including conducting gaming facility operations investigations.
 - c. Respondent took no corrective action.
 - d. Respondent was employed as the surveillance director for over six years.
 - e. Respondent does not have a history of regulatory violations.
26. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to pay a \$750.00 fine. A check for \$750.00 shall be sent to the following address:
- Kansas Racing and Gaming Commission
Attn: Judith Taylor, General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603
27. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)
28. If Respondent waives the right to a hearing, Respondent’s fine must be paid

within 30 days of this Order becoming final and effective.

29. If Respondent does not pay the fine, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGC. Any unpaid amount shall be considered a debt and will be submitted to the State of Kansas Debt Setoff Program.
30. This Order shall become part of Respondent's permanent KRGC licensing file.

ORDER

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission issue a \$750.00 fine to the Respondent.

IT IS SO ORDERED,



Don Brownlee, Executive Director
Disciplinary Review Board

NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday January 12, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603.

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Surveillance video may also be presented. Neither party will present live witness testimony at this time. Respondent has the right to be represented by counsel at the Respondent's expense.

If Respondent does not appear at the hearing, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) **no later than December 29, 2017** to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on **Friday February 16, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or

by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below. Any sanction imposed by the Order may be stayed pending appeal.

Respondent shall submit any additional exhibits and a witness list no later than February 2, 2018 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at <http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings>. (You may also request that a copy of the regulations be sent to you.)

Appearing by Phone:

Respondent is expected to appear in person for all hearings. Respondent *may* be allowed to appear by phone, at the Commission's discretion, upon written request (by mail, email, or fax) to the address below no later than five days prior to the hearing. If allowed to appear by phone, KRGC will *not* be responsible for sound quality issues that arise from Respondent's use of a cell phone, voice-over-internet (VOIP) connection, or other non-landline phone connection. Sound quality issues could affect the Commission's ability to understand Respondent's testimony, thus every effort to appear in person should be made.

Waiving Right to a Hearing:

Respondent may choose to waive the right to a hearing by signing and returning the enclosed Hearing Waiver (by fax, email, or mail) at the address below. If Respondent chooses to waive the right to a hearing, the above Order becomes final and effective on January 12, 2018 or on the day of waiver, whichever is later. The fine must be paid within 30 days of this Order becoming final.

Send all requests to appear by phone, hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor, General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603-3754
(785) 296-0900 (fax)
judy.taylor@krgc.ks.gov

Nothing stated herein precludes Respondent from entering into informal settlement negotiations which could make a hearing unnecessary. To discuss your case, you may contact Michelle Neis, Enforcement Attorney, at 785-296-5800 or by email at michelle.neis@krgc.ks.gov.

CERTIFICATE OF SERVICE

I certify that on this 21st day of December, 2017 (date of service), I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive on the following by U.S. Mail, first class postage prepaid, addressed to:

William Franklin Garrison Jr.
9269 Hayes St. Apt. 108
Merrillville, IN 46410



Commission Representative

cc: KRGC Licensing File
Disciplinary Review Board Members
Harry Spencer, KRGC Supervisory Agent at Kansas Star Casino

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF

KRGC Case No. 2017-2010

William Franklin Garrison Jr., Respondent.

HEARING WAIVER

I, WILLIAM F. GARRISON JR., stipulate to the Facts and Conclusions of Law as
(Print name)
set forth in the Amended Summary Proceeding Order and Notice of Hearing and Right to Waive
issued to me and therefore waive my right to a hearing. I agree to pay the \$750.00 fine as ordered
by the Disciplinary Review Board.

William F. Garrison Jr.
William Franklin Garrison Jr.
License No. 2001284

12/28/17
Date

**STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603**

IN THE MATTER OF

KRGC Case No. 2017-2011

James Thomas Fitz, Respondent.

**SUMMARY PROCEEDING ORDER AND
NOTICE OF HEARING AND RIGHT TO WAIVE**

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that James Thomas Fitz (Respondent), a security officer, has violated KRGC regulations K.A.R. 112-104-34(b), 112-113-1(a)(5); the Kansas Star Casino Internal Controls Security Section 3. I. A. & B.; and the Kansas Star Casino Security Officer Job Description by taking a sensitive critical key off casino property:

FINDINGS OF FACT

1. On October 17, 2016, the Respondent received a temporary occupation permit for a position as security officer from the KRGC. Respondent received a permanent level II gaming license on January 27, 2017, which is currently in active status.
2. On July 31, 2017, Respondent was on duty as a security officer at Kansas Star Casino.
3. At approximately 5:00 am, Respondent checked out key 56 from the key box.
4. Key 56 gives access to the cage and the kiosk cart that is used to securely store and transport emergency drop devices, which contain cash and gaming tickets, to and from EGMs and table games.
5. At the end of his shift, at approximately 8:05 a.m., Respondent exited Kansas Star Casino without returning key 56 to the secure key box.

6. Approximately seven hours later, a casino employee called the Respondent and notified him that key 56 had not been returned to the key box. Respondent brought the key back to Kansas Star Casino shortly after. Key 56 was off casino property for approximately seven hours.
7. KRGC regulation K.A.R. 112-104-34(b) states: “Critical keys shall mean those unlocking devices that shall be maintained in a dual-lock box. If a critical key is lost or becomes missing, all locks that the key fits shall be changed within 24 hours. . . . The following keys shall be deemed critical keys: . . . (11) the keys for the bill validator and table drop storage cart; [and] (19) the access door key to any cage, EGM bank, or redemption booth. . . .”
8. K.A.R. 112-113-1(a) states that “any licensee may be sanctioned for violating any provision of the . . . [KRGC] regulations . . . including . . . [for] (5) failing to follow . . . the facility manager’s minimum internal control system. . . .”
9. Kansas Star Casino Internal Controls Security Section 3.I.A. states “Kansas Star Casino exercises strict control over the storage, duplication, custody, issuance and return of sensitive/critical sensitive keys. B. Keys classified as critical/sensitive are maintained in an electronically locked key box and if lost, missing or taken from the premises all locks the key fits will be immediately changed.”
10. Kansas Star Casino’s Key Access List, as part of Kansas Star Casino’s internal controls, states that “[a]ll keys are stored in the Electronic Key Box in the approved location in the casino employee hallway.” The Key Access List further states that key 56 is a “Critical Sensitive Key.”
11. The Kansas Star Casino Security Officer Job Description, as part of Kansas Star

Casino's internal controls, requires that security officers "[p]rovide a safe and secure environment . . . for Kansas Star Casino property and employees. . . ."

CONCLUSIONS OF LAW

12. Respondent violated KRGC regulations K.A.R. 112-104-34(b), 112-113-1(a)(5), Kansas Star Casino Internal Controls Security Section 3. I. A. & B., the Kansas Star Casino Key Access List when Respondent left casino property with a critical key (key 56) thereby failing to maintain and store the critical key in its secure key box as required.
13. Respondent violated K.A.R. 112-113-1(a)(5) and the Kansas Star Casino Security Officer Job Description when Respondent failed to ensure a secure environment for gaming facility assets. By leaving casino property with key 56 that gives access to the cage and storage cart for emergency drop devices, he made key 56 vulnerable to copying or tampering thereby putting the security of gaming facility assets at risk.

STATEMENT OF POLICY

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the Kansas Racing and Gaming Commission created regulations that subject a licensee to sanctions, including license suspension or revocation, when the licensee violates any provision of the Kansas Expanded Lottery Act, KRGC regulations, or a facility manager's

internal controls.

By requiring licensees to adhere to KRGC regulations and the facility manager's internal controls, the Kansas Racing and Gaming Commission ensures the security of gaming facilities in Kansas. Regulations and internal controls regarding requirements for checking out and returning sensitive keys are integral to protecting gaming facility assets. When a licensee fails to return a key before leaving casino property, that key is no longer under the supervision of the facility manager and can be tampered with or copied in order to gain access to gaming facility assets. Enforcement of these provisions is necessary to safeguard gaming facility assets and ensure the security of gaming facilities in Kansas.

SANCTION

14. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the licensee; the nature of the violation; culpability of the licensee; any justification or excuse for the conduct; the licensee's history with respect to compliance; and corrective action taken by the licensee. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."
15. The DRB considers the following factors:
 - a. Respondent's actions posed a risk to the security of gaming facility assets. Respondent left casino property with a key that gives access to drop devices which secure cash and gaming tickets.

- b. Although Respondent stated the key alarm did not activate when he exited the casino, casino employees are expected to not solely rely on the key alarm to verify that they have returned all of the keys they have checked out. As happened here, the key alarm can sometimes fail and that does not justify failing to return critical keys to the secure key box.
 - c. Respondent took no corrective action. Respondent did not return the key until a casino employee alerted the Respondent seven hours after Respondent left the casino that the key had not been returned to the key box.
 - d. Respondent had been employed as a security officer for approximately nine months at the time of the incident.
 - e. Respondent has no history of regulatory violations.
16. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to serve a one-day unpaid suspension. The one-day suspension shall total 8 hours. The date of the one-day unpaid suspension shall be determined by the KRGC supervising enforcement agent for the gaming facility where Respondent is employed.
17. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)
18. If Respondent waives the right to a hearing, the one-day unpaid suspension must be served within 30 days of this Order becoming final and effective. Once the suspension is served, Respondent must also send a timesheet showing the

suspension occurred to the KRGCC by mail, email, or fax to the address listed below within 30 days of this Order becoming final and effective.

19. If Respondent does not serve the ordered one-day unpaid suspension or does not send a timesheet showing the suspension occurred within 30 days of this Order becoming final and effective, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGCC.
20. This Order shall become part of Respondent's permanent KRGCC licensing file.

ORDER

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission suspend Respondent's license for one day.

IT IS SO ORDERED,



Don Brownlee, Executive Director
Disciplinary Review Board

NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday January 12, 2018 at 10:00 am** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603.

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Surveillance video may also be presented. Neither party will present live witness testimony at this time. Respondent has the right to be represented by counsel at the Respondent's expense.

If Respondent does not appear at the hearing, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) **no later than December 29, 2017** to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on **Friday February 16, 2018 at 10:00 am** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or

by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below. Any sanction imposed by the Order may be stayed pending appeal.

Respondent shall submit any additional exhibits and a witness list no later than February 2, 2018 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at <http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings>. (You may also request that a copy of the regulations be sent to you.)

Appearing by Phone:

Respondent is expected to appear in person for all hearings. Respondent *may* be allowed to appear by phone, at the Commission's discretion, upon written request (by mail, email, or fax) to the address below no later than five days prior to the hearing. If allowed to appear by phone, KRGC will *not* be responsible for sound quality issues that arise from Respondent's use of a cell phone, voice-over-internet (VOIP) connection, or other non-landline phone connection. Sound quality issues could affect the Commission's ability to understand Respondent's testimony, thus every effort to appear in person should be made.

Waiving Right to a Hearing:

Respondent may choose to waive the right to a hearing by signing and returning the enclosed Hearing Waiver (by fax, email, or mail) at the address below. If Respondent chooses to waive the right to a hearing, the above Order becomes final and effective on January 12, 2018 or on the day of waiver, whichever is later. The fine must be paid within 30 days of this Order becoming final.

Send all requests to appear by phone, hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor, General Counsel
700 SW Harrison, Suite 500
Topeka, KS 66603-3754
(785) 296-0900 (fax)
judy.taylor@krgc.ks.gov

Nothing stated herein precludes Respondent from entering into informal settlement negotiations which could make a hearing unnecessary. To discuss your case, you may contact Michelle Neis, Enforcement Attorney, at 785-296-5800 or by email at michelle.neis@krgc.ks.gov.

CERTIFICATE OF SERVICE

I certify that on this 1st day of December, 2017 (date of service), I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive on the following by U.S. Mail, first class postage prepaid, addressed to:

James Thomas Fitz
3800 Skinner St.
Wichita, KS 67218



Commission Representative

cc: KRGC Licensing File
Disciplinary Review Board Members
Harry Spencer, KRGC Supervisory Agent at Kansas Star Casino
Rick Goldstein, Kansas Star Casino Interim General Manager
Kansas Star Casino Human Resource Department

STATE OF KANSAS
KANSAS RACING AND GAMING COMMISSION
700 SW HARRISON, SUITE 500
TOPEKA, KS 66603

IN THE MATTER OF

KRGC Case No. 2017-2011

James Thomas Fitz, Respondent.

HEARING WAIVER

I, James Thomas Fitz, stipulate to the Facts and Conclusions of Law as
(Print name)
set forth in the Summary Proceeding Order and Notice of Hearing and Right to Waive issued to
me and therefore waive my right to a hearing. I agree to serve the one-day unpaid suspension as
ordered by the Disciplinary Review Board.


James Thomas Fitz
License No. 2008654

JFT-8654

12-6-17
Date

BOOT HILL CASINO & RESORT
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
JANUARY 12, 2018

BY: Diane Giardine

- 1) For the month of December 2017, BHCR experienced an increase in Total Gaming Revenue of 8.20% over prior year December 2016. Total Slot revenue was up 11.40% while Table Games revenue was down 9.62%.

Upcoming Promotions & Events

- Home Sweet Home – Home Improvement Prizes and Mortgage/Rent Giveaways
- Slot Tournaments
- Earn and Win Free Play and Prizes
- Hot Seats
- Free Spin Promotions
- Stay & Play Hotel Packages
- Birthday Parties

Upcoming Entertainment & Events

- Jeff Dunham Passively Aggressive at United Wireless Arena, April 6, 2017
- Rain – A Tribute to the Beatles at United Wireless Arena, April 25, 2017

BOOT HILL CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	December 2017	December 2016	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	3,114,615.52	2,795,616.32	17,361,287.88	17,617,555.67
Table games	453,929.50	502,206.50	2,413,881.77	2,432,116.50
Other #	<u>1,962.43</u>	<u>2,152.57</u>	<u>5,721.32</u>	<u>4,841.82</u>
Total Lottery Gaming Facility Revenue	<u><u>3,570,507.45</u></u>	<u><u>3,299,975.39</u></u>	<u><u>19,780,890.97</u></u>	<u><u>20,054,513.99</u></u>
State Share 22%	785,511.64	725,994.59	4,351,796.01	4,411,993.08
Local Share 3%	107,115.22	98,999.26	593,426.73	601,635.42
Problem Gambling Share 2%	71,410.15	65,999.51	395,617.82	401,090.28
Casino Share 73%	2,606,470.44	2,408,982.03	14,440,050.41	14,639,795.21

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

TIPS/ Responsible Alcohol Serving/Responsible Gaming
Report to Commission from BHCMC, LLC
7/1/2017 – 12/31/2017

General Information:

- 240 active employees as of December 31, 2017
- 50 hired during the reporting period
 - 8 of which are now inactive

TIPS for New Hires:

- 40 out of 50 new hires have passed TIPS testing during this reporting period
- 10 new hires have results pending

Responsible Alcohol Serving Refresher:

- 186 employees have completed annual refresher testing during the 4th Quarter of 2017
- 15 employees have results pending
- 23 employees have recertified their TIPS testing for another 3 yr period

Responsible Gaming:

- 50 new hires have taken a Responsible Gaming class during this reporting period

Responsible Gaming Refresher:

- 188 employees have completed annual refresher testing during the 4th Quarter of 2017
- 13 employees have results pending

Security Activity Report Through December 31, 2017:

- Refused entry to minors attempting to enter the Casino – 432
- Patrons refused entry for appearing to be under the influence – 11
- VEP attempts to enter/entered the Casino – 41

Additional Information:

- We have one (1) TIPS certified trainer on property and plan to have one (1) additional trainer certified by July 1, 2018.

**KANSAS STAR CASINO
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION**

January 12, 2018

BY: Rick Goldstein –Assistant General Manager

Operational Notes

- **December admissions up 10.1% from December 2016.**

Past Arena Events

- **Nov 18 – Big and Rich**
- **Nov 25-26 – Miss Kansas USA Pageant**
- **December 9 – Chris Janson**
- **December 21 - \$120,000 Progressive Payday**
- **December 29 – 2017 Cadillac ATS Giveaway**

Upcoming Events

- **January 27 – 38 Special**
- **February 10 – Rick Springfield**
- **February 16 – Asian Variety Show**
- **March 17 – Collective Soul**

December Revenue #'s

- **Total Gross Gaming Revenue up 9.2% from December 2016.**
- **Slot Coin-In (Handle) up 7.9% from December 2016.**
- **Slot hold (gross) up .12 pts to December 2016.**
- **Table Game drop up 0.8% from December 2016.**
- **Table Game hold is up 2.0 pts vs. December 2016.**
- **Poker Room revenue down 14.6% from December 2016.**

KANSAS STAR CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	December 2017	December 2016	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	13,995,235.26	12,944,430.37	76,752,936.15	74,497,304.83
Table games	2,438,849.51	2,232,031.55	13,019,499.53	13,498,857.66
Other #	<u>4,326.16</u>	<u>5,691.66</u>	<u>11,808.08</u>	<u>15,108.64</u>
Total Lottery Gaming Facility Revenue	<u><u>16,438,410.93</u></u>	<u><u>15,182,153.58</u></u>	<u><u>89,784,243.76</u></u>	<u><u>88,011,271.13</u></u>
State Share 22% (Tier 1)**	3,616,450.40	3,340,073.79	19,752,533.63	19,362,479.65
State Share 2% marginal (Tier 2)**	-	2,402.53	-	2,402.53
Local Share 3%	493,152.33	455,464.61	2,693,527.31	2,640,338.13
Problem Gambling Share 2%	328,768.22	303,643.07	1,795,684.88	1,760,225.42
Casino Share 73%	12,000,039.98	11,080,569.58	65,542,497.94	64,245,825.39

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

Kansas Star Casino

Responsible Gaming Report for July 2017 - December 2017

Employees

During the second half of 2017, Kansas Star Casino processed 159 new team members through new hire orientation. All received the following training courses as part of orientation:

- Responsible Gaming with special emphasis on underage awareness and an overview of the Voluntary Exclusion Program
- Alcohol Awareness

An additional and more intensive alcohol awareness program, ServSafe, is given to all team members in Food and Beverage, Table Games and Security, who interact with customers. It is a three-hour course with a test at the end which team members must pass with at least a 75% score. In the second half of 2017, 90 took this training; 5 failed and will be required to re-take until they pass the course.

Kristi Lubash, Food and Beverage Assistant Manager, is our certified ServSafe trainer and administers the classes.

The property's Responsible Gambling trainers are:

- Alexandria Rodriguez, Human Resources
- Alecia Pray, Human Resources
- Tim Soule, Security

As of December 31, 2017, Kansas Star Casino had 827 active employees.

Ongoing Training

In addition to the training given in new hire orientation, KSC team members undergo annual refresher training in Responsible Gaming. A training sheet was given to all team members, requiring them to read and sign the document, acknowledging that they have reviewed the information and understood the specifics of Responsible Gaming that apply to their job position. If any team members have any questions, they can be referred to HR or Security for help with their questions.

The total amount spent on responsible gaming materials was \$806.38 and \$2,502.24 was spent on ServSafe training manuals.

For Responsible Gaming Education during the month of August, we had several efforts at the property including:

- All team members will wear ribbons for the occasion
- In the Employee Dining Room we have Responsible Gaming messages displayed on tables and TV's and a quiz for each team member to take.
- A sheet cake was provided with the "Get to Know Responsible Gaming' logo.

Daily Application

While all departments and team members are actively involved in preventing underage, intoxicated and self-excluded patrons from entering the casino floor and from gambling if they do gain access, the Security Officers stationed at the gated entrances are the primary method of prevention. They follow the property's policy of checking IDs for people who appear 30 or younger; the statistics for these ID checks during the second half of 2017 are:

- Underage individuals denied gaming floor access: 390
- People denied access for not having ID: 926
- People denied for invalid ID: 1,189
- Intoxicated individuals denied gaming floor access: 269
- VEPs denied access to the gaming floor: 5

Further, there were 390 intoxicated individuals ejected from the casino, 14 VEPs were removed and turned over to the KRGC and the Mulvane Police Department; 4 underage persons were caught and ejected from the casino. Also, 296 persons were removed from the casino for a variety of reasons.

During the second half of 2017, 2,284,735 guests entered the casino floor. Security team members checked 227,017 IDs and 122 ID checks took place on the gaming floor in situations involving suspected minors.

Several other ongoing efforts are noteworthy as the Kansas Star Casino is an active member and participant in the Kansas Coalition on Problem Gambling and the South Central Task Force on Problem Gambling. We also helped to establish a diversion program in Mulvane City Court for VEPs who are arrested for trespassing. This program allows VEPs to avoid prosecution by entering into treatment with a Kansas Certified Gambling Counselor.

HOLLYWOOD CASINO AT KANSAS SPEEDWAY
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
January 12, 2018

BY: RICK SKINNER – VICE PRESIDENT & GENERAL MANAGER

December 2017

Total Gaming Revenue for December 2017 was \$13.2M which was an increase of \$1.1M, or 8.8%, compared to December of 2016.

Slot Revenue was \$11.5M which was an increase of \$950K, or 9.0%, above prior year.

Table Games Revenue was \$1.7M, which was an increase of \$124K, or 7.7%, above last year.

The month of December saw healthy volumes thanks to a positive calendar with five Fridays and Saturdays. In addition, we had several promotions throughout the month including a Bonus Point Weekend, Stuff Your Stocking Event, and our Holly Jolly Lottery Scratch Ticket Giveaway. The month ended with a little bit of a downer as the extremely cold temperatures kept some people at home which negatively impacted our New Years Eve numbers. Overall, it was a great month.

HOLLYWOOD CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	December 2017	December 2016	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	11,504,670.66	10,554,608.13	64,426,251.46	61,447,369.23
Table games	1,720,113.42	1,592,106.41	9,029,355.94	9,565,166.94
Other #	<u>4,629.26</u>	<u>8,947.85</u>	<u>16,667.62</u>	<u>14,238.98</u>
Total Lottery Gaming Facility Revenue	<u><u>13,229,413.34</u></u>	<u><u>12,155,662.39</u></u>	<u><u>73,472,275.02</u></u>	<u><u>71,026,775.15</u></u>
State Share 22%	2,910,470.93	2,674,245.73	16,163,900.50	15,625,890.53
Local Share 3%	396,882.40	364,669.87	2,204,168.25	2,130,803.25
Problem Gambling Share 2%	264,588.27	243,113.25	1,469,445.50	1,420,535.50
Casino Share 73%	9,657,471.74	8,873,633.54	53,634,760.76	51,849,545.86

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

Hollywood Casino at Kansas Speedway
Responsible Gambling Plan Semi-Annual Report
July 1, 2017 thru December 31, 2017

1. Employees

At the end of the reporting period, Hollywood Casino had a total of 677 employees. During the reporting period, 183 employees were hired.

2. Responsible Gaming Training:

All employees hired during the reporting period received initial training on responsible gaming during property orientation. This consisted of approximately 30 minutes dedicated to responsible gaming. All 183 employees successfully completed this training.

Of those new hires, 85 were hired into positions which require additional training to understand the proper procedures for responsible alcohol service. All of those employees successfully completed the TiPS training.

In addition, there were 23 existing employees who attended and successfully completed refresher TiPS training.

The TiPS training which was conducted by one of the 11 certified TiPS trainers on property.

3. Statistics:

To assist in tracking the success of the Responsible Gaming Plan, Hollywood Casino maintains statistics related to responsible gaming. Some of the numbers from the reporting period include:

- Hollywood Casino refused entry to 252 minors who attempted to gain access to the property.
- In addition, Hollywood Casino either refused entry to or removed from the property 352 individuals who appeared to be under the influence of alcohol.
- In addition to training officers to be observant at the casino entrances, Hollywood Casino has procedures in place to identify VEPs when they attempt to cash a check, perform a cash advance, attempt to claim a taxable jackpot, or attempt to create a Marquee Rewards (player club) account. During the reporting period, Hollywood Casino discovered 10 VEPs on property. The local KRGC Agent on Duty was contacted immediately in each of these instances and took custody of the VEP for processing.

KANSAS CROSSING CASINO + HOTEL
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
January 12, 2017

BY: Doug Fisher

Compared to November in December Kansas Crossing Casino experienced;

- 9.4% increase in Slot Handle
- 3.1% increase in Table Drop
- 10% increase in Net Revenue

Promotions + Events

- December
 - 2nd - The second \$25,000 Big Bucks Giveaway
 - 9th - Holiday Invitational Blackjack Tournament
 - 16th - The Kansas Crossing Casino Christmas Promotion
 - 16th - Fort Scott Day
 - 28th - Bank Account Bonanza
 - 30th - Crossing Cash for a Year Giveaway
- January
 - 5th – Envelopes of Cash; All DynaMYte Club Members can select an envelope that contains up to \$1,000 in Cash
 - 13th and 20th – Cast Iron Skillet Giveaway
 - 27th – Winter Wheels; Top prize is a Dodge Durango. In honor of Kansas Day, we will feature a Breakfast Buffet on Saturday January 27th and later, a concert from Clearwater Kansas' own Logan Mize
 - 29th - Kansas Day Fire Floor Hot Seat

The Corral Stage

- December Events
 - 2nd - Tim Meadows
 - 9th – Rolling Thunder, an AC/DC Tribute Show
 - 16th – Million Dollar Christmas
 - 31st – Dueling Pianos.
- Upcoming Events
 - January 19th – Comedians - John Bush and Dwayne Clark
 - January 27th – Country Music Star - Logan Mize

- February 3rd – Winter Dance Party - A tribute to Buddy Holly, Ritchie Valens, and The Big Bopper
- March 3rd – Country/Southern Rock/Hip Hop Artists - The LACS.

KANSAS CROSSING CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	December 2017	December 2016	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	2,406,245.31	-	13,028,747.62	-
Table games	284,352.00	-	1,567,597.00	-
Other #	<u>1,881.05</u>	<u>-</u>	<u>2,369.75</u>	<u>-</u>
Total Lottery Gaming Facility Revenue	<u><u>2,692,478.36</u></u>	<u><u>-</u></u>	<u><u>14,598,714.37</u></u>	<u><u>-</u></u>
State Share 22%	592,345.24	-	3,211,717.16	-
Local Share 3%	80,774.35	-	437,961.43	-
Problem Gambling Share 2%	53,849.57	-	291,974.29	-
Casino Share 73%	1,965,509.20	-	10,657,061.49	-

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

**Responsible Gambling Semi-Annual Report
To KRGC Commission from Kansas Crossing Casino, LC
7/1/2017 to 12/31/17**

Employee Information

253 active team members as of December 31, 2017

72 team members hired since July 1, 2017

2 now inactive (on leave)

Controlling Alcohol Risks Effectively (C.A.R.E.) Training

Out of 213 team members requiring C.A.R.E. training:

207 have been certified

6 are pending certification

New Hire C.A.R.E. classes are held monthly

3 team members are certified C.A.R.E. trainers

Responsible Gambling

100% of our new hired team members have had Responsible Gambling training since July 1, 2017. Annual training for Responsible Gambling is scheduled for February 2018.

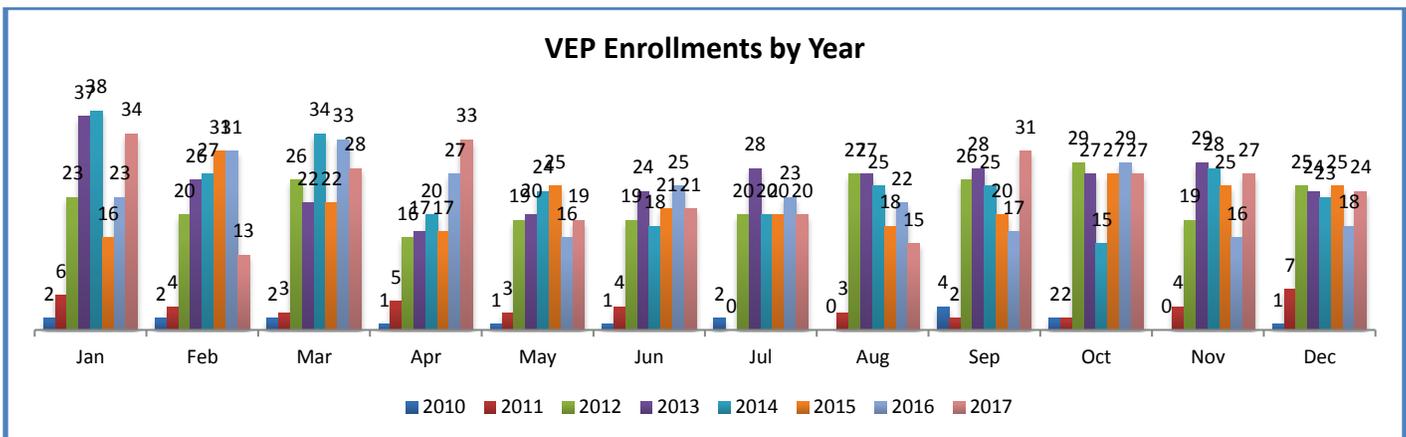
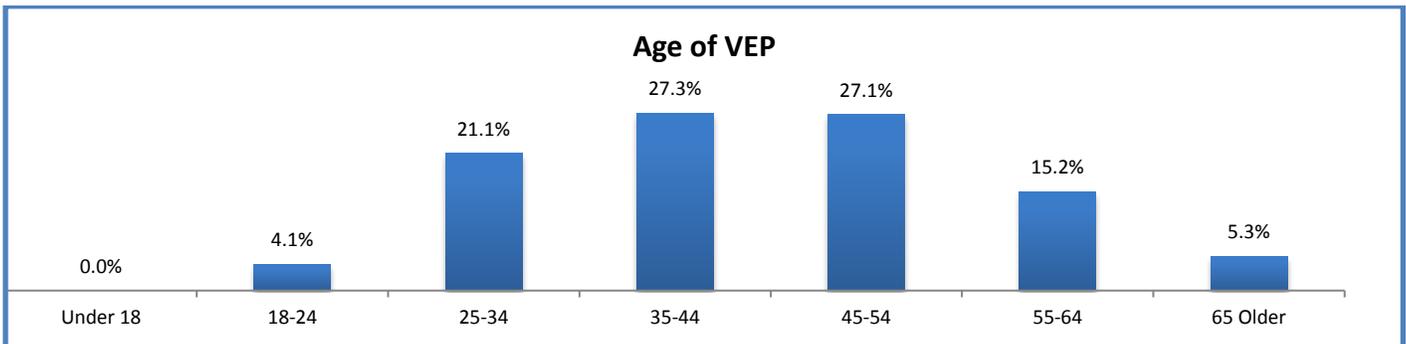
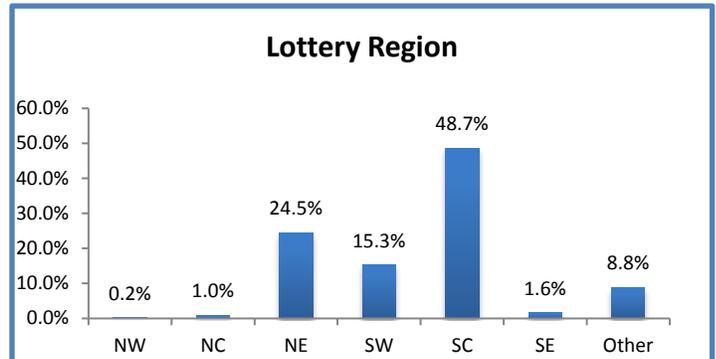
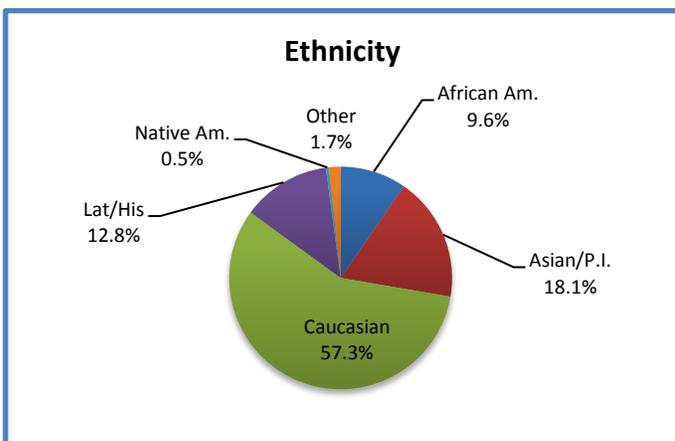
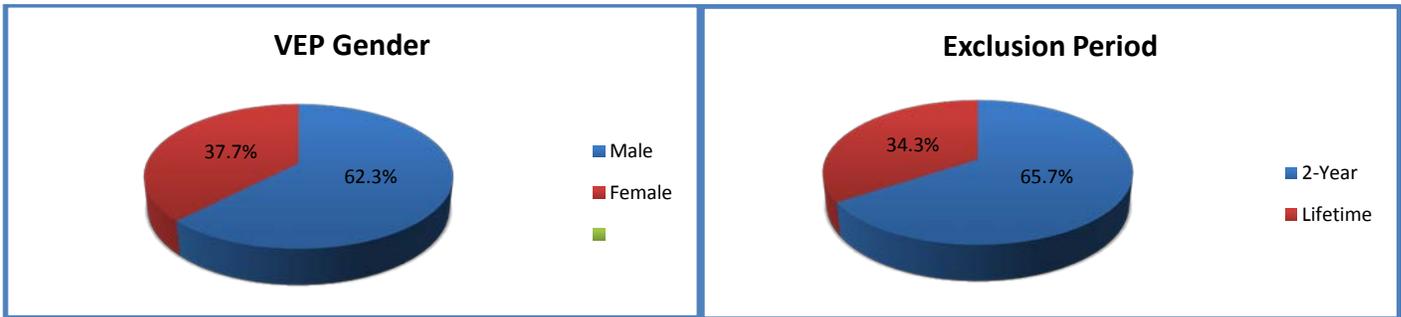
Shannon Tarvin, Kansas Crossing's Compliance Officer, has joined the Southeast Kansas (SEKS) Problem Gambling Task Force. Shannon will be working with the other task force members to help the people in the Southeast Kansas region know what resources are available. The task force will involve the area mental health professionals, clergy, and other counselors with finding solutions and aiding in outreach to individuals with possible gambling addiction.

Security Reports July 1 through December 31, 2017

- 102 minors were refused entry attempting to enter the Casino floor and 2 were removed from the floor.
- 26 patrons seeming impaired were refused entry to the Casino floor.
- 97 patrons seeming impaired were ejected from the Casino floor
- 2 VEPs were excluded from the Casino floor.
- 108 Invalid ID's refused
- 205 No IDs refused

Voluntary Exclusion Program January 2010 – December 2017

Voluntary Exclusions = 1777
Violation Incidents = 205 (168 individuals)



December 2017 Casino Financials

Casino Gaming Revenue for Month Ending December 31, 2017					
Revenue Source	Boot Hill Casino	Kansas Star Casino	Hollywood Casino	Kansas Crossing Casino	Total All Casinos
EGM	\$ 3,114,616	\$ 13,995,235	\$ 11,504,671	\$ 2,406,245	\$ 31,020,767
Table Games	453,930	2,438,850	1,720,113	284,352	4,897,244
Other #	1,962	4,326	4,629	1,881	12,799
Total	\$ 3,570,507	\$ 16,438,411	\$ 13,229,413	\$ 2,692,478	\$ 35,930,810

Cumulative Casino Gaming Revenue for Month Ending December 31, 2017					
Fiscal Year	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
2010	\$ 20,663,987	\$ -	\$ -	\$ -	\$ 20,663,987
2011	40,055,280	-	-	-	40,055,280
2012	43,886,501	98,855,928	54,622,687	-	197,365,116
2013	43,353,504	192,187,166	124,993,721	-	360,534,391
2014	39,906,275	181,079,650	132,036,392	-	353,022,317
2015	40,513,186	181,754,051	142,759,065	-	365,026,302
2016	38,937,088	181,600,677	143,833,330	-	364,371,095
2017	40,222,932	178,105,968	144,582,037	8,206,260	371,117,197
2018	19,780,891	89,784,244	73,472,275	14,598,714	197,636,124
Total Since Opening	\$ 327,319,644	\$ 1,103,367,684	\$ 816,299,507	\$ 22,804,974	\$ 2,269,791,809

Fund Distribution FY 2018					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
State of Kansas	\$ 4,351,796	\$ 19,752,534	\$ 16,163,901	\$ 3,211,717	\$ 43,479,947
Local Governments	593,427	2,693,527	2,204,168	437,961	5,929,084
Problem Gambling and Addictions Fund	395,618	1,795,685	1,469,446	291,974	3,952,722
Casino Manager	14,440,050	65,542,498	53,634,761	10,657,061	144,274,371
Total	\$ 19,780,891	\$ 89,784,244	\$ 73,472,275	\$ 14,598,714	\$ 197,636,124

Fund Distribution Since Opening					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
State of Kansas	\$ 72,010,321.67	\$ 242,740,890.43	\$ 179,585,891.54	\$ 5,017,094.36	\$ 499,354,198.01
Local Governments	9,819,589.32	33,101,030.51	24,488,985.21	684,149.23	68,093,754.27
Problem Gambling and Addictions Fund	6,546,392.88	22,067,353.68	16,325,990.14	456,099.49	45,395,836.18
Casino Manager	238,943,340.10	805,458,409.14	595,898,640.12	16,647,631.29	1,656,948,020.66
Total	\$ 327,319,643.97	\$ 1,103,367,683.76	\$ 816,299,507.02	\$ 22,804,974.37	\$ 2,269,791,809.12

**Unaudited-as reported by the Kansas Lottery Central Computer system.*

#Other sweeps, principally lost and found funds.

All Departments		Cash Fund Balances as of December 31, 2017															
DeptID	All	ELARF				Backgrounds				Illegal Gambling				Racing			
All Funds		Beg. Balance	4,227,066			Beg. Balance	315,957			Beg. Balance	15,326			Beg. Balance	69,292		
		Revenue	2,704,338			Revenue	65,358			Revenue	-			Revenue	1,013		
		Expenses	2,863,140			Expenses	83,661			Expenses	145			Expenses	463		
		End Balance	4,068,264			End Balance	297,655			End Balance	15,181			End Balance	69,842		
Fund	BudgetUnit	Grand Total All Funding Sources															
		YTD FY2017 ACTUALS	YTD FY2018 ACTUALS	\$ VARIANCE	% VARIANCE	December FY2017 ACTUALS	December FY2018 ACTUALS	\$ VARIANCE	% VARIANCE	YTD FY2018 BUDGET	YTD FY2018 ACTUALS	\$ VARIANCE	% VARIANCE				
51000	Payroll	2,222,057	2,511,180	289,122	13%	500,430	582,924	82,493	16%	3,179,845	2,511,180	-668,665	-21%				
10	Shrinkage	0	0	0	0%	0	0	0	0%	-89,248	0	89,248	-100%				
Net Salaries and Wages		2,222,057	2,511,180	289,122	13%	500,430	582,924	82,493	16%	3,090,597	2,511,180	-579,417	-19%				
52000	Communication	35,272	35,780	508	1%	7,559	4,198	-3,361	-44%	42,600	35,780	-6,820	-16%				
52100	Freight and Express	1,439	1,015	-425	-30%	13	3	-10	-76%	675	1,015	340	50%				
52200	Printing and Advertising	0	0	0	0%	0	0	0	0%	725	0	-725	-100%				
52300	Rents	106,429	111,244	4,815	5%	437	351	-86	-20%	120,575	111,244	-9,331	-8%				
52400	Repair/Service/Mainten	7,415	15,718	8,302	112%	262	273	11	4%	27,854	15,718	-12,136	-44%				
52510	InState Travel and Subsistence	34,214	20,535	-13,679	-40%	13,445	2,258	-11,187	-83%	41,172	20,535	-20,637	-50%				
52520	Out of State Travel and Subsistence	11,190	24,958	13,769	123%	344	0	-344	-100%	34,645	24,958	-9,687	-28%				
52530	International Travel and Subsistence	0	0	0	0%	0	0	0	0%	0	0	0	0%				
52600	Fees-Other Services	162,022	141,613	-20,409	-13%	37,216	6,229	-30,988	-83%	162,337	141,613	-20,724	-13%				
52700	Fee-Professional Services	2,893	6,662	3,769	130%	153	0	-153	-100%	64,850	6,662	-58,188	-90%				
52900	Other Contractual Services	4,458	3,664	-795	-18%	0	50	50	0%	7,347	3,664	-3,683	-50%				
Subtotal Contractual Services		365,333	361,188	-4,145	-1%	59,427	13,362	-46,066	-78%	502,780	361,188	-141,591	-28%				
53200	Food for Human Consumption	0	7	7	0%	0	0	0	0%	0	7	7	0%				
53400	Maint Constr Material Supply	2,458	339	-2,119	-86%	648	111	-537	-83%	1,750	339	-1,411	-81%				
53500	Vehicle Part Supply Accessory	2,868	2,773	-95	-3%	622	0	-622	-100%	13,428	2,773	-10,655	-79%				
53600	Pro Science Supply Material	371	166	-205	-55%	371	0	-371	-100%	13,380	166	-13,214	-99%				
53700	Office and Data Supplies	21,187	7,408	-13,779	-65%	5,729	757	-4,972	-87%	37,550	7,408	-30,142	-80%				
53900	Other Supplies and Materials	13,805	5,365	-8,439	-61%	8,364	112	-8,252	-99%	4,078	5,365	1,288	32%				
Subtotal Commodities		40,689	16,058	-24,630	-61%	15,734	980	-14,755	-94%	70,185	16,058	-54,127	-77%				
54000	TOTAL Capital Outlay	136,008	3,234	-132,773	-98%	527	0	-527	-100%	65,150	3,234	-61,916	-95%				
55960	Vol Retirement Incentive	523	0	-523	-100%	0	0	0	0%	0	0	0	0%				
56000	Debt Service - Principal	0	0	0	0%	0	0	0	0%	0	0	0	0%				
56100	Payments for Interest and Service	0	0	0	0%	0	0	0	0%	0	0	0	0%				
Subtotal VRIP and Debt Service		523	0	-523	-100%	0	0	0	0%	0	0	0	0%				
Grand Total		2,764,610	2,891,660	127,051	5%	576,119	597,265	21,146	4%	3,728,711	2,891,660	-837,051	-22%				

*This report has not been audited by the State of Kansas and is intended solely for the use of the Executive Director of the Kansas Racing and Gaming Commission.



Kansas Racing and Gaming Commission
 700 SW Harrison, Suite 500, Topeka, Kansas 66603
 (785) 296-5800, Fax (785) 296-0900

STAFF AGENDA MEMORANDUM

MEETING DATE: January 12, 2018
AGENDA ITEM: Quarterly Reports on (1) staff out-of-state travel, (2) licensing and (3) illegal gambling
PRESENTER: Don Brownlee

To ensure that it is being consistent and efficient, the commission has requested quarterly updates on out-of-state travel, licensing matters, and illegal gambling efforts.

I. OUT-OF-STATE TRAVEL

The quarterly out-of-state travel report includes the employees who traveled and the purpose of the trip and the total expenses incurred for the trip. Because the Commission maintains its background investigation details as highly confidential, the quarterly travel report does not include out-of-state trips for investigative or targeted purposes.

For the fourth quarter (October through December) of 2017, commission staff out-of-state travel includes:

Purpose of Trip	Traveler	Dates	Destination	Registration	Total
G2E Gaming Conference	Judy Taylor	10/02/17 – 10/06/17	Las Vegas, NV	-	\$1,926.86
G2E Gaming Conference	John Connett	10/02/17 – 10/06/17	Las Vegas, NV	-	\$2,020.25

LICENSING

Objectives of the commission include conducting timely, but thorough, background investigations on all gaming employees, management contractors, manufacturers and distributors seeking licensure at lottery gaming facilities located in this state. Background investigations are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors. Following is the licensing report for the October through December 2017 quarter. The three previous quarters are included for comparison purposes.

	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
VENDORS, SUPPLIERS, MANAGERS:				
Corporate permanent licenses approved	1	0	7	7
Corporate temporary licenses approved*	3	0	2	2
Corporate employee licenses approved	49	100	124	124
Corporate renewal licenses approved	6	4	105	105
Corporate employee licenses renewed	117	131	80	80
Corporate employee licenses denied	0	2	2	2
BOOT HILL CASINO EMPLOYEE LICENSES				
Permanent license approvals	28	30	17	27
Temporary license approvals*	8	16	15	16
Renewal license approvals	29	34	7	21
Licenses denied	1	0	0	0
HOLLYWOOD CASINO EMPLOYEE LICENSES				
Permanent license approvals	96	90	36	60
Temporary license approvals*	82	74	58	85
Renewal license approvals	87	132	31	64
Licenses denied	4	6	4	3
KANSAS STAR CASINO EMPLOYEE LICENSES				
Permanent license approvals	65	107	50	49
Temporary license approvals*	60	51	108	71
Renewal license approvals	103	109	42	58
Licenses denied	1	2	1	0
KANSAS CROSSING CASINO EMPLOYEE LICENSES				
Permanent license approvals	21	60	110	40
Temporary license approvals*	44	17	1	0
Renewal license approvals	0	2	28	325
Licenses denied	0	4	2	0

*Temporary licenses approved will still need to be permanently approved in future quarter(s) once all backgrounding activities are completed.

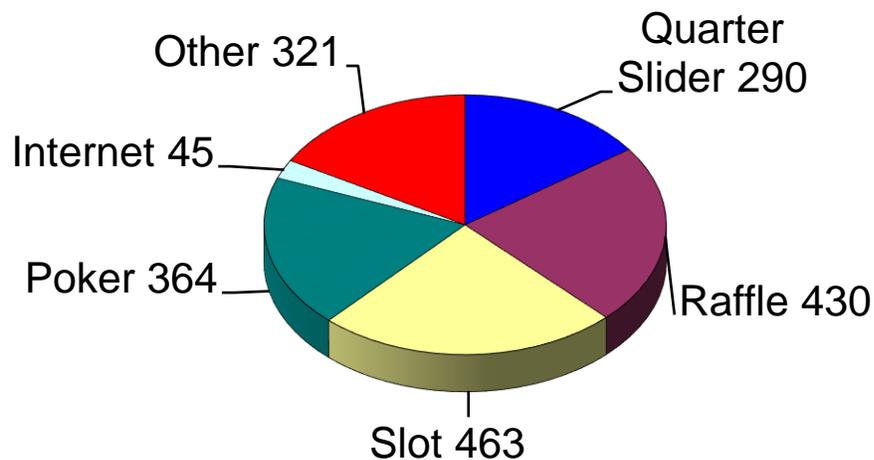
II. ILLEGAL GAMBLING

Following passage of expanded gaming in Kansas, the Kansas Racing and Gaming Commission has been the go-to resource for local law enforcement, prosecutors and the public on illegal gambling questions, education and complaints. The KRGC responds to email and phone complaints and inquiries, conducts continuing legal education seminars for prosecutors, assists local law enforcement agencies with illegal gambling investigations, and conducts civil seizures of illegal gambling devices for forfeiture, all in an effort to curtail illegal gambling in bars, restaurants, convenience stores and other venues throughout Kansas.

Since 2008, the Commission has received 1,913 total illegal gambling-related questions or complaints from the general public. During the fourth quarter of 2017, the Commission received thirty-five (35) calls and emails from the general public, down nine (9) from the previous quarter and up sixteen (16) from the fourth quarter of 2016.

Of the thirty-five calls and emails received in Q-4, eleven (11) involved raffles; five (5) involved quarter sliders; eight (8) involved slot machines; three (3) involved poker tournaments; and eight (8) involved other types of gambling. Of the eight (8) other calls received, two (2) involved bingo; three (3) involved casino nights as a fundraiser; and three (3) were general gambling inquiries.

Breakdown of illegal gambling inquiries and complaints to-date:



The above chart does not reflect calls and activity related to the following:

- Reports made to KRGC agents by other law enforcement officers around the state.
- Discussions with local law enforcement and district and county attorneys regarding the legal aspects of illegal gambling and the services that KRGC can provide.
- Time spent by agents and legal counsel to assist in active local investigations and prosecutions.
- Time spent pursuing seizures and forfeitures of illegal gambling devices.
- Inquiries from the public that are answered through access to KRGC’s Illegal Gambling Frequently Asked Questions (FAQs) web page. KRGC updated the FAQs portion of the webpage

in late January 2014. During the four years since KRGC began tracking the new page, there have been a total of 10,011 unique page views. A total of 590 unique page views were made during the fourth quarter of 2017. The Illegal Gambling FAQs page can be found here: <http://www.krgc.ks.gov/index.php/racing-gaming-law/illegal-gambling/faq-s-2> . It may also be accessed from the KRGC main page (www.krgc.ks.gov) by selecting Public Info/Illegal Gambling FAQ's from the drop down menu option.

During the fourth quarter of 2017, the KRGC also:

- participated in an interview with a Topeka news station about illegal gambling devices;
- met with the Topeka Police Department and Shawnee Sheriff's Office about illegal gambling;
- seized two illegal gambling machines from Rush Center, Kansas;
- testified at two preliminary hearings in Sedgwick County for illegal gambling devices; and
- served two warrants on ten illegal gambling devices in Wichita, Kansas.

January - December, 2018

Kansas Racing and Gaming Commission Planner

Jan 2018

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JANUARY
12 Commission Meeting

Jul 2018

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY
16 Commission Meeting

Feb 2018

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH
16 Commission Meeting

Aug 2018

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL
13 Commission Meeting

Mar 2018

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

MAY
11 Commission Meeting

Sep 2018

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JUNE
15 Commission Meeting

Apr 2018

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY
13 Commission Meeting

Oct 2018

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST
10 Commission Meeting

May 2018

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER
14 Commission Meeting

Nov 2018

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER
12 Commission Meeting

Jun 2018

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

NOVEMBER
16 Commission Meeting

Dec 2018

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

DECEMBER
14 Commission Meeting